

A Sampler of State-Local Fiscal Reform Ideas

- ✓ **Lower voting requirements for local taxes.** Require a majority vote of the governing board and a majority of the voters to increase taxes or pass general obligation bonds (for projects consistent with a multi-agency capital outlay plan). - *California Constitution Revision Commission*
- ✓ **Encourage Regional Tax Sharing.** To neutralize the effects of fiscal considerations on urban growth policy choices, local governments within a region should be encouraged to share revenues on a regional basis. – *Speaker’s Commission on Regionalism*
- ✓ **The Swap.** Swap a portion of the locally levied sales tax for an equal amount of property tax. - *Speaker’s Commission on State and Local Government Finance*
- ✓ **Switch to a population based sales tax allocation system.** Phase out the situs-based sales tax in favor of a population-based sales tax allocation plan. - *State Controller’s SMART Report*
- ✓ **Adopt a Split Roll.** Reassess commercial property at market value; residential property would remain under an acquisition value assessment system. – *California Tax Reform Association*
- ✓ **Adopt a State/County Service Compact.** A common, bilaterally written compact would spell out roles, responsibilities, duties, work programs, finances, community outcomes, performance indicators, and evaluation systems and would govern each state/county partnership service program. - *Speaker’s Commission on State and Local Government Finance*
- ✓ **Create a secretary for local government affairs.** Create a cabinet-level position to improve the coordination of services, provide a focal point for services administered by the state and maintain compacts and other agreements with counties. – *California State Association of Counties*
- ✓ **Adopt a Realignment Process.** Require the governor to submit a State-Local Realignment Plan proposing the alignment of state and local services. The plan would be adopted by the legislature and reviewed and updated every four years. - *California Constitution Revision Commission*
- ✓ **Realign State/Local Responsibilities.** Realign the responsibilities of state and local government. The separation between state and local duties should be maximized; program responsibility should be transferred to the level of government closest to the people; the state should be responsible for programs where uniformity is important; program funding and control should be at the same level of government; financial incentives should be used to promote intergovernmental coordination. – *Legislative Analyst’s Office*
- ✓ **Require “County” Budgets.** Encourage counties to implement county budgets that, to the extent feasible, distinguish the role of the county in providing countywide services from its “urban service” responsibilities for unincorporated areas of the county. - *Speaker’s Commission on State and Local Government Finance*
- ✓ **Require County/Regional Charters.** Require each county (or multi-county area) to initiate a process to examine their current governance structure, methods of service delivery, and assignment of responsibilities and powers. The results of this examination should result in adoption of a Government Services Plan and a Home Rule Community Charter. - *California Constitution Revision Commission and Speaker’s Commission Regionalism*