



Memorandum

TO: RULES AND OPEN GOVERNMENT COMMITTEE

FROM: Councilmember Campos
Councilmember Cohen
Councilmember Kamei
Councilmember Tordillos

SUBJECT: SEE BELOW

DATE: June 10, 2026

Approved:

Date:

6/4/2026    

SUBJECT: Oppose Position on Ballot Measure Limiting Ability of Voters to Raise Revenues for Local Government Services.

RECOMMENDATION:

Declare San Jose to have an Oppose position on Limits Ability of Voters to Raise Revenues for Local Government Services. Initiative Constitutional Amendment.

BACKGROUND:

A ballot measure has qualified for the 2026 November ballot that would make it harder for local jurisdictions to pass revenue measures and also invalidate previously passed measures for many jurisdictions across the state. The Secretary of State has assigned the initiative number 1983 (25-0006A1) and titled it “Limits Ability of Voters to Raise Revenues for Local Government Services. Initiative Constitutional Amendment.”

If approved, the measure would increase the voter threshold for locally proposed special taxes from a simple majority to a two-thirds vote and prohibit local real estate transfer taxes beyond

those already authorized by state law¹. Most concerning, the initiative would apply retroactively, potentially invalidating numerous voter-approved local revenue measures that were lawfully adopted under existing constitutional standards. This unprecedented approach would overturn decisions already made by voters in jurisdictions throughout the State of California, devastating budgets across cities, counties and special districts by retroactively revoking taxes that passed by simple majority.

For San Jose, the measure poses a direct threat to Measure E, the City's real property transfer tax approved by voters in 2020. Measure E generates critical funding and unlocks additional state resources for affordable housing production, homelessness prevention programs, and services for residents experiencing homelessness. Eliminating this revenue source would significantly undermine the City's ability to address some of its most urgent challenges that voters explicitly approved. Our work to address homelessness and build affordable housing would be decimated if the initiative were to pass. The City cannot fill the gap following the elimination of Measure E revenues, given the projected total five-year cumulative budget shortfall of \$63.5 million, with \$50.3 million beginning in Fiscal Year 2026-2027.²

California voters have repeatedly entrusted local communities to determine how to fund services and infrastructure that meet their unique needs. By retroactively overturning voter-approved measures and imposing additional barriers to future local revenue decisions, the initiative would weaken the ability of San Jose to respond to local needs and maintain essential public services. San Jose has always firmly stood against attempts like these which seek to override the will of the voters and could endanger essential services for our residents and our partner agencies. Recognizing these concerns, the League of California Cities at its March Board meeting officially opposed the ballot measure by unanimous vote³. Given the potential impacts on the City's fiscal stability, it is important that San Jose join the growing coalition in opposition and protect local revenues that are vital for operation.

¹ California Secretary of State Initiative No. 1983, "Limits Ability of Voters to Raise Revenues for Local Government Services. Initiative Constitutional Amendment." The measure would require voter-proposed local special taxes to receive two-thirds voter approval, prohibit charters cities from imposing real estate transfer taxes beyond those authorized by state law, and invalidate certain existing voter-approved taxes that do not meet those requirements. See: [https://ballotpedia.org/California_Two-Thirds_Vote_Requirement_for_Special_Taxes_and_Charter_City_Real_Estate_Transfer_Tax_Prohibition_Initiative_\(2026\)](https://ballotpedia.org/California_Two-Thirds_Vote_Requirement_for_Special_Taxes_and_Charter_City_Real_Estate_Transfer_Tax_Prohibition_Initiative_(2026))

² 2026-2027 Proposed Operating Budget. See: <https://www.sanjoseca.gov/home/showpublisheddocument/131102/639132829296549580>

³ Board meeting minutes/recording

The signers of this memorandum have not had, and will not have, any private conversation with any other member of the City Council, or that member's staff, concerning any action discussed in the memorandum, and that each signer's staff members have not had, and have been instructed not to have, any such conversation with any other member of the City Council or that member's staff.