

California

PROPERTY TAX INFORMATION



A Special Tax is a tax imposed for a specific purpose. Special taxes must be approved by a 2/3rds majority of the qualified voters in the service area.

www.californiataxdata.com

100 Pacifica, Suite 470
Irvine, California 92618
Tel 949-789-0660
Fax 949-788-0280

What are Special Taxes?

General Information:

Subdivision (d), Section 1, Article XIII C of the California Constitution states that a "Special Tax" means any tax imposed for specific purposes, including a tax imposed for special purposes, which is placed into a general fund. Special Taxes must be approved by a 2/3rds majority of the qualified voters in the service area, which is usually the jurisdictional area of the local government agency that initiates the Special Tax.

A Special Tax is considered a type of tax—not a fee, charge or special assessment. Therefore, the amount of the special tax is not limited to the relative benefit it provides to property owners or taxpayers. Typically, they are levied on a per parcels basis either according to the square footage of the parcel or on a flat charge, although the law usually provides flexibility to levy the special tax on any "reasonable basis". However, Special Taxes cannot be imposed on an ad valorem (property value) basis.

Under Proposition 218, a special tax is subject to reduction or repeal by popular initiative. An initiative campaign may be launched at any time after approval of the special tax.

Special taxes can be used to finance various public improvements and services. Common types of special taxes are discussed below:

Special Taxes for Public Libraries:

Special Taxes created by a City, County or Library District pursuant to Government Code §53717-53717.6 can provide financing for public library facilities and services. These Special Taxes may be applied on a uniform basis, on the basis of benefit, the cost of providing service or any other "reasonable" basis.

Special Taxes for Hospitals:

Special Taxes created by a Hospital District pursuant to Government Code §53730.01-53730.02 can provide financing for hospital facilities and services. These Special Taxes may be applied on a uniform basis, on the basis of benefit, the cost of providing service or any other "reasonable" basis.

Special Taxes for Schools:

Special Taxes created by a School District pursuant to Government Code §50079-50079.5 can provide financing for public school facilities. These Special Taxes may be applied on a uniform basis, on the basis of benefit, the cost of providing service or any other "reasonable" basis. An exemption for taxpayers 65 years or older can be included in this type of Special Tax.

Special Taxes for Protection Services:

Special Taxes may be created by any local government agency that provides fire protection services, fire prevention services or police protection services (either directly or by contract with another agency) pursuant to Government Code §53970 *et seq.* Prior to placing the tax proposal on the ballot, the agency must adopt an ordinance describing the rate of taxation and the maximum Special Tax that may be levied annually. The Special Taxes must be levied on a per parcel, class of improvement or use of property basis and may be varied to each parcel, improvement or use of property based on the degree of availability of fire or police service in the affected area. The Special Tax does not need to be imposed on the entire jurisdictional area of the local government that establishes the Special Tax. In addition to financing facilities and equipment for fire or police protection, the Special Tax may be used to provide fire or police protection services, including the cost of salaries and benefits of protection personnel and related expenses.

