



INLAND EMPIRE  
Chamber Alliance

Date: July 27, 2023

To: The Honorable Chris Holden  
Chair, Assembly Appropriations Committee  
1021 O Street  
Suite 8220  
Sacramento, CA

CC: Members, Assembly Appropriations Committee

*Delivered Electronically*

**RE: OPPOSITION to ACA 1 (Aguilar-Curry)**

The Inland Empire Chamber Alliance is **OPPOSED to ACA 1**, which proposes a change in the tax approval process for local governments in California. Comprising Chambers of Commerce and business councils from the Inland Empire region, the IECA aims to provide valuable input and actively participate in the formulation of State Laws and Regulations on behalf of the regional business community. Collaboratively, the IECA advocates for the interests of the Inland Empire, presenting a unified standpoint on legislative and regulatory matters that hold substantial impact on the local economy. The IECA is dedicated to advocating for statewide legislative and policy matters. We strive to tackle a wide range of concerns that affect the Inland Empire's economic well-being, education and workforce development, healthcare, homelessness, water and environmental conservation, transportation infrastructure, and other important challenges our region encounters. As ACA 1 stands, it seeks to permit to raise taxes (such as parcel taxes, sales/use taxes, and Mello-Roos taxes) with the approval of 55 percent of the electorate, instead of the current requirement of a two-thirds vote, but only if the taxes revenue is designated for public infrastructure or affordable housing, as defined in the measure.

Enhancing infrastructure and expanding housing availability are crucial objectives, but imposing higher taxes on working Californians contradicts the aim of creating a more affordable state for everyone. Regrettably, we must oppose ACA 1 due to the following reasons.

1. **Increases Housing Costs and the Cost of Living:** Elevated sales tax would increase the expenses of home construction and everyday necessities for homeowners and renters alike.
2. **Voters Support Retaining the Two-Thirds Vote Requirement:** Consistent public opinion polling indicates strong support for a two-thirds vote requirement when it comes to local taxes. A March 2018 study conducted by the Public Policy Institute of California revealed that voters across all demographics favored two-thirds vote.
3. **Promotes a Flawed and Regressive Tax Structure:** California stands as the sole state permitting a local add on parcel tax. ACA 1 seeks to proliferate the usage of parcel taxes

across the state. However, there is currently a lack of oversight in place to establish a comprehensive structure for these taxes. Consequently, they tend to be regressive and distortionary, often failing to consider a taxpayer's ability to pay.

4. Erodes Taxpayer Safeguards: Over forty years ago, in response to increasing taxes, California overwhelmingly passed Proposition 13. Its primary objectives were to place a check on local governments' taxing authority and to ensure that those subject to taxation have a more significant say in the matter.
5. Harms California Workers: In recent years, numerous employers have opted to leave California after comparing the operating costs in our state with those of other states. The relocation of these companies and their workforce to states with lower costs has had a significant impact on state and local tax revenue, resulting in unemployment for those workers who were unable to relocate. This situation serves as a clear indicator that California needs to find ways to enhance competitiveness.

For the preceding reasons, we must **OPPOSE ACA 1**. Should you have any inquiries or wish to delve further into our stance, please feel free to reach out to Benjamin Lopez at 909.908.9793 or via email at [BLopez@ieep.com](mailto:BLopez@ieep.com). We appreciate your attention.



Benjamin G. Lopez  
Director of Public Policy and Advocacy

**Inland Empire Chamber Alliance:**

Beaumont Chamber of Commerce  
Big Bear Chamber of Commerce  
Chino Valley Chamber of Commerce  
Corona Chamber of Commerce  
Fontana Chamber of Commerce  
Greater Coachella Valley Chamber of Commerce  
Greater High Desert Chamber of Commerce  
Greater Ontario Business Council  
Hemet / San Jacinto Chamber of Commerce  
Highland Area Chamber of Commerce  
Inland Empire Economic Partnership  
Menifee Valley Chamber of Commerce  
Moreno Valley Chamber of Commerce  
Murrieta / Wildomar Chamber of Commerce  
Perris Valley Chamber of Commerce  
Pomona Chamber of Commerce

Rancho Cucamonga Chamber of Commerce  
Temecula Valley Chamber of Commerce  
Redland Chamber of Commerce  
Upland Chamber of Commerce

CC: Asm. Megan Dahle  
Asm. Isaac Bryan  
Asm. Lisa Calderon  
Asm. Wendy Carrillo  
Asm. Diane Dixon  
Asm. Mike Fong  
Asm. Gregg Hart  
Asm. Josh Lowenthal  
Asm. Devon Mathis  
Asm. Diane Papan  
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