

Proposition 26 Exceptions

1. Charges for a Specific Benefit or Privilege.

These are charges imposed for a specific benefit or privilege that specifically improves the payer's well-being or provides assistance to that payer. The charge may not exceed the reasonable costs to the government of providing the service or product. Examples include land use approval fees, street closure permits and parking permits.

2. Charges for a Specific Government Service or Product.

These are charges that benefit the payer due to government labor. A product is provided directly to the payer that is specifically requested by that payer and not provided to anyone who does not pay that charge. The charge may not exceed the reasonable costs to the government of providing the service or product. Examples include photocopying charges, fees for recreational classes, ambulance transport fees.

3. True Regulatory Charges.

These are charges imposed for reasonable regulatory costs relating to the issuance of permits, performing investigations, inspections, audits, and enforcing agricultural orders. The charge may not exceed the reasonable costs to the government of providing the service or product. Examples include building permits, business permits, and administrative enforcement of permits and licenses.

If the charge imposed under any of the above three exceptions does exceed the reasonable costs to the government of imposing it, the charge is no longer subject to one of the exceptions and would be a tax subject to voter approval.

4. User Charges.

These are charges imposed for the use of state or local government property or the purchase, rental or lease of such property. Examples include franchise fees for which rights to use government property are provided, park entrance fees, and governmental facility/property rental fees.

5. Fines and Penalties.

This is any fine or penalty imposed by the state courts or any local governmental entity for violations of the law. Examples include code enforcement fines, library late return penalties, and late payment penalties.

6. Developer Charges.

These are charges imposed as a condition of property development. Such charges may only be imposed on those seeking approval to develop property. Examples include grading permits and developer impact fees.

7. Benefit Assessment and Property Related Charges.

This is commonly referred to as the Proposition 218 exception and it refers to property assessment and property-related fees that are already subject to the approval requirements of Proposition 218. Examples include water and sewer rates.