



Office of the Los Angeles City Attorney
Hydee Feldstein Soto

REPORT NO. R26-0342
JUNE 15 2026

REPORT RE:

**DRAFT ORDINANCE AND BALLOT RESOLUTION RELATED TO A CERTIFIED
INITIATIVE PETITION REGARDING FUNDING FOR THE LOS ANGELES FIRE
DEPARTMENT THROUGH A ONE-HALF PERCENT SALES TAX**

The Honorable City Council
of the City of Los Angeles
Room 395, City Hall
200 North Spring Street
Los Angeles, California 90012

Council File No. 26-1100-S8

Honorable Members:

The City Clerk has presented the City Council with a certified initiative petition in support of a proposed ordinance that would provide funding for the Los Angeles Fire Department (LAFD) through a one-half percent sales tax. The City Charter requires the City Council to take certain action upon presentation of a certified initiative petition. This report summarizes the background of the initiative petition, the provisions of the proposed ordinance, and the City Council's options under the Charter. Accompanying this report are a draft election ordinance and ballot resolution to facilitate City Council action on this initiative petition and placement of the initiative ordinance on the November 3, 2026 ballot.

Background

On May 12, 2026, a group of proponents submitted an initiative petition to the City Clerk containing voter signatures in support of a proposed ordinance that would



provide funding for the LAFD through a one-half percent sales tax. The City Clerk subsequently coordinated with the County Registrar to review the signatures on the initiative petition. The County Registrar has completed that examination and determined that the petition contains a sufficient number of valid voter signatures to qualify for presentation to the City Council. The City Clerk transmitted the Certification of Sufficiency to the City Council on June 10, 2026.

Summary of the Proposed Ordinance

The ordinance proposed by the initiative petition would levy an additional new one-half percent (0.5%) transaction and use tax (Sales Tax) in the City of Los Angeles. The initiative ordinance would require that proceeds from this new Sales Tax be used to provide funding support for the Los Angeles Fire Department (LAFD) as described further below.

This new Sales Tax would be in addition to the sales taxes already in place in the City. Presently, commercial transactions in the City are subject to a sales and use tax rate of 9.75 percent. Included in the City's present sales and use tax rate are rates from the Bradley-Burns Uniform Local Sales and Use Tax Law of 1955¹ and the State's Transactions and Use Tax Law. The State's Transactions and Use Tax Law allows counties and cities to levy an additional sales tax of not more than two percent for general or specific purposes.² This two percent "cap" is shared between the City and the County of Los Angeles (County).

Currently, of the two percent combined sales tax rate permissible under State law, one percent has already been levied by the County, which is included in the current City sales and use tax rate, for transportation uses.³ The Sales Tax proposed by this LAFD-focused initiative ordinance would claim one-half percent of the remaining one percent of the cap.⁴

The one-half percent Sales Tax proposed by the initiative ordinance would be imposed beginning approximately 110 days after voter approval of the ordinance. The Sales Tax remains eligible to be imposed per the terms the ordinance until repealed by the voters.⁵

¹ The City's one percent Bradley-Burns tax is codified in Article 1.6, Chapter II of the Los Angeles Municipal Code.

² See Rev. & Tax Code § 7251.1. Under State law, certain County of Los Angeles transactions and uses taxes that have been enacted are excluded and not taken into account in computing the 2 percent cap. See Rev. & Tax Code §§ 7286.01 and 7286.40; See Public Utilities Code § 130350.7(h).

³ See Los Angeles County Metropolitan Transportation Authority Administrative Code §§ 3-05--040 and 3-10-010,020.

⁴ Los Angeles County Measure ER, a one-half percent sales tax on the June 2026 ballot, is excluded from the two percent cap under Assembly Bill 1768 (effective June 1, 2026).

⁵ The proposed ordinance will add a new Article 1.20 to Chapter II of the Los Angeles Municipal Code.

The initiative ordinance provides that the Sales Tax shall not be imposed in any fiscal year that the City fails to maintain LAFD's average discretionary budget of the ten fiscal years preceding the operative date of the ordinance (Baseline Period). Should the City thus maintain LAFD discretionary budget as measured against the Baseline Period for a fiscal year, the Sales Tax will then be imposed beginning the fiscal year for which the discretionary budget relates in line with supplemental funding nature of the Sales Tax.

Proceeds of the Sales Tax are to be deposited into a special fund, to be used for the purposes authorized by the initiative ordinance. For example, the proceeds may be used for the following purposes:

- Hiring and retaining firefighters, paramedics, and civilian LAFD staff
- Purchasing and maintaining vehicles to support firefighting such as fire trucks, fire engines, ambulances, aircraft, and helicopters;
- Purchasing and maintaining equipment to support firefighting and rescue services;
- Replace, upgrade and build fire stations and emergency medical services facilities, the construction of which are to be subject to project labor agreements and prevailing wage requirements; and
- Purchasing and maintaining emergency communication systems; and

To facilitate accountability, the ordinance establishes a citizens' oversight committee (COC) to ensure the proceeds of the Sales Tax are spent in accordance with the purposes of the ordinance. The COC shall consist of five members drawn from residents of the City. The Mayor, the LAFD Fire Chief, City Controller, the City Administrative Officer, and the Chair of the City Council Public Safety Committee, are each given the authority to appoint one member to the COC. The COC is to review expenditures and accounts of the special fund and issue reports to the Mayor, City Council, Board of Fire Commissioners, and public, at least annually. The COC will not have any role over contracting, spending priorities, or project management.

If adopted by the voters, Council's authority to amend the ordinance is qualified. Only amendments that meet the following criteria may be adopted by Council without voter approval:

- the amendment is strictly necessary to implement or administer the ordinance;
- the amendment does not alter the rate or duration of the Sales Tax;
- the amendment furthers the purpose of the ordinance; and
- the amendment is approved by two-thirds vote of all the members of the City Council after 30 days of public notice and review.

The Office of Finance estimates that the proposed Sales Tax initiative would raise approximately \$345 million per fiscal year.

City Council Options for Consideration

Charter Section 452 generally provides that, when presented with a certified initiative petition, the City Council must either adopt the proposed ordinance directly, submit the proposed ordinance to the voters, or refer the initiative for a fiscal analysis before adopting the ordinance or placing it on the ballot. The option of adopting the proposed ordinance directly is not available here, however, because the proposed ordinance would impose a new tax which requires voter approval under the State Constitution. (Cal. Const., Art. XIIC § 2.)

Therefore, under the State Constitution and Charter Section 452, City Council must take one of the following actions:

- (1) Submit the proposed initiative ordinance to the voters at either a special election or the next regularly scheduled election occurring more than 110 days from City Council action on the initiative petition (*i.e.*, the City's General Municipal Election held on November 3, 2026);⁶ or
- (2) Refer the proposed initiative ordinance to a department or office for a report on its fiscal and other impacts on the City, provided, however, that the City Council must submit the initiative to the voters within 30 days of referring the ordinance for a report.

City Council must take one of these actions within 20 days of the presentation of the certified initiative petition. (Charter Section 452(b).) For this initiative petition, that deadline for Council action is June 30, 2026.⁷

The Charter also provides a mechanism for the proponents to withdraw their initiative at any time up to 88 days before election day. (See Charter Section 451(a); City Election Code Section 711(d).) For the November election, the deadline to withdraw an initiative is August 7, 2026.

This office has attached a draft election ordinance and draft ballot resolution for the City Council to adopt to submit the proposed initiative ordinance to the voters at the upcoming November election. If the City Council instead wishes to call a special stand-alone election on the initiative, we will transmit the documents necessary to do so upon

⁶ A special tax proposed by a voter-sponsored initiative petition, such as the tax initiative before you, requires a majority vote of the electors for passage. (See *City and County of San Francisco v. All Persons Interested in Matter of Proposition C* (2020) 51 Cal.App.5th 703, 721.)

⁷ If Council selects the second option and wishes to refer the initiative for a fiscal analysis before placing it on the ballot, Charter Section 452(b) would require Council to adopt the ballot resolution and election ordinance by July 16, 2026 (which is 110 days before the November election) in order to place the initiative on the November ballot. Considering Council's upcoming recess, the practical deadline for that final action is July 1, 2026. Council also may select the first option of placing the initiative on the November ballot and separately refer the initiative for a future fiscal analysis.

request. City Council may act by motion should it wish to refer the initiative ordinance to a department or office for a fiscal analysis.

If you have any questions regarding this matter, please contact Assistant City Attorney Charles Hong at (213) 978-7700 or Assistant City Attorney Harit Trivedi at (213) 978-7100. A member of this Office will be available when you consider this matter and answer questions you may have.

Sincerely,

HYDEE FELDSTEIN SOTO, City Attorney

By



MICHAEL J. DUNDAS
Chief Assistant City Attorney

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Attachments