



# Western Principles for Local Revenue Protection

*California leaders are facing a mounting water crisis borne of new challenges to water supply reliability, quality and affordability amid ecosystem sustainability.*

*Concurrently, a Fiscal Emergency declared by the Governor signals a clear threat to local revenues that could be shifted if Constitutional protections under Prop 1A are suspended by the state legislature. Western recommends the following principles to guide state and regional leaders in the defense of local taxpayer monies needed to build regional water reliability projects allowing local agencies to build critically needed water infrastructure in order to survive the growing water crisis.*

*State Budget Deficit solutions should recognize the following principles in respect to local revenues required by water agencies to build local water infrastructure:*

- Because a clean, reliable water supply is the most necessary of all resources for a community to prosper in the arid southwest, unless water can be found that is free, equally reliable revenue is prerequisite to sustaining the life-giving flow of water.
- Protecting local revenue reliability resulting in locally reliable water is **imperative** given the loss of imported water due to severe drought and court-ordered federal endangered species mitigation, coupled with loss of water wells in the local region due to water quality challenges.

# Protecting local revenue reliability resulting in locally reliable water is *imperative* given the loss of imported water due to severe drought and court-ordered federal endangered species mitigation, coupled with loss of water wells in the local region due to water quality challenges.

- Prop 1A, approved by 83.6 percent of voters, is clear: *Do not divert local revenues to the state budget.*
- Local ad valorem property tax revenues, approved and paid for by local voters and taxpayers, provide that firm financial foundation for water agencies to build infrastructure necessary to maintain a thriving economy and healthy environment.
- Because the broad benefits from public works projects related to water infrastructure accrue directly to property owners, an ad valorem property tax is considered a fair and equitable means for those who benefit to share the cost of such projects. The state legislature must not violate this covenant with the taxpayers by shifting local revenues intended for water infrastructure in order to spend it in ways never originally authorized by voters.
- Because Prop 1A requires any local revenues borrowed by the state to be repaid with interest, state legislature efforts to spend local revenues in places and purposes far removed from original purpose will only compound California's long term financial trouble by weakening critical water systems and expanding future state debt burdens.



## Securing Your Water Supply

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