Date: June 2, 2026

To: Members, Senate Local Government Committee

From: Peter Blocker, Vice President of Policy

Subject: OPPOSITION to AB 2180 (Ward), as amended on May 22, 2026

The California Taxpayers Association and the organizations listed below respectfully oppose AB 2180, which would allow governments to apply uniform or tiered rates for water or sewer services across groups of parcels or customers with similar usage characteristics without precisely measuring the cost for each parcel. AB 2180 would result in higher costs to taxpayers through increased utility charges, while reducing accountability for agencies.

Increased Utility Charges. AB 2180 risks accelerating utility prices by allowing the use of systemwide projections and peak-demand factors in determining rates, which are at high risk of uncertainty and overestimation. Ratepayers would be subject to higher prices that exceed actual service costs.

Additionally, allowing agencies to rely on broad estimates, projected data, and undefined "reasonable basis" increases the risk that taxpayers will shoulder the burden of misallocated or inflated costs. By loosening the strict proportionality requirements, AB 2180 allows higher tiers to bear greater costs based on generalized characteristics. As a result, agencies may assign inflated infrastructure or supply costs to certain customer groups even when unrelated to actual usage patterns.

Reduced Accountability. Proposition 218 was approved by California voters to give the people the right to vote on taxes. The 1996 voter guide makes it clear that affordability was at the heart of the reason voters supported Proposition 218:

"Here are some examples of why fees and assessments and other non-voted taxes are so unfair: The poor pay the same assessments as the rich. An elderly widow pays exactly the same on her modest home as a tycoon with a mansion. … Non-voted taxes on electricity, gas, water and telephone services hit renters and homeowners hard."

AB 2180 erodes these safeguards, making utility service less affordable by reducing rate-setting standards that provide meaningful public oversight and transparency.

While Proposition 218 establishes clear standards to identify unlawful rate hikes, the broad methodologies and decreased precision requirements of AB 2180 make it more challenging for taxpayers to demonstrate an agency's noncompliance. This weakens an important mechanism to keep agencies accountable, allowing excessive and expansive charges to go unchallenged.

For these reasons, CalTax and the organizations listed oppose AB 2180.

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On behalf of…

California Taxpayers Association
California Apartment Association
California Association of Realtors
California Business Properties Association

cc: The Honorable Christopher Ward, California State Assembly