PUBLIC AFFAIRS NEWSLETTER
Where Golf and Public Policy Intersect
[June 2026]

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NEWS AND NOTES

AB 1954 [Protecting Access to Reservations Act] (Ward; D-San Diego) . . . . . CAG's bill has now made it through two Assembly policy committees, Assembly Appropriations, the Assembly Floor vote, and two Senate policy committees – all per unanimous votes. For the bill to become a law, it will need to pass muster with Senate Appropriations, a Senate floor vote (all but guaranteed if the bill escapes Appropriations), and then be signed by Governor Newsom. So far, so good; nay, so far about as good as it gets. No doubt the leadership of Assemblymember Ward and the support of the state's three largest municipal governments (County of Los Angeles, City of Los Angeles, City of San Diego) and the organizations that represent cities and counties in the state (League of Cities and Association of California Counties) have contributed mightily to our ability to conclude "about as good as it gets." However, experience dictates that no matter the ease with which a bill sprints through the California legislative process, it behooves one to remain vigilant right up until the Governor affixes his signature. And CAG will indeed remain vigilant!

PARCEL TAX INITIATIVE IN THE CITY OF LOS ANGELES . . . . . Many reading this are aware that in May a member of the Los Angeles City Council filed a motion to direct staff to develop the language for a November ballot initiative that would, as the motion stated, apply a $4 per square foot parcel tax on that city's seven (7) non-profit private golf clubs. To put that into a bit of context, Los Angeles County's 2018 Measure "W" that funded a massive stormwater capture, cleansing, and storage program assessed a parcel tax of 2 ½ cents per square foot on properties in that huge county. Such is the nature of most parcel taxes – very small charges levied over very large areas to fund very specific ends. To be 100% clear, no one has ever

suggested that these clubs do not pay 100% of their taxes in full and on time. But some have suggested, as did the maker of this motion that they ought to pay more. The motion has been withdrawn, and while the parcel tax envisaged in it will not be on the November ballot, it is naïve to believe that the issue won't remain with us in some way as yet unknown and ill-defined, but with us, nonetheless. Truth be known it's been with us for some time; however, never to this degree of seriousness.

NOVEMBER BALLOT MEASURES . . . . . There are fourteen (14) of them on California's November ballot, one of which contains something made relevant by Los Angeles' dalliance with a parcel tax on private equity golf clubs – ACA 22 (Wicks; D-Oakland). While the Constitutional amendment that is the subject of the initiative that will be put to the California electorate in November is the result of a complicated last minute compromise among various parties in Sacramento to withdraw an initiative that the Jarvis-Gann Taxpayer Association had qualified for the ballot in exchange for moving forward with ACA 22, the "relevant" part of that compromise in terms of how it relates to any possible future local (or state) initiative that would either propose a parcel tax like the one recently envisaged in Los Angeles or a change in the way ad valorem taxes are assessed is the following narrow but impactful point. The California Supreme Court has ruled that while tax measures put on ballots by governments require a 2/3 affirmative vote for passage, measures put no ballots by citizens or non-governmental groups require only a 50% + 1 affirmative vote for passage. Should this measure pass in November, which requires 50% + 1 for passage, that means that any initiative like the one pulled back in Los Angeles would require a super majority (66.67%) for passage.

CALIFORNIA ADOPTS 2026-2027 BUDGET . . . . . What had been predicted in early June as a $12.6 billion deficit became a $4.5 billion surplus once the capital gains taxes from the recent explosion in the stock market driven by fascination with everything associated with Artificial Intelligence were counted, making it possible to balance the budget while putting away $6.4 billion in the state's "rainy day" fund. The wild swing in fortune highlighted the feature of California's tax structure that all but guarantees such wild swings – the state's overdependence on the capital gains taxes paid by a very small slice of the state's population. Given that what swings wildly up often swings just as easily down when markets slide, the legislature placed an initiative on the November ballot that would raise the cap on mandatory deposits into the state's "rainy day" fund from 10% to 20% of general fund revenue and allow the legislature to exempt money placed into the rainy day fund from state spending limits. Current law, sometimes referred to as the "Gann limit," prohibits the state from spending more than an amount determined by a formula that takes tax proceeds, population changes, and CPI into consideration, with any amount above that divided between schools and refunds to taxpayers.

COLORADO BASIN . . . . . As we await the federal government's promised summer release of a 10-year framework that given the 2-year reassessment protocol built into it, is a de facto 2-year framework eerily similar to the one proposed by past Interior Secretary (1993-2001) Bruce Babbit earlier this year, things continue to deteriorate in the Colorado Basin. The Trump Administration has had to release water from nearby reservoirs into Lakes Mead and Powell in order to guarantee that both remain above "dead pool" levels. Arizona and California continue to put water back into the system by forgoing allocations. Colorado is in the throes of its worst drought in the state's history. Utah is not in much better shape. Any hope that the Lower Basin States might see some corresponding givebacks from Upper Basin States is fast fading. What

we wrote about the Basin and the status of negotiations among the seven (7) states in the Colorado Compact and the federal government in the last newsletter bears repeating:

> *"There are reasons for bromides like hard cases make bad law and crises make bad policy. Let's hope that this combination of hard case, hard law, hard crisis, and hard reality yields something that if not perfect, works for those of us dependent upon some semblance of certainty, even if that certainty is not idyllic."*

For forty (40) million Southwesterners whose homes, businesses, farms, and yes, golf courses are at least in part dependent upon imports from the Colorado Basin to meet their needs, much is at stake in how this combination of hard case, hard law, and hard crisis plays out in the coming months – some more than others, but all in some way.

AGIC (American Golf Industry Coalition) WATER WORKING GROUP . . . . . Much has been made, and much should be made, of this national coalition's slow but steady progress in affecting outcomes in Washington D.C. It has been a slow slog, but if you think Sacramento is a tough place to compete for attention and get a few things done, it pales in comparison to the difficulty of working the national legislature and the myriad agencies to which Congress delegates day-to-day governance. Securing ad hoc indulgences re FEMA funding and collaborating with other interests to increase the number of available H-2B visas may seem the smallest of victories, but they are victories, nonetheless, and victories not likely achievable without sustained effort over time. Indeed, that phrase, "sustained effort over time," is the source of many of the much larger "victories" we have been able to achieve in California. CAG never misses the opportunity to explain that what often appears to those outside the battle as a quick burst of advocacy legerdemain is really the final spark in a fire that was lit anywhere from 5 to 35 years ago.

And that is why we are happy to share that AGIC has put together a coalition of local, regional, and national interests, individuals, and organizations that are going to focus on the relationship between golf and water, a relationship that has long been under strain in the Southwest and increasingly under strain in other parts of the nation as well. Among the organizations that are part of the "working group" are the GCSAA, NGCOA, USGA Green Section, California Alliance for Golf, and Arizona Golf Alliance. Among the long-term tasks the "Group" has set for itself are: 1) Building strong relationships with the relevant federal agencies; 2) creating a repository of the game's resources (e.g., BMPs, USGA Water Conservation Playbook, Research/data, success stories, grant-funded projects, partnerships); 3) establishing a national database; 4) focusing on golf courses' role in supporting community/environmental infrastructures; and 5) developing a unified narrative around the game's societal value proposition. Among the 1st tasks on the "Working Group's" plate: Develop and distribute a survey to participants to refine and prioritize focus areas; ask regional leaders (AZ, CA, NV, etc.) to identify their top 3–4 priorities and explain where national support would be most helpful; collect organizational assets and build a shared repository/database; and gather case studies demonstrating golf's consistent reduction of its water footprint, its role in disaster mitigation and community service.

The "Group" was put together the 1st week of May in Washington D.C. as part of National Golf Day., where it met with the Bureau of Reclamation at the headquarters of the Department of Interior. It has since met a couple of times virtually with GCSAA Director of Government Affairs Chava McKeel taking the lead. Dare I say that some day in the future when AGIC is

congratulated for having accomplished something of great advocative significance, the deliverers of the seeming legerdemain will harken back to the creation of this working group as the accomplishment's origin story.

SAN DIEGO'S GOLF ENTERPRISE FUND . . . . . As we read media stories about San Diego's budget crisis and read in those stories some of the notions certain City Council Members had about raiding that city's 35-year old ample golf enterprise fund to offset some of the expected deficit, with more than one Member suggesting that the city just dissolve the fund entirely, CAG and SCGA determined to intervene NOT by suggesting that the city keep its hands off a fund built entirely by the fee-paying golfing public, but rather by proposing what we defined as the least harmful way to use it to keep afloat certain recreation programs in underserved neighborhoods that would otherwise be cut – "least harmful" as in keeping the fund sufficiently intact to meet the capital project requirements that a recent city audit credited with yielding San Diego's municipal golf program among the most financially successful in the nation, while keeping 100% intact the dollar flows required to manage and maintain the golf courses to the high standards expected by the San Diego golfing public. Lo and behold, a number of Council Members cited the CAG/SCGA proposal in Budget Committee deliberations and Mayor Todd Gloria included a modified version of it in his May Budget Revision – "modified" in the sense that he didn't make the 2026 withdrawal a one-off event but did suggest using debt financing (bond) to render the remnant (94%) usable in higher value present dollars as opposed to the lesser value dollars that characterized the old system, which required that all dollars be accumulated before being spent. And the golf program got a great headline in the San Diego Union in the process – "Golf Comes to Rescue of City Budget" – a great headline to be sure, but one that certainly exaggerated the case. But we'll take it as an offset of some of the headlines we have gotten over the years that were not exactly fair.

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The June primaries told us enough to confirm much of what we thought about where the politics of the state and its largest cities are heading. The November election will tell us more – either more in terms of reconfirming what we believe June's elections told us about where things are headed or perhaps reversing some of the trends we find obvious. And that is why we are going to refrain from commenting until all the votes are counted. And with any luck, it will still be November when they are.