

City of Greenfield Budget & Finance Advisory Board  
Workshop

July 17, 2014 5:00 PM

599 El Camino Real Greenfield CA 93937 831-674-5591  
www.ci.greenfield.ca.us

A. CALL TO ORDER

B. ROLL CALL

C. BUSINESS

1. REVIEW AND DISCUSSION Regarding Amending the 2014-2015 City of Greenfield Budget
  - a. Report
  - b. Public Comments
  - c. Budget/Finance Committee Comments
  - d. Review / Discussion
  
2. REVIEW AND DISCUSSION Regarding Measure X Funds
  - a. Report
  - b. Public Comments
  - c. Budget/Finance Committee Comments
  - d. Review / Discussion

D. ADJOURNMENT

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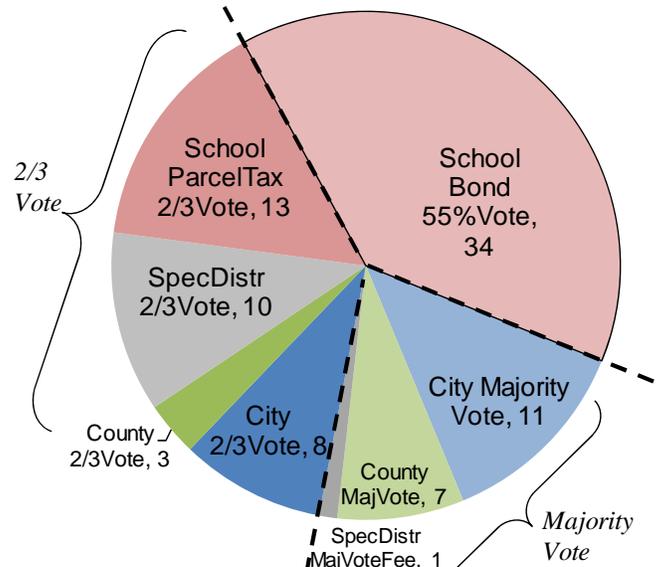
# Local Revenue Measures in California June 2012 Results

The June 5, 2012 California presidential primary election featured over 140 local measures on questions including land use development, government organization, bond authorizations and tax increases. Among these were 87 measures seeking approval for taxes, bonds or fees.

There were 34 separate K-12 schools district and community college bond measures, requesting a total of \$2.32 billion to construct facilities, acquire equipment and make repairs and upgrades. There are 13 measures to increase school parcel taxes.

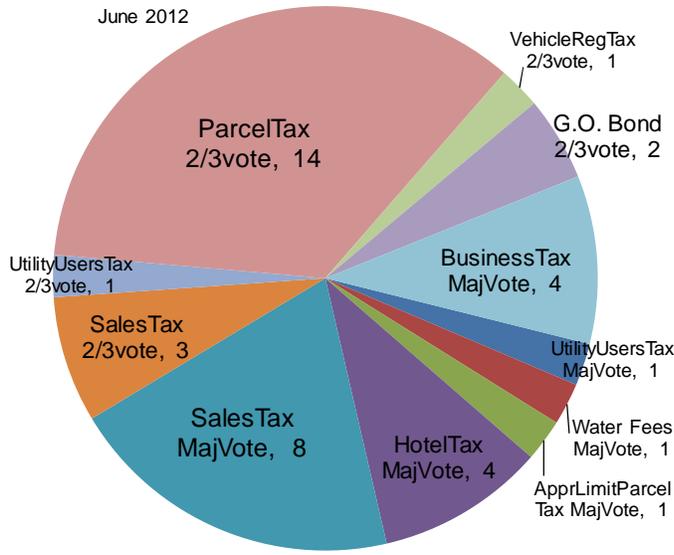
Among the 40 non-school local revenue measures were two city general obligation bond measures and 19 special taxes and parcel taxes requiring two-thirds voter approval. These included two county library sales tax extensions and a sales tax earmarked for fire and police in Parlier. The 19 majority vote measures included increases and eight add-on sales taxes, four hotel tax increases or expansions (all in counties), four business tax increases or extensions and one utility user tax increase.

## Proposed Local Revenue Measures June 2012



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## Types of Non-School Local Tax Measures



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## Proposed Local Fiscal Measures

	June '08	June '12
School Bonds 55% vote	32	34
School Parcel Taxes 2/3 vote	14	13
City, County SpDistr Maj Vote	16	19
City, County, SpDistr 2/3 Vote	19	21
<b>Total</b>	<b>81</b>	<b>87</b>

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## Local Revenue Measures June 2012

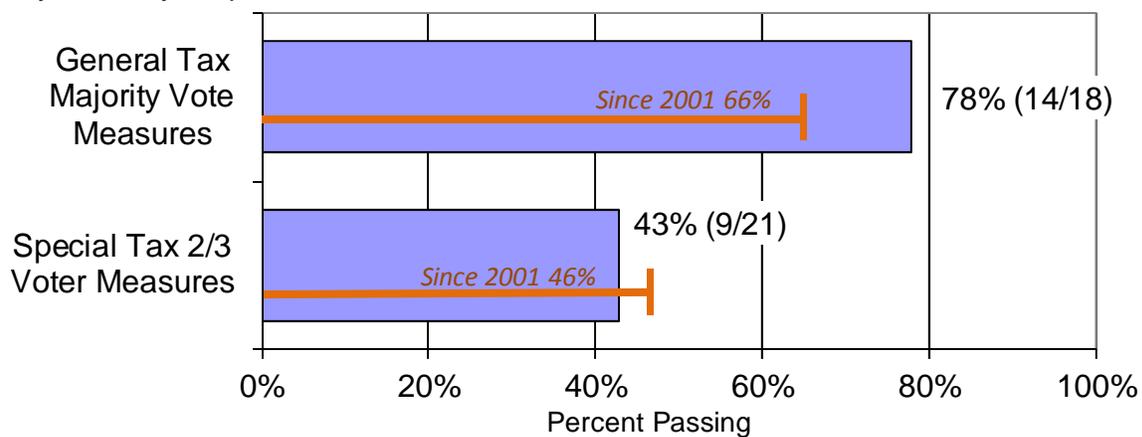
	Total	Pass	Passing'
City Majority Vote	11	10	91%
County Majority Vote	7	4	57%
Special Dist. Majority Fee	1	1	100%
City 2/3 Vote	8	2	25%
County 2/3 Vote	3	3	100%
Special District (2/3)	10	4	40%
School Parcel Tax 2/3	13	9	69%
School Bond 55%	34	25	74%
<b>Total</b>	<b>87</b>	<b>58</b>	<b>67%</b>

**Overall Passage Rates**

Fifty-eight (58) of the 87 local revenue measures on the June 2012 California election passed. As in past elections, majority vote measures fared better than supermajority vote special taxes and bonds. Fifteen (15) of the 19 majority vote measures passed, including all but one of the city measures. But 18 of the 34 two-thirds supermajority vote special taxes passed. School parcel taxes fared better, with nine of 13 passing versus just nine of 21 non-school special tax measures passing.

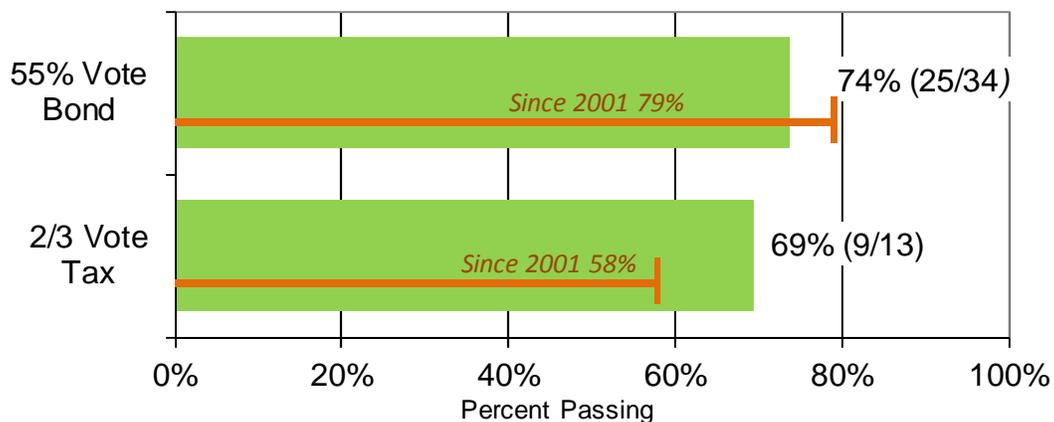
The overall passage rate of non-school local tax measures in June 2012 was similar to prior elections over the last decade. Over that time, voters have approved 66% of majority vote measures but only 45% of two-thirds vote special tax measures.

**City / County / Special District Tax & Bond Measures June 2012**



The proportion of passing school bond measures was somewhat lower than in prior years, but the proportion of passing school parcel taxes was slightly higher. Overall, passage rates for school measures were similar to prior years.

**School Tax & Bond Measures June 2012**



**Local Add-On Sales Taxes (Transaction and Use Taxes)**

Nine cities asked their voters to consider sales tax add-ons (transactions and use taxes). Among these, only the City of Alameda chose to earmark the tax, making the measure a two-thirds vote special tax. Alameda’s tax was the only tax that failed, barely even garnering a majority approval.

Existing county library sales tax rates were renewed and extended in Solano County and Stanislaus County.

The high passage rate for sales tax measures in this election exceeds that of previous elections. Since 2001, about 60% of measures to increase general purpose (majority vote) local sales taxes passed. Just 36% of two-thirds vote special sales tax increases passed during that time.

**Transactions and Use Tax (Add-on Sales Tax)**

Agency Name	Measure	Rate	Purpose	Sunset	Needed	YES%	NO%	Result	Change	
City of Pittsburg	Measure P	1/2 cent		new	5yrs	50.0%	<b>74.0%</b>	26.0%	PASS	new
City of San Pablo	Measure Q	1/2 cent		new	5yrs	50.0%	<b>73.1%</b>	26.9%	PASS	new
City of Soledad	Measure Y	1 cent		new	5yrs	50.0%	<b>70.1%</b>	29.9%	PASS	new
City of Hercules	Measure O	1/2 cent		new	4yrs	50.0%	<b>70.1%</b>	29.9%	PASS	new
City of Sonoma	Measure J	1/2cent		new	5yrs	50.0%	<b>66.5%</b>	33.5%	PASS	new
City of Santa Maria	Measure U20	1/4cent		new	9yrs	50.0%	<b>63.9%</b>	36.1%	PASS	new
City of Greenfield	Measure X	1/2 cent		new	5yrs	50.0%	<b>63.4%</b>	36.7%	PASS	new
City of Ridgecrest	Measure L	3/4cent		new	5yrs	50.0%	<b>55.9%</b>	44.1%	PASS	new
City of Alameda	Measure C	1/2 cent	Police/Fire/EMS	new		66.7%	50.3%	<b>49.7%</b>	FAIL	new
County of Solano	Measure L	1/8cent	Library	extend	16yrs	66.7%	<b>79.9%</b>	20.1%	PASS	extend
County of Stanislaus	Measure T	1/8cent	Library	extend	5yrs	66.7%	<b>81.6%</b>	18.4%	PASS	extend

**Transient Occupancy (Hotel) Taxes**

There were four measures to increase or expand Transient Occupancy (Hotel) Taxes. Measure F to extend the current hotel tax in the North Lake Tahoe area of Placer County passed as did Los Angeles County Measure H to modernize and extend the existing 12% rate there. But a measure to increase the rate in unincorporated San Mateo County failed. Voters in Tuolumne County turned down a measure to expand the existing hotel tax rate in unincorporated areas to private campgrounds, recreational vehicle and boat stays.

**Transient Occupancy Tax Tax Measures: All General Majority Vote**

Agency Name	Measure	Rate	Change	Sunset	YES%	NO%	Result	Change
County of Placer	Measure F	2%	extend	10yrs	<b>84.1%</b>	15.9%	PASS	extend
County of Los Angeles	Measure H	12%	Extend/amend		<b>60.4%</b>	39.6%	PASS	Extend/amend
County of San Mateo	Measure U	10%to12%	increase		46.5%	<b>53.5%</b>	FAIL	increase
County of Tuolumne	Measure C	10%	expand		43.5%	<b>56.5%</b>	FAIL	expand

**Utility User Taxes**

There were just two utility user tax (UUT) measures on the ballot. The City of Parlier took the challenging approach of earmarking their proposed 5% rate for public safety services (police, fire and emergency services), thus triggering the requirement for two-thirds voter approval. Since 2001 there have been only nine 2/3-vote UUTs. They failed in every case except in two cities: Desert Hot Springs (2003, 2009) and the extension (not an increase) of an existing 2.5% tax in Mammoth Lakes for recreation and arts. Desert Hot Springs had gone through bankruptcy as a result of a legal claim (land use dispute). The Parlier measure failed to even garner majority approval.

The general purpose measure in Stanton proposed to increase the existing 5% tax to 7.5% and to modernize and expand the tax to cover modern telecommunications technologies and billing methods. The measure was accompanied by a companion advisory measure advising that the proceeds from the increase for various priorities including maintaining public safety funding (police, fire and paramedic services), maintaining support for school programs (notably not a city function) and services to children, continuing other vital city services, restoring adequate reserves for fiscal stability, and providing for economic growth. This “A/B” approach is a way to allow voters to indicate the specific use for the revenues without obligating the use legally and triggering a two-thirds vote requirement. The technique is viewed by many as a too-clever gimmick to get around the special tax super-majority vote requirements of Proposition 13. Consequently, the approach generally loses as many votes as it gains compared to a well-designed general purpose tax proposal. The Stanton measure also included a provision allowing the rate to be adjusted “based upon CPI changes,” an unusual and illogical provision for a percent rate tax that inherently changes with growth in utility charges over time. The measure failed.

**Utility User Taxes**

<u>Agency Name</u>	<u>County</u>	<u>Tax/Fee</u>	<u>Rate</u>		<u>%Needed</u>	<u>YES%</u>	<u>NO%</u>		
City of Parlier	Fresno	Measure S	UUT 2/3	5%	Police/Fire/EMS	new	66.7%	40.3%	<b>59.7% FAIL</b>
City of Stanton	Orange	Measure J	UUT	to 7.5% fr 5%		expand/increase	50.0%	45.2%	<b>54.8% FAIL</b>
		Measure K	advisory		Police/Fire/EMS		50.0%	<b>72.1%</b>	27.9% <b>PASS</b>

**Business License Taxes**

There were four business license tax measures. The County of Los Angeles sought voter approval to continue a 10% tax on the gross receipts received by operators of landfills in the unincorporated areas of the county for the disposal of waste in landfill facilities. The tax was originally adopted in 1991. The measure passed easily.

Measure B in the City of South Lake Tahoe reduced the gross receipts business tax rate across all categories, but increasing the maximum tax from \$3,448 to \$20,000 per calendar year and eliminating the cost of living increase. Voters approved the proposal.

The County of San Mateo placed two business tax measures on the ballot along with a transient occupancy (hotel) tax measure (see “transient occupancy taxes” above). Measure T imposes a 2.5% tax on the gross receipts of car rental companies in the unincorporated areas of the county. San Mateo County Measure X would have imposed a tax of 8% on the gross receipts of companies that operate commercial parking lots in unincorporated areas of the county, including valet parking at restaurants and hotels. The taxes largely effect businesses related to San Francisco International Airport.

Measure T was narrowly ahead pending final counts but Measure X failed. Identical measures in November 2008 fell short of the majority approval with 47% each.

**Business License Tax Measures: Majority Vote General**

<b>Agency Name</b>	<b>Rate</b>	<b>YES%</b>	<b>NO%</b>	
County of Los Angeles	Measure L 10% on Landfill Operators	62.7%	37.3%	PASS
City of South Lake Tahoe	Measure B Increase cap, reduce rate	55.2%	44.8%	PASS
County of San Mateo	Measure T 2.5% on Veh Rentals	50.0%	50.0%	PASS
County of San Mateo	Measure X 8% parking Facilities	46.9%	53.1%	FAIL

**Parcel Taxes and Special Taxes (non-school)**

There were four city parcel taxes and ten special district parcel taxes. Under a state constitutional provision included in Proposition 13 (1978), parcel taxes require two-thirds supermajority approval. Just four of the 14 measures passed.

Among the nine taxes earmarked for police or fire and emergency medical transport (EMS) services, just two passed. The measures in the Highlands area of San Mateo County and the Muir Beach Community in Marin County extended existing taxes. Voters in Davis extended their existing special tax for parks. The only non-school two-thirds vote parcel tax increase to pass was in the wealthy bay area Town of Portola Valley where road conditions were at issue. Voters in the upscale City of Belvedere approved an increase in the city’s appropriations limit (Cal Const Art XIII B), thus allowing the city to increase a previously approved parcel tax.

Voters in Humboldt County approved an extension of the existing \$1 per car registration special tax used for abandoned vehicle abatement.

**City and Special District Parcel Taxes (2/3 vote)**

<b>Agency Name</b>	<b>County</b>	<b>Amount</b>		<b>YES%</b>	<b>NO%</b>	
Town of Portola Valley	San Mateo	Measure V \$625/parcel to \$950/parcel streets/roads		85.7%	14.3%	PASS
Muir Beach Community Se	Marin	Measure E \$200/parcel	Fire/EMS 4yrs	84.3%	15.7%	PASS
City of Davis	Yolo	Measure D \$49/parcel	Parks	84.1%	15.9%	PASS
County Fire Service Area 1	San Mateo	Measure Z \$65/parcel	Police/Fire/EMS	70.1%	29.9%	PASS
Crockett Community Servi	Contra Co	Measure R \$60/parcel to \$110/parcel	Parks/Recreation	68.1%	31.9%	PASS
Higgins Fire District	Nevada	Measure B incrt to \$125 from \$25	Fire/EMS	61.2%	38.8%	FAIL
Brooktrails Township Com	Mendocir	Measure E \$100/parcel	Fire/EMS	60.5%	39.5%	FAIL
City of Dunsuir	Siskiyou	Measure N \$25/yr	library	58.2%	41.8%	FAIL
Town of Ross	Marin	Measure C \$1000/rDU	Police/Fire/EMS	57.4%	42.6%	FAIL
Mystic Mine Community §	Nevada	Measure C from \$120 to \$200/parcel	streets/roads	54.4%	45.7%	FAIL
Placer Hills Fire Protection	Placer	Measure E \$79/parcel	Fire/EMS	52.9%	47.1%	FAIL
East Contra Costa Fire Pro	Contra Co	Measure S \$107/parcel	Fire/EMS 3%/yr incr 10yrs	43.6%	56.4%	FAIL
Groveland Fire Protection	Tuolumne	Measure D \$107/parcel	Fire/EMS \$3/yr incr 10yrs	41.1%	58.9%	FAIL
North Auburn-Ophir Fire C	Placer	Measure D \$40/parcel	Fire/EMS	41.0%	59.0%	FAIL

**Vehicle Registration Tax (2/3 vote)**

County of Humboldt	Humboldt	Measure Y \$1/veh	Abandoned Vehicle Cl 10yrs	79.5%	20.5%	PASS
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**Appropriations Limit Increase / Parcel Tax (majority vote)**

City of Belvedere	Marin	Measure B \$605/rDU	Fire/EMS	78.3%	21.7%	PASS
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### General Obligation Bonds

Two cities sought the two-thirds voter approval needed to issue general obligation bonds and the accompanying ad valorem property tax rate increase to pay the bond debt service. Both failed despite garnering over 60% yes votes.

Voters in Arroyo Grande turned down Measure A authorizing the issuance and sale of \$6.7 million to construct a new police station and retire bonds issued in 2003 for the construction of a fire station. The measure specified that the ad valorem tax rate to pay the 30 year bonds shall not exceed the existing rate approved in 2003 to pay for the fire station bonds, estimated at no more than \$8.17 per \$100,000 of assessed value.

Voters in the City of Rio Dell failed to approve the issuance and sale of \$2 million in general obligation bonds to fund street improvements. The 15 year bonds would have been repaid from an ad valorem property tax estimated at \$119.62 per \$100,000 of assessed value.

About half of the general obligation bond measures proposed since 2001 received the two-thirds voter approval needed.

### City, County and Special District Bond Measures (2/3 vote)

<u>Agency Name</u>	<u>County</u>	<u>Amount</u>	<u>YES%</u>	<u>NO%</u>	
City of Rio Dell	Humboldt	Measure X \$2m streets/roads	62.3%	<b>37.7%</b>	<b>FAIL</b>
City of Arroyo Grande	San Luis Obispo	Measure A \$6.7m police station	61.2%	<b>38.8%</b>	<b>FAIL</b>

### School Parcel Taxes

School parcel taxes fared better than non-school parcel taxes. The ballot included 13 local school parcel taxes. All received well over 60% yes votes and nine passed. Historically, around four out of five school parcel tax measures are approved.

### School Parcel Taxes (2/3 voter approval)

<u>Agency Name</u>	<u>County</u>	<u>Rate</u>	<u>Sun</u>	<u>YES%</u>	<u>NO%</u>	
Santa Cruz City Elementary School District	Santa Cruz	Measure J \$85/parcel	8yrs	<b>81.2%</b>	18.8%	<b>PASS</b>
Santa Cruz City High School District	Santa Cruz	Measure I \$38/parcel	8yrs	<b>79.0%</b>	21.1%	<b>PASS</b>
Scotts Valley Unified School District	Santa Cruz	Measure K \$48/parcel	3yrs	<b>76.0%</b>	24.0%	<b>PASS</b>
Ross Valley School District	Marin	Measure A \$149/parcel	8yrs	<b>73.0%</b>	27.0%	<b>PASS</b>
Peralta Community College District	Alameda	Measure B \$48/parcel	8yrs	<b>71.7%</b>	28.3%	<b>PASS</b>
Hayward Unified School District	Alameda	Measure G \$58/parcel	5yrs	<b>70.2%</b>	29.8%	<b>PASS</b>
Redwood City School District	San Mateo	Measure W \$67/parcel	5yrs	<b>69.0%</b>	31.0%	<b>PASS</b>
Jefferson Union High School District	San Mateo	Measure Y \$48/parcel	4yrs	<b>67.2%</b>	32.8%	<b>PASS</b>
Cotati/Rohnert Park Unified School District	Sonoma	Measure D \$89/parcel	5yrs	<b>66.9%</b>	33.1%	<b>PASS</b>
Santa Barbara Elementary School District	Santa Barbara	Measure X2 \$54/parcel	4yrs	65.0%	<b>35.0%</b>	<b>FAIL</b>
West Contra Costa Unified School District	Contra Costa	Measure K 10.2cents/s	5yrs	64.6%	<b>35.4%</b>	<b>FAIL</b>
Santa Barbara High School District	Santa Barbara	Measure W \$54/parcel	4yrs	64.3%	<b>35.7%</b>	<b>FAIL</b>
New Haven Unified School District	Alameda	Measure H \$180/parcel	4yrs	62.3%	<b>37.7%</b>	<b>FAIL</b>

**School Bonds (55% approval)**

There were 34 school bond measures on the ballot for a total of over \$2.32 billion in bonds. Final counts show 24 of the measures attained the 55% approval needed for a total of \$2.005 billion in new approved school bonds.

**School Bond Measures - all 55% Approval**

<b>Agency Name</b>	<b>County</b>		<b>YES%</b>	<b>NO%</b>	
Reef-Sunset Unified School District	Kings	Measure A	<b>82.7%</b>	17.3%	<b>PASS</b>
Trinidad Union School District	Humboldt	Measure W	<b>80.5%</b>	19.5%	<b>PASS</b>
Sebastopol Union School District	Sonoma	Measure H	<b>69.0%</b>	31.0%	<b>PASS</b>
Mountain View Whisman School District	Santa Clara	Measure G	<b>66.1%</b>	33.9%	<b>PASS</b>
Cupertino Union School District	Santa Clara	Measure H	<b>65.8%</b>	34.2%	<b>PASS</b>
Clovis Unified School District	Fresno	Measure A	<b>64.7%</b>	35.3%	<b>PASS</b>
Milpitas Unified School District	Santa Clara	Measure E	<b>64.5%</b>	35.5%	<b>PASS</b>
Guerneville School District	Sonoma	Measure F	<b>64.8%</b>	35.2%	<b>PASS</b>
Charter Oak Unified School District	Los Angeles	Measure CO	<b>62.5%</b>	37.5%	<b>PASS</b>
Dublin Unified School District	Alameda	Measure E	<b>61.9%</b>	38.1%	<b>PASS</b>
Pollack Pines ESD	El Dorado	Measure K	<b>61.9%</b>	38.1%	<b>PASS</b>
Val Verde Unified School District	Riverside	Measure L	<b>61.8%</b>	38.3%	<b>PASS</b>
Southern Trinity Joint Unified School District	Humboldt	Measure V	<b>61.5%</b>	38.5%	<b>PASS</b>
Wright School District	Sonoma	Measure I	<b>61.0%</b>	39.0%	<b>PASS</b>
Healdsburg Unified School District	Sonoma	Measure E	<b>61.4%</b>	38.6%	<b>PASS</b>
Lincoln Unified School District	San Joaquin	Measure A	<b>59.1%</b>	40.9%	<b>PASS</b>
West Valley-Mission Community College Dist	Santa Clara /	Measure C	<b>58.7%</b>	41.3%	<b>PASS</b>
Sulphur Springs Union Elementary School Dis	Los Angeles	Measure CK	<b>58.5%</b>	41.5%	<b>PASS</b>
Savanna Elementary School District	Orange	Measure G	<b>58.5%</b>	41.5%	<b>PASS</b>
Old Adobe Union School District	Sonoma	Measure G	<b>56.1%</b>	43.9%	<b>PASS</b>
Taft City School District	Kern	Measure C	<b>55.4%</b>	44.6%	<b>PASS</b>
Cabrillo Unified School District	San Mateo	Measure S	<b>56.5%</b>	43.5%	<b>PASS</b>
Buellton Union School District	Santa Barbar	Measure V201	<b>55.2%</b>	44.8%	<b>PASS</b>
Norris School District	Kern	Measure B	<b>55.9%</b>	44.2%	<b>PASS</b>
Gridley Unified School District	Butte	Measure C	<b>55.4%</b>	44.6%	<b>PASS</b>
Mountain Empire Unified School District	San Diego	Proposition G	54.1%	<b>46.0%</b>	<b>FAIL</b>
Gridley Unified School District	Butte	Measure D	53.9%	<b>46.1%</b>	<b>FAIL</b>
Antioch Unified School Facilities Improvemen	Contra Costa	Measure J	53.5%	<b>46.5%</b>	<b>FAIL</b>
Jurupa Unified School District	Riverside	Measure M	51.7%	<b>48.3%</b>	<b>FAIL</b>
Sierra Unified School District	Fresno	Measure O	51.3%	<b>48.7%</b>	<b>FAIL</b>
Brea-Olinda Unified School District	Orange	Measure E	48.2%	<b>51.8%</b>	<b>FAIL</b>
Alpine Union School District	San Diego	Proposition H	43.3%	<b>56.7%</b>	<b>FAIL</b>
Corcoran Unified School District	Kings	Measure V	42.5%	<b>57.5%</b>	<b>FAIL</b>
Biggs Unified School District	Butte	Measure B	42.0%	<b>58.0%</b>	<b>FAIL</b>

**Employee Benefit Changes**

The closely watched public employee pension reform proposals in San Diego and San Jose both passed.

<b>Employee Benefit Changes &amp; Limits</b>					
<b>Agency Name</b>	<b>County</b>		<b>YES%</b>	<b>NO%</b>	
City of San Diego	San Diego	Proposition B	<b>66.2%</b>	33.8%	<b>PASS</b>
City of San Jose	Santa Clara	Measure B	<b>69.6%</b>	30.4%	<b>PASS</b>

**Appointed City Clerk, Treasurer, Administrator**

Voters in Calexico approved measures to allow their city council to appoint their city clerk and city treasurer rather than elect them. But similar measures failed in Ukiah and Antioch. Orange County’s proposal to have the Board of Supervisors appoint the county public administrator also failed. The Public Administrator position in Orange County protects the assets and manages the affairs of residents of the county who die with no known heirs, no will or qualified executor, and no qualified administrator of the estate. The office is presently an elected office.

<b>Appointed City Clerk / City Treasurer</b>						
<b>Agency Name</b>	<b>County</b>			<b>YES%</b>	<b>NO%</b>	
City of Calexico	Imperial	Measure P	Appt City Clerk	<b>51.8%</b>	48.2%	<b>PASS</b>
City of Calexico	Imperial	Measure Q	Appt City Treas	<b>50.3%</b>	49.7%	<b>PASS</b>
City of Ukiah	Mendocino	Measure D	Appt City Treas	45.6%	<b>54.5%</b>	<b>FAIL</b>
County of Orange	Orange	Measure A	apptd public administrator	39.1%	<b>60.9%</b>	<b>FAIL</b>
City of Antioch	Contra Costa	Measure L	Appt City Treas	28.9%	<b>71.1%</b>	<b>FAIL</b>
City of Antioch	Contra Costa	Measure M	ApptMayor	15.7%	<b>84.3%</b>	<b>FAIL</b>

**Charter Cities**

Voters in El Cajon approved a measure to establish a city charter, providing the city with certain additional authority not afforded to general law cities. Voters in Auburn turned down charter city status.

<b>Charter Cities</b>					
<b>Agency Name</b>	<b>County</b>		<b>YES%</b>	<b>NO%</b>	
City of El Cajon	San Diego	Proposition	<b>57.1%</b>	42.9%	<b>PASS</b>
City of Auburn	Placer	Measure A	34.7%	<b>65.3%</b>	<b>FAIL</b>

**Observations**

At the local government level, voters can usually connect the direct consequences of the passage or failure of a tax measure to specific public services or facilities – rather than just dollar values. This confidence and understanding in what the money will do is essential to passing a measure. By contrast, a source of the failure of many statewide tax measures has been voter uncertainty about what the funds will truly be used for, that the government has done reasonably the best it can with the revenues it already receives, and what the consequences are of passage or failure in terms of specific important public services and facilities.

The success of nearly all city majority vote tax proposals in this election demonstrates this. Eight of the nine successful city measures were majority vote general purpose sales tax increases in cities where a majority of the voters were apparently confident that the money is necessary and trusted their local elected leaders to use it well. They had seen enough of the city's efforts to balance their budgets with existing resources and believed those efforts were sincere and that the additional tax revenue is necessary and worth paying. The other successful city majority vote measure was a business license tax revision in South Lake Tahoe.

On the other hand, very few non-school super-majority taxes are passing these days except for extensions of existing taxes (e.g., the county library taxes, the \$1 vehicle tax in Humboldt, the parcel taxes in Davis, Muir Beach and the Highlands of San Mateo County, etc.) or are for a widely understood need in a financially well-off community (Portola Valley, Belvedere). The one exception may be the increase in the parcel tax for parks services in Crockett. Most of the failing parcel tax measures were for small rural fire protection districts.

But parcel taxes for schools continue to pass – about two out of three succeed – consistent with what we have seen historically – and every school parcel tax measure received at least 60% yes votes. As for school bonds, 25 of the 34 passed – just a few shy of what we would expect based on historic passage rates.

\*\*\*\*\*

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**Source:** County elections offices.

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## The Rise of Local Add-On Sales (Transactions and Use) Taxes in California

The Transactions and Use Tax Law was adopted in 1969 authorizing the adoption of local “transactions and use tax” add-ons to the combined state and local sales tax rate. Over the years the law was amended to provide specific authorizations for various particular cities, counties, special districts and countywide authorities. Prior to 2003, the most common transactions and use tax measures were those for a specific countywide need, most commonly transportation. But since a 2003 change in the law, add-on taxes by cities and some counties for general purposes have become more frequent.

### “Transactions and Use Tax” Versus “Sales and Use Tax”<sup>1</sup>

Under California law, transactions and use taxes may be approved locally and added to the combined state and local sales and use tax rate. The base statewide sales and use tax, currently at 7.5%<sup>2</sup>, includes portions that go to the state general fund, to several specific state funds including some for local allocation and use, and to the cities and counties essentially based on the location of the purchase.<sup>3</sup>

Transactions and Use Taxes generally apply to merchandise that is delivered in a jurisdiction which imposes such a tax. In practice the tax application and allocation for most retail sales will not differ from the sales and use tax. But there are some differences. Importantly, in the case of a sale or lease of a vehicle, vessel, or aircraft, a transactions and use tax is charged and allocated base on the location in which the property will be registered.

So if the city Jane lives in has a transactions and use tax, she will pay that tax if she purchases a car, even if she makes the purchase in a neighboring county that has no transactions and use tax. If Jane purchases a book in that neighboring county, she would not pay any transactions and use tax, but if she buys the book in her city she would pay her city’s tax.

### City and County Transactions and Use Taxes.

In 2003, Governor Gray Davis signed SB566 (Scott)<sup>4</sup> which gave every county and every city the ability to seek voter approval of a local transactions and use tax increase under the following conditions:

- the transactions and use tax may be imposed at a rate of 0.25% or a multiple thereof,
- the ordinance proposing the tax must be approved by a two-thirds vote of all members of the governing body,
- if for general purposes, the tax must be approved by a majority vote of the voters in the city or county,
- if for specific purposes, the tax must be approved by a two-thirds vote of the voters in the city or county, and
- the maximum combined rate of transactions and use taxes in any location may not exceed 2%.<sup>5</sup>

Prior to SB566, with the exception that counties could form special agencies to seek taxes for transportation improvements, a city or county had to seek special legislation in order to adopt a transactions and use tax measure. More than twenty local agencies had received such special authorization.

There are currently 115 cities (not including San Francisco City/County) with voter approved transactions and use tax rates. Ten cities have two approved rates, so there are currently 125 approved city rates including 25 special taxes approved for a specified purpose.

## City Transactions and Use Taxes

**Table 1** Number of currently approved taxes;  
effective as of April 1, 2013

Rate	0.25%	0.375%	0.50%	0.75%	1.00%
General	14	1	59	6	20
Special	6		17	2	
<b>Special Tax Uses</b>					
Police &/or Fire	4		9	2	
Streets/Roads/Transit			5		
Hospital/Medical			1		
Parks/Recreation/OpenSpace			2		
Libraries	1				
Wastewater Treatment	1				

Some cities have two rates: Capitola, El Cajon, El Cerrito, Eureka, Ft Bragg, Nevada City, Placerville, Santa Rosa, Sebastopol, Woodland.

In addition to the city rates, there are 39 county or special district rates in 27 counties. Inyo, Santa Clara and San Mateo have general purpose rates. All others are special taxes for specific purposes. Thirty of the county rates are for transportation or transit, six for libraries and two for hospitals. Napa County has a ½ percent rate for flood control, that voters approved to extend for streets and roads after June 2018. Sonoma and Marin County each have ¼ percent rates for open space and agricultural land preservation. Amador County has a ½ percent rate for fire protection and emergency medical services. San Francisco has a ¼ percent rate for school and community college facilities. Fresno County has a specially authorized 1/10 percent rate for its zoo.

Taken together there are currently 164 approved transactions and use tax rates in 142 jurisdictions.

## Transactions and Use Taxes

**Table 2** (City, County, District)  
Number of currently approved taxes;  
effective as of April 1, 2013

Rate	0.10%	0.125%	0.25%	0.375%	0.50%	0.75%	1.00%
General		1	15	1	61	6	20
Special	1	6	12		47	2	
<b>Special Tax Uses</b>							
Police &/or Fire			4		10	2	
Streets/Roads/Transit		1	3		31		
Hospital/Medical					3		
Parks/Recreation/OpenSpace			2		2		
Libraries		5	2				
Schools							
Flood Control					1		
Wastewater Treatment			1				
Zoo	1						

## Election Success of Transactions and Use Taxes

From 1995 through the March 2013, 347 proposals for local transactions and use taxes have been submitted to the voters. Special taxes (earmarked for a specific purpose and requiring two-thirds voter approval) have been more common than general taxes, but the proportion of general tax proposals has been higher in recent years. Since 2008, 81% (78 of 96) of proposals were general purpose majority vote. From 1995 through 2008, just 45% (112 of 251) were general purpose.

**Table 3** Transactions & Use Tax Measures  
Approved/Proposed

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013 (thruMar)	Total
General	1/1	1/1		0/5	0/2	2/5	0/1	2/3		13/31	8/10	14/21	2/7	18/25	2/8	18/25	5/8	33/36	0/1	119/190
Special	0/1	0/6	0/2	6/18	2/3	3/8		2/9	3/5	14/30	3/4	8/29	2/2	13/22	0/1	1/2	2/3	6/11	1/1	66/157
	1/2	1/7	0/2	6/23	2/5	5/13	0/1	4/12	3/5	27/61	11/14	22/50	4/9	31/47	2/9	19/27	7/11	39/47	1/2	185/347
City	0/1	0/3		2/6	1/1	3/3		2/3	2/2	16/37	10/13	16/28	4/9	24/36	2/9	19/25	6/10	32/36	1/2	140/224
County/Special Distr	1/1	1/4	0/2	4/17	1/4	2/10	0/1	2/9	1/3	11/24	1/1	6/22		7/11		0/2	1/1	7/11		45/123
	1/2	1/7	0/2	6/23	2/5	5/13	0/1	4/12	3/5	27/61	11/14	22/50	4/9	31/47	2/9	19/27	7/11	39/47	1/2	185/347
<b>Special Tax Uses</b>																				
Police & Fire			0/1	1/3	1/1					3/10	2/2	1/6	2/2	4/7	0/1	0/1	0/1	0/1	1/1	15/37
Hospital/Medical		0/1		0/1						1/2	1/1			0/1						3/7
Streets/Roads	0/1	0/1		1/2						2/3	0/1	0/1	1/4					1/2		7/17
Transportation-Countywide				0/3		2/4		1/6	1/2	7/10		5/15		5/7				0/2		21/49
Libraries		0/2		3/7	1/2	0/1		1/1		1/4		0/1		1/2			2/2	3/3		12/25
Other		0/2	0/1	1/2		0/2		0/2		2/3		1/3		1/3		1/1		2/3		8/22
	0/1	0/6	0/2	6/18	2/3	3/8	0/0	2/9	3/5	14/30	3/4	8/29	2/2	13/22	0/1	1/2	2/3	6/11	1/1	66/157

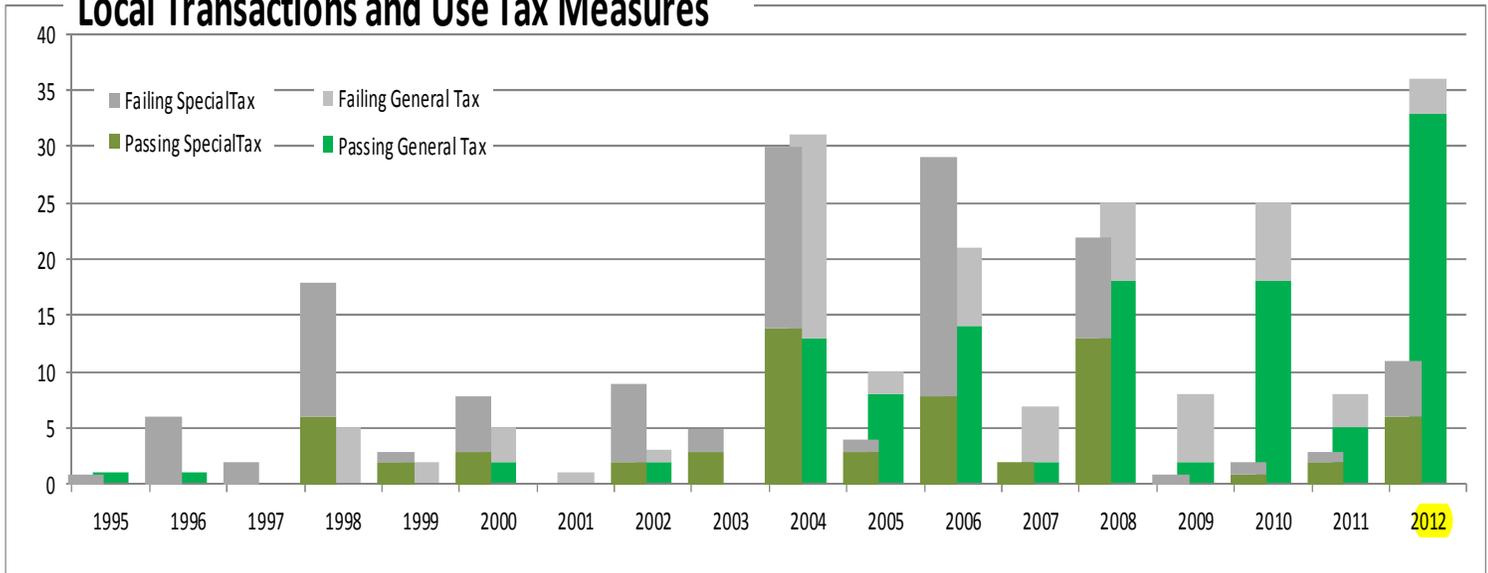
San Francisco is counted as a county.

Among the special taxes, the most common proposed specific use is countywide transportation, but measures targeting libraries, police/fire services and city streets/roads (less than countywide) have also been common. Other uses have included medical services, solid waste collection and disposal, zoo, flood control, jail/corrections, and parks and recreation.

Prior to 2004, most proposals were for countywide programs, but since then city proposals are more common. Just 19 of the 70 proposals prior to 2004 were by cities. Since then, 74% (177 of 240) have been from cities.

**Chart 4**

## Local Transactions and Use Tax Measures



Until the passage of SB566, most transactions and use tax measures were special taxes requiring two-thirds voter approval. With few exceptions, until 2003, most legislation authorized only two-thirds vote special taxes. But general tax proposals are now more common. Prior to 2003, there were just six general purpose majority vote city measures. Since then, there have been 163.

Generally, city majority vote general purpose transactions and use taxes have shown a greater rate of success than countywide measures or city 2/3 vote special transactions and use taxes. Sixty-eight percent (115/169) of the proposed city general measures passed. Counties have a much tougher time of it though. Majority-vote general purpose measures by counties show just a five out of 23 passing record since 1995. Three of those have since sunset. San Mateo County (1/4 cent) and Santa Clara County (1/8 cent) each passed general purpose measures in November 2012. Inyo County's 1/2 cent general tax passed after special authorizing legislation in 1988 is also still in effect..

The success record of special taxes is not as successful for cities. Half (27) of the 55 special purpose two-thirds vote sales tax proposals by cities have been successful. This stronger result for general taxes can be seen among other types of local tax measures as well (hotel taxes, utility user taxes, etc.).

Since the passage SB566 in 2003, the transactions and use tax, particularly when structured as a majority vote tax for general purposes, has become popular and successful revenue raising tool for cities. In just the last few years, the number of approved city transactions and use taxes has more than tripled.

**Table 5 City Transactions & Use Tax Measures**

	Approved/Proposed																	2013	Total	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012 (thruMar)		
General	0/0	0/0	0/0	0/1	0/0	2/2	0/0	2/3	0/0	13/26	7/10	14/19	2/7	19/27	2/8	18/24	5/8	31/33	0/1	115/169
Special	0/1	0/3	0/0	2/5	1/1	1/1	0/0	0/0	2/2	6/11	2/3	2/9	2/2	5/9	0/1	1/1	1/2	1/3	1/1	27/55
	0/1	0/3	0/0	2/6	1/1	3/3	0/0	2/3	2/2	19/37	9/13	16/28	4/9	24/36	2/9	19/25	6/10	32/36	1/2	142/224
<b>Special Tax Uses</b>																				
Police & Fire				1/3	1/1					5/9	2/2	1/3	2/2	3/5	0/1		0/1	0/1	1/1	16/29
Hospital/Medical		0/1				1/1								0/1						1/3
Streets/Roads	0/1	0/1		1/2					2/2	1/1	0/1	1/4		1/2				0/1		6/15
Libraries		0/1															1/1			1/2
Other										0/1		0/2		1/1		1/1		1/1		3/6
	0/1	0/3	0/0	2/5	1/1	1/1			2/2	6/11	2/3	2/9	2/2	5/9	0/1	1/1	1/2	1/3	1/1	27/55

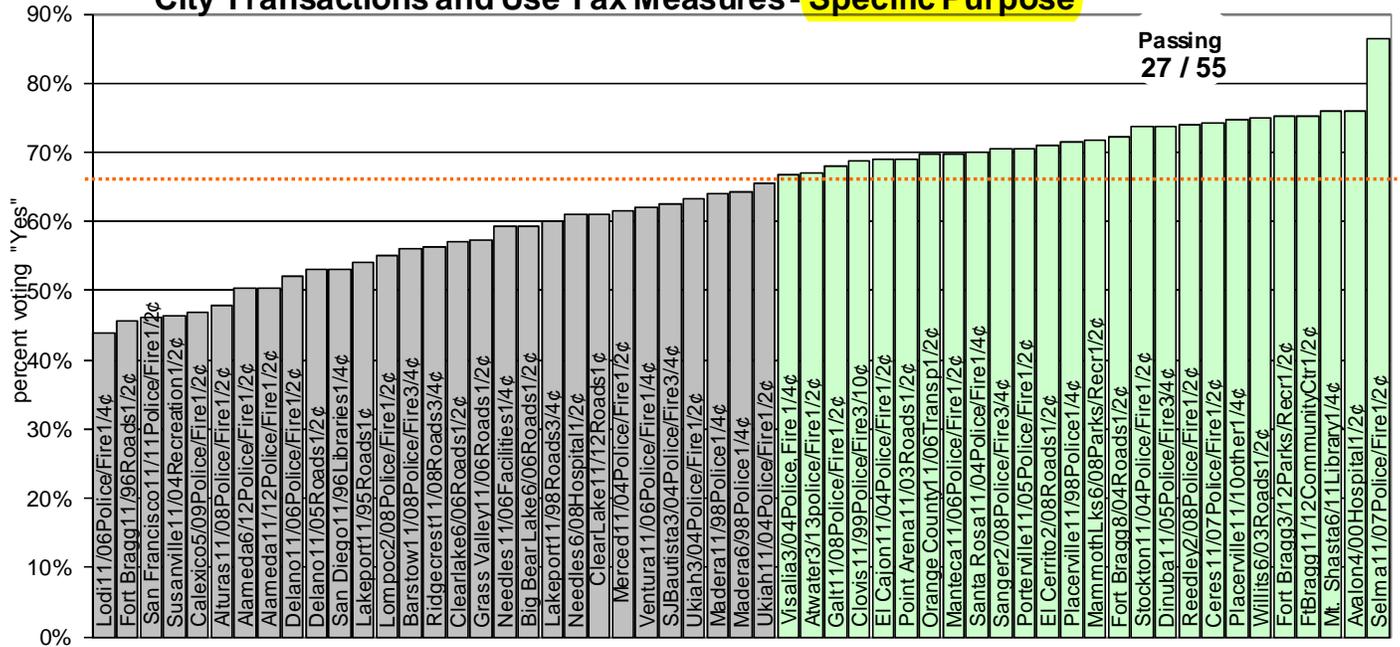
San Francisco is counted as a county.

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Chart 7

City Transactions and Use Tax Measures - **Specific Purpose**



**For More Information:**

- On the Sales & Use Tax in California: <http://www.californiacityfinance.com/#SALESTAX>
- **On local tax measures and election results:** <http://www.californiacityfinance.com/#VOTES>
- Current tax rates for cities and counties. California State Board of Equalization. <http://www.boe.ca.gov/cgi-bin/rates.cgi>
- Transactions and Use Tax rates and effective dates. Calif. BOE. <http://www.boe.ca.gov/sutax/pdf/districtratelist.pdf>

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<sup>1</sup> For more detail on rules for the collection and allocation of transactions and use taxes see California State Board of Equalization Publication #44, “Tax Tips for District Taxes” at <http://www.boe.ca.gov/pdf/pub44.pdf> and Publication #105 “District Taxes and Delivered Sales” at <http://www.boe.ca.gov/pdf/pub105.pdf>

<sup>2</sup> Including a 0.25% rate adopted by voters with the November 2011 approval of Proposition 30. The 0.25% rate went into effect on January 1, 2013 and will end December 31, 2016.

<sup>3</sup> The components of the statewide sales and use tax and their allocation are discussed in some detail in the Board of Equalization’s Publication #28: “Tax Information for City and County Officials” <http://www.boe.ca.gov/pdf/pub28.pdf> and other resources at <http://www.californiacityfinance.com/#SALESTAX>.

<sup>4</sup> Chapter 709, Statutes of 2003.

<sup>5</sup> For example, a countywide transportation tax of 1%, together with a 1% tax of a city in that county total 2%.

# Local Revenue Measure Results

## June 2014

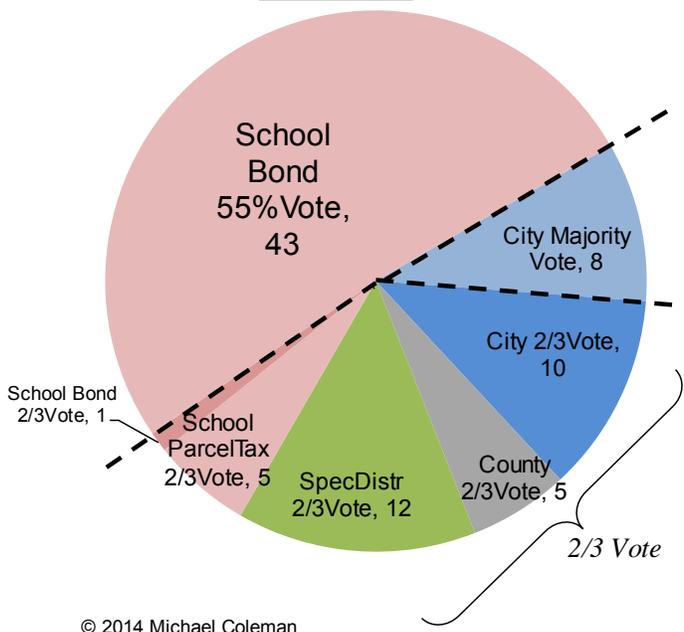
Voters in the June 4, 2014 California consolidated election decided over 140 local measures. Among these were 85 measures seeking approval for taxes or bonds. Ballots are still being counted and final results will not be known until later this month, but here are the preliminary outcomes.

K-12 schools districts and community colleges requested a total of \$2.818 billion in 44 separate bond measure authorizations for bonds to construct facilities, acquire equipment and make repairs and upgrades. There were just five measures to increase or extend school parcel taxes.

Among the 36 non-school local revenue measures were four measures asking for a total of \$722 million in bonds including a \$400 million earthquake safety improvement measure in San Francisco and a \$300 million park and open space measure in the mid-peninsula region of the San Francisco Bay Area. There were 17 parcel taxes requiring two-thirds voter approval, including six library measures and nine fire, emergency medical or police public safety measures.

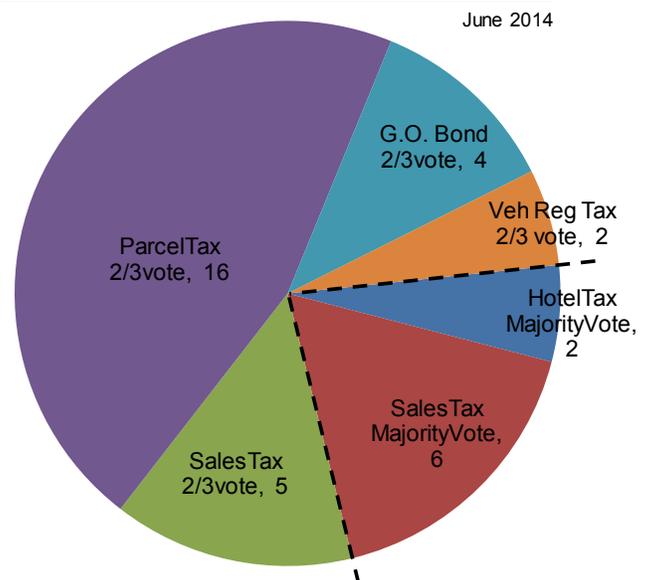
Eleven proposals sought to extend or increase local sales taxes by from ¼ percent in San Pablo, Woodland and Truckee, to 1% in Cathedral City and Cotati. Five of these measures earmarked the tax proceeds for a particular purpose, making them special taxes requiring 2/3 voter approval under Proposition 13. The City of Woodland took the unique approach of a majority vote general accompanied by four non-binding advisory measures as to the use of the funds.

### Proposed Local Revenue Measures June 2014



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### Types of Non-School Local Tax Measures



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### Overall Passage Rates

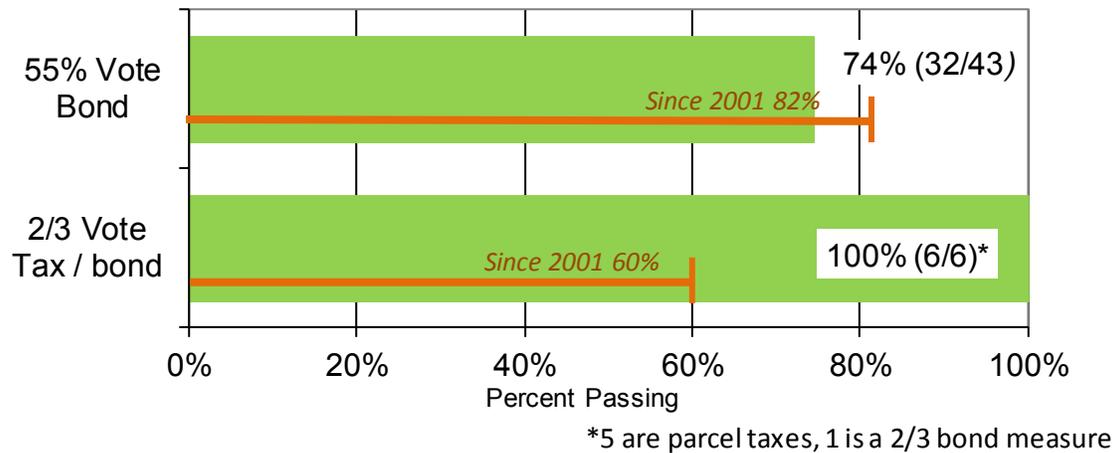
Consistent with results in prior elections, majority vote tax measures fared much better than supermajority measures. Just one majority vote measure is failing. Typically, about half of two-thirds supermajority measures succeed, but at this election about 2 out of 3 passed. In fact, about 3 of 4 city and special district special tax measures passed.

**Local Revenue Measures June 2014**

	Total	Pass	Passing%
City General Tax (Majority Vote)	8	8	100%
City Special Tax or G.O. bond (2/3 Vote)	11	8	73%
County (Special Tax) 2/3 Vote	5	2	40%
Special District (2/3)	12	9	75%
School Parcel Tax 2/3	5	5	100%
School Bond 2/3	1	1	100%
School Bond 55%	43	32	74%
<b>Total</b>	<b>85</b>	<b>65</b>	<b>76%</b>

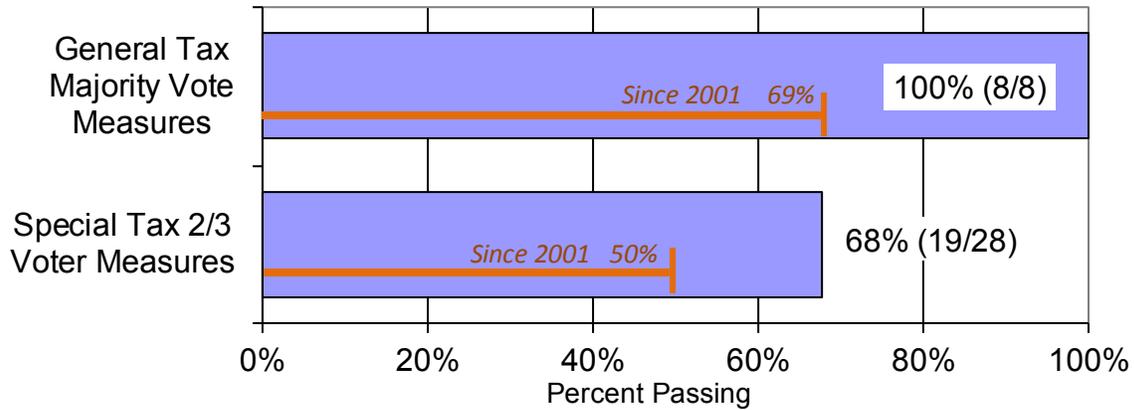
The school bond passage rate was similar to prior passage rates. The 100% success of the five school parcel taxes clearly beats historical outcomes, although all five continue - but do not increase - existing taxes.

**School Tax & Bond Measures June 2014**

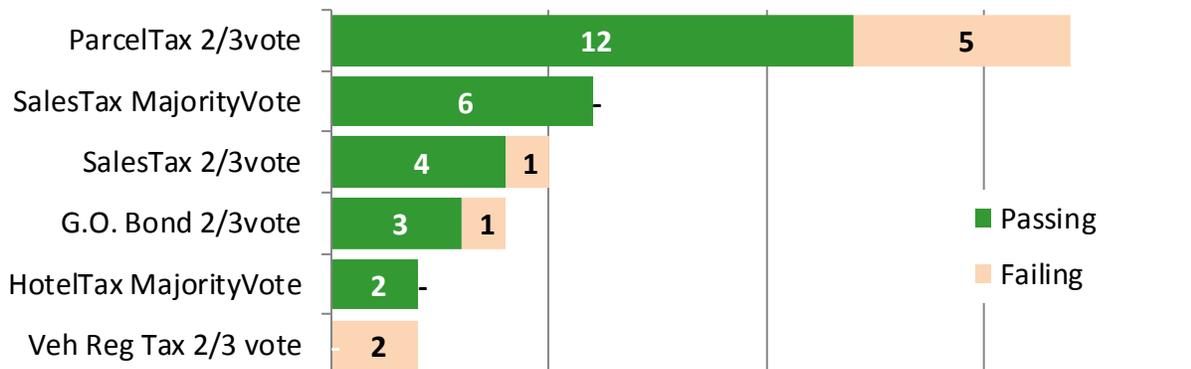


Among non-school measures, all of the general purpose tax measures passed including two hotel taxes and six add-on sales taxes. Historically, roughly two out of three local general tax measures have passed in California. Nineteen out of the 28 special tax measures passed. This too exceeds historic levels of success of these sorts of measures.

City / County / Special District Tax & Bond Measures June 2014



Five of 12 non-school parcel tax measures failed. Both measures to extend vehicle registration taxes for abandoned vehicle abatement failed to get the 2/3 vote needed.



**School Bonds**

In November 2000, the voters of California approved Proposition 39, a constitutional amendment allowing K-12 and community college school facilities bond measures to be approved by fifty-five percent of the voters in local elections rather than two-thirds. Property taxes to exceed the one percent Proposition 13 limit in order to repay the bonds.

Bond funds may be used only for construction, rehabilitation, equipping of school facilities, or the acquisition or lease of real property for school facilities. The school district must approve a specific list of school projects that meets specified safety, class size reduction, and information technology needs. The school board must conduct annual, independent financial and performance audits until all bond funds have been spent to ensure that the bond funds have been used only for the projects listed in the measure. The tax rate levied as the result of a bond measure may not exceed \$60 for a unified school district, \$30 for a school district, or \$25 for a community college district, per \$100,000 of taxable property value.

Voters approved a total of \$2.432 billion in new school bonds in 35 school districts.

### School Bond Measures

<b>Agency Name</b>	<b>County</b>		<b>Amount</b>	<b>YES%</b>	<b>NO%</b>	
Bayshore Elementary School District	San Mateo	Measure C	\$6m	<b>79.3%</b>	20.7%	<b>PASS</b>
Pixley Union School District *	Tulare	Measure Z	\$7.8m	<b>77.5%</b>	22.5%	<b>PASS</b>
Round Valley Unified School District	Mendocino	Measure L	\$4m	<b>76.4%</b>	23.6%	<b>PASS</b>
Culver City Unified School District	Los Angeles	Measure CC	\$106m	<b>75.9%</b>	24.2%	<b>PASS</b>
Cambrian School District	Santa Clara	Measure I	\$39m	<b>71.8%</b>	28.2%	<b>PASS</b>
Scotts Valley School District	Santa Cruz	Measure A	\$35m	<b>71.3%</b>	28.7%	<b>PASS</b>
Winters Joint Unified School District	Yolo/Solano	Measure R	\$15m	<b>70.8%</b>	29.2%	<b>PASS</b>
Larkspur-Corte Madera School District	Marin	Measure D	\$19m	<b>68.7%</b>	31.3%	<b>PASS</b>
Union School District	Santa Clara	Measure J	\$125m	<b>67.8%</b>	32.2%	<b>PASS</b>
Petaluma City School District	Sonoma	Measure E	\$21m	<b>67.2%</b>	32.8%	<b>PASS</b>
Buena Park Elementary School District	Orange	Measure B	\$71m	<b>66.6%</b>	33.4%	<b>PASS</b>
Rincon Valley Union School District	Sonoma	Measure F	\$35m	<b>66.0%</b>	34.0%	<b>PASS</b>
Parlier Unified School District	Fresno	Measure P	\$6m	<b>66.0%</b>	34.1%	<b>PASS</b>
Hydesville Elementary School District	Humboldt	Measure M	\$1.1m	<b>65.9%</b>	34.1%	<b>PASS</b>
Perris Elementary School District	Riverside	Measure C	\$40m	<b>65.4%</b>	34.6%	<b>PASS</b>
Sequoia Union High School District	San Mateo	Measure A	\$265m	<b>64.3%</b>	35.7%	<b>PASS</b>
Tracy Unified School District Facilities	San Joaquin	Measure B	\$82m	<b>64.3%</b>	35.7%	<b>PASS</b>
Petaluma Joint Union High School Dist	Sonoma / Marin	Measure C	\$68m	<b>63.9%</b>	36.1%	<b>PASS</b>
Los Gatos-Saratoga Joint Union High S	Santa Clara / Santa	Measure E	\$99m	<b>63.8%</b>	36.2%	<b>PASS</b>
Princeton Joint Unified School District	Colusa/Glenn	Measure S	\$2.75m	<b>63.7%</b>	36.3%	<b>PASS</b>
Benicia Unified School District	Solano	Measure S	\$49.6m	<b>63.2%</b>	36.8%	<b>PASS</b>
Happy Valley Union School District	Shasta	Measure C	\$2.495m	<b>63.0%</b>	37.0%	<b>PASS</b>
Cotati/Rohnert Park Unified School Dis	Sonoma	Measure B	\$80m	<b>63.0%</b>	37.0%	<b>PASS</b>
Woodside Elementary School District	San Mateo	Measure D	\$13.5m	<b>63.0%</b>	37.1%	<b>PASS</b>
Bellevue Union School District	Sonoma	Measure D	\$12m	<b>62.7%</b>	37.3%	<b>PASS</b>
Planada Elementary School District	Merced	Measure O	\$1.5m	<b>62.4%</b>	37.6%	<b>PASS</b>
Merced River School District	Merced	Measure L	\$1.8m	<b>61.5%</b>	38.5%	<b>PASS</b>
Fremont Unified School District	Alameda	Measure E	\$650m	<b>61.2%</b>	38.8%	<b>PASS</b>
Springville Union School District	Tulare	Measure J	\$4m	<b>59.3%</b>	40.7%	<b>PASS</b>
Contra Costa Community College Distr	Contra Costa	Measure E	\$450m	<b>57.6%</b>	42.4%	<b>PASS</b>
Merced City Elementary School Distric	Merced	Measure M	\$60m	<b>56.8%</b>	43.2%	<b>PASS</b>
San Benito High School District	San Benito / Santa	Measure G	\$42.5m	<b>56.3%</b>	43.7%	<b>PASS</b>

**School Bond Measures**

<u>Agency Name</u>	<u>County</u>		<u>Amount</u>	<u>YES%</u>	<u>NO%</u>	
Kingsburg Joint Union High School District	Fresno /Tulare/Kings	Measure K	\$13m	<b>56.3%</b>	43.7%	<b>PASS</b>
Le Grand Union High School District	Merced	Measure N	\$4.2m	<b>55.6%</b>	44.4%	<b>PASS</b>
Mojave Unified School Facilities Improvement	Kern	Measure A	\$8.1m	54.8%	<b>45.2%</b>	<b>FAIL</b>
Southern Humboldt Joint Unified School District	Humboldt / Mendocino	Measure N	\$10m	54.0%	<b>46.0%</b>	<b>FAIL</b>
Golden Plains Unified School District	Fresno	Measure G	\$13m	53.0%	<b>47.0%</b>	<b>FAIL</b>
Pine Ridge Elementary School District	Fresno	Measure R	\$4m	51.2%	<b>48.8%</b>	<b>FAIL</b>
Willows Unified School District	Glenn	Measure R	\$14m	49.6%	<b>50.4%</b>	<b>FAIL</b>
Gonzales Unified School District	Monterey	Measure N	\$16.9m	49.4%	<b>50.6%</b>	<b>FAIL</b>
Elk Hills School District	Kern	Measure B	\$7.13m	48.4%	<b>51.6%</b>	<b>FAIL</b>
Piedmont Unified School District	Alameda	Measure H	\$13.5m	47.7%	<b>52.3%</b>	<b>FAIL</b>
West Contra Costa Unified School District	Contra Costa	Measure H	\$270m	46.3%	<b>53.7%</b>	<b>FAIL</b>
Coronado Unified School District	San Diego	Proposition E	\$29m	40.7%	<b>59.3%</b>	<b>FAIL</b>

**School Parcel Taxes**

California law allows K-12 and community college school districts to levy parcel taxes. A parcel tax is an excise tax on real property (i.e. real estate) and is typically a flat per-parcel rate. School parcel taxes require two-thirds voter approval and may be used for any school purpose, but are typically used for operations as opposed to facility construction.

All five school parcel taxes passed. All extended, but did not increase, existing taxes.

**School Parcel Taxes - Two-Thirds Approval**

<u>Agency Name</u>	<u>County</u>		<u>Single Family Rate</u>	<u>YES%</u>	<u>NO%</u>	
Cabrillo Unified School District Parcel Tax	San Mateo	Measure B	\$150/parcel	<b>69.9%</b>	30.1%	<b>PASS</b> extend
Livermore Valley Joint Unified School District Parcel Tax	Alameda/Contra Costa	Measure G	\$138/Parcel	<b>72.4%</b>	27.6%	<b>PASS</b> extend
Milpitas Unified School District Parcel Tax	Santa Clara	Measure C	\$84/parcel	<b>73.3%</b>	26.8%	<b>PASS</b> extend
Evergreen School District Parcel Tax	Santa Clara	Measure H	\$100/parcel	<b>75.3%</b>	24.7%	<b>PASS</b> extend
Mount Pleasant School District Parcel Tax	Santa Clara	Measure K	\$95/parcel	<b>77.4%</b>	22.6%	<b>PASS</b> extend

**Local Add-On Sales Taxes (Transaction and Use Taxes)**

Under California law, transactions and use taxes may be approved locally and added to the combined state and local sales and use tax rate. Transactions and use taxes generally apply to merchandise that is delivered in a jurisdiction that imposes such a tax.

All of the majority vote general purpose add-on sales tax measures passed. Anderson and Woodland paired their measures with advisory measures as to the use of the tax funds if passed. Woodland and Cathedral City extended their existing taxes without an increase.

**Transactions and Use Tax (Add-on Sales Tax) - General Tax - Majority Approval**

<u>Agency Name</u>	<u>County</u>		<u>Rate</u>	<u>Sunset</u>	<u>YES%</u>	<u>NO%</u>		
Woodland	Yolo	Measure J	1/4 cent	8yrs	<b>68.4%</b>	31.6%	<b>PASS</b>	extend
Hayward	Alameda	Measure C	1/2 cent	20yrs	<b>67.4%</b>	32.6%	<b>PASS</b>	new
Cathedral City	Riverside	Measure B	1 cent		<b>66.8%</b>	33.2%	<b>PASS</b>	extend
Davis	Yolo	Measure O	1%from1/2%	6yrs	<b>58.5%</b>	41.5%	<b>PASS</b>	extend/increase
Anderson	Shasta	Measure A	1/2 cent		<b>53.3%</b>	46.7%	<b>PASS</b>	increase
Cotati	Sonoma	Measure G	1%from1/2%	9yrs	<b>52.8%</b>	47.2%	<b>PASS</b>	extend/increase

**Advisory Measures as to Use of Proceeds**

Anderson	Shasta	Measure B	*Advisory - TrUT	50%Police	<b>63.5%</b>	36.5%	<b>PASS</b>	
Woodland	Yolo	Measure K	*n/a Advisory TrUT	Youth programs	<b>65.2%</b>	34.8%	<b>PASS</b>	
Woodland	Yolo	Measure L	*n/a Advisory TrUT	Library	<b>66.2%</b>	33.8%	<b>PASS</b>	
Woodland	Yolo	Measure M	*n/a Advisory TrUT	Crime prevention	<b>70.3%</b>	29.7%	<b>PASS</b>	
Woodland	Yolo	Measure N	*n/a Advisory TrUT	Ratepayer assistance	<b>54.3%</b>	45.7%	<b>PASS</b>	

There were five two-thirds vote special add-on sales tax measures. Watsonville’s ½ cent measure is narrowly passing. The Lake County measure to clean up Clearlake garnered 63.9% “yes,” but failed.

**Transactions and Use Tax (Add-on Sales Tax) - Special Tax - Two-Thirds Approval**

<u>Agency Name</u>	<u>County</u>		<u>Rate</u>	<u>Purpose</u>	<u>Sunset</u>	<u>YES%</u>	<u>NO%</u>		
County of Alameda	Alameda	Measure AA	1/2 cent	Lake cleanup	20yrs	<b>75.0%</b>	25.0%	<b>PASS</b>	extend
Truckee	Nevada	Measure R	1/4 cent	other	10 yrs	<b>75.0%</b>	25.0%	<b>PASS</b>	increase
San Pablo	Contra Costa	Measure K	1/4 cent	Fire/EMS		<b>70.8%</b>	29.2%	<b>PASS</b>	increase
Watsonville	Santa Cruz	Measure G	1/2 cent	Police/Fire/EMS	7yrs	<b>67.2%</b>	32.8%	<b>PASS</b>	increase

**Transient Occupancy (Hotel) Taxes**

Cities may impose the transient occupancy tax (TOT) on persons staying 30 days or less in a hotel, inn, motel, tourist home, non-membership campground or other lodging facility. Cities may also levy a tax on the privilege of renting a mobile home located outside a mobile home park, unless such occupancy is for more than 30 days or unless the tenant is an employee of the owner. More than 400 cities and 55 (all but three) counties impose a TOT. Most are general purpose taxes.

Both TOT measures on this ballot passed. Banning voters approved an extension of the current 12% rate that was scheduled to drop to 6% in November 2014. Winters voters approved an increase from 10% to 12%.

**Transient Occupancy Tax Tax Measures: All General Majority Vote**

<u>Agency Name</u>	<u>County</u>		<u>Rate</u>	<u>YES%</u>	<u>NO%</u>	
Banning	Riverside	Measure E	12% (goes to 6% 11/14)	<b>82.8%</b>	17.3%	<b>PASS</b> extend
Winters	Yolo	Measure Q	To 12% from 10%	<b>58.3%</b>	41.7%	<b>PASS</b> increase

**General Obligation Bonds**

Cities, counties, school districts and some special districts may issue general obligation bonds to acquire, construct or improve real property. Proceeds of the bonds may not be used to purchase equipment or pay for operations and maintenance. General Obligation Bonds may be used to finance the acquisition, construction, or completion of the real property portion of any “works, property or structures necessary or convenient to carry out the objects, purposes and powers” of the agency including: city halls, public safety buildings, school facilities, park improvements, libraries, public works projects, including street and road improvements. The California Constitution Article XVI §18 requires approval of two-thirds of the voters for general obligation bonds of cities, counties, and school districts. Article XIII A §1(b) provides an exception from the 1 percent real property tax limit for taxes to pay voter-approved general obligation bonds.

There were four general obligation measures this election. San Francisco’s \$400 million earthquake safety measure passed easily. Orinda voters passed a bond to improve their streets and storm drain systems. Voters on the San Francisco Mid-Peninsula narrowly approved a \$300 million bond for parks and open space.

**City, County and Special District Bond Measures - Two-Thirds Approval**

<u>Agency Name</u>	<u>County</u>		<u>Amount</u>	<u>YES%</u>	<u>NO%</u>	
San Francisco	San Francisco	Measure A	\$400m	<b>78.8%</b>	21.2%	<b>PASS</b>
Orinda	Contra Costa	Measure J	\$20m	<b>75.5%</b>	24.5%	<b>PASS</b>
Midpeninsula Regional Open Space District	San Mateo / Santa Clara / Santa Cruz	Measure AA	\$300m	<b>68.0%</b>	32.0%	<b>PASS</b>
Kensington Police Protection	Contra Costa	Measure L	\$2m	48.5%	<b>51.5%</b>	<b>FAIL</b>

**Vehicle Registration Taxes**

Prior to the passage of Proposition 26 on November 3, 2010, many counties adopted local vehicle registration fees. The fees adhered to specific requirements and uses prescribed in state law. Proposition 26 effectively makes these special taxes, requiring two-thirds voter approval for an increase or extension. Two counties, Fresno and San Benito, requested renewal for a period of ten years of their vehicle registration taxes used for abandoned vehicle abatement pursuant to state Vehicle Code. The tax is one dollar per vehicle and an additional two dollars for certain commercial vehicles.

These local taxes are paid with motor vehicle registration by motor vehicle owners to the Department of

Motor Vehicles (DMV). After determining compliance with certain reporting requirements and deducting administrative costs for the DMV, the State Controller’s office allocates the funds to the county. The funds may be used for the “abatement and removal, as a public nuisance, of abandoned, wrecked, dismantled or inoperative vehicle or parts from private or public property, not including highways.”

Two counties, Fresno and San Benito, sought to continue existing Vehicle Registration Fees (now taxes) but failed to garner the 2/3 voter approval needed.

<b>Vehicle Registration Tax</b>						
<u>Agency Name</u>	<u>County</u>		<u>Rate</u>	<u>YES%</u>	<u>NO%</u>	
County of Fresno	Fresno	Measure A	\$1/veh, \$2/comm extend	50.7%	<b>49.3%</b>	<b>FAIL</b>
County of San Benito	San Benito	Measure F	\$1/veh, \$2/comm extend	64.2%	<b>35.8%</b>	<b>FAIL</b>

**Parcel Taxes – Cities, Counties and Special Districts**

A parcel tax is an excise tax on real property (i.e. real estate) that is based on either a flat per-parcel rate or a rate that varies depending upon use, size, and/or number of units on each parcel. Regardless of its use, a parcel tax must be adopted as a special tax.

Twelve of the 17 non-school parcel tax measures passed, including all six library measures. Would a lower vote threshold have made a difference? The Lake Shastina Community Services District Measure D is the only measure that failed to get over 55% approval.

**City, County and Special District Parcel Taxes - Two-Thirds Approval**

<u>Agency Name</u>	<u>County</u>		<u>Single Family Rate</u>	<u>YES%</u>	<u>NO%</u>	
Kneeland Fire Protection District	Humboldt	Measure L	\$80/parcel	<b>82.9%</b>	17.1%	<b>PASS</b> increase
San Jose	Santa Clara	Measure B	\$30+/parcel	<b>81.0%</b>	19.0%	<b>PASS</b> extend
Bear Valley Community Healthcare Distric	San Bernardino	Measure F	\$45/parcel	<b>80.7%</b>	19.3%	<b>PASS</b> extend
Fallen Leaf Lake Community Services Dist	El Dorado	Measure A	\$660+/parcel	<b>80.7%</b>	19.4%	<b>PASS</b> extend
South Lake Tahoe Zone of Benefit, Zone I	El Dorado	Measure L	\$20/parcel	<b>78.5%</b>	21.5%	<b>PASS</b> extend increase
North San Juan Fire Protection District	Nevada	Measure Q	\$61.5/DU	<b>77.9%</b>	22.2%	<b>PASS</b> increase
Marin County Free Library District	Marin	Measure A	\$49+/parcel	<b>77.7%</b>	22.3%	<b>PASS</b> extend
Georgetown Divide Zone of Benefit, Zone	El Dorado	Measure G	\$20/parcel	<b>77.1%</b>	22.9%	<b>PASS</b> extend increase
County of Santa Cruz	Santa Cruz	Measure F	\$8.50/parcel	<b>75.5%</b>	24.5%	<b>PASS</b> increase
Sacramento	Sacramento	Measure B	\$12+/parcel	<b>72.9%</b>	27.1%	<b>PASS</b> increase
San Anselmo	Marin	Measure E	\$54+/parcel	<b>72.1%</b>	27.9%	<b>PASS</b> increase
Brooktrails Township Community Service	Mendocino	Measure K	\$99/parcel	<b>69.5%</b>	30.5%	<b>PASS</b> increase
Parlier	Fresno	Measure S	\$180/parcel	64.2%	<b>35.8%</b>	<b>FAIL</b> extend increase
Desert Hot Springs	Riverside	Measure F	\$373/vacant parcel	62.9%	<b>37.1%</b>	<b>FAIL</b> extend increase
Apple Valley Fire Protection District	San Bernardino	Measure G	from \$63 to \$87/parcel	59.3%	<b>40.7%</b>	<b>FAIL</b> extend increase
Southern Cascade Community Services D	Modoc/Lassen	Measure Y	\$65/parcel	56.3%	<b>43.7%</b>	<b>FAIL</b> increase
Lake Shastina Community Services Distric	Siskiyou	Measure D	\$124/parcel	44.6%	<b>55.4%</b>	<b>FAIL</b> extend/increase

**The Spurned Taxes**

There were no local measures concerning utility user taxes, business license taxes or property transfer taxes at this election.

**Other Measures of Note**

**Referenda concerning fees and taxes.**

Four cities faced referenda to limit or repeal fees or taxes. All measures failed.

- In Signal Hill, voters rejected a sweeping measure that would have required two-thirds voter approval of all taxes, assessments and fees increases, the sunset of all taxes and fees after ten years, assessments after twenty years; and bond repayment within twenty years.
- Santa Barbara County voters rejected another unusual measure that would have required the county to maintain all county-owned roads, parks and buildings in the same or better condition as on June 3, 2014.
- Voters in Davis narrowly approved a referendum repealing the city’s recently adopted water rate structure casting questions over the city’s joint agreement with the city of Woodland for major surface water system improvements.
- South Lake Tahoe voters passed an initiative measure that repeals that city’s paid parking program adopted in 2012.

**Referenda concerning municipal fees or taxes**

<u>Agency Name</u>	<u>County</u>		<u>YES%</u>	<u>NO%</u>	
Signal Hill	Los Angeles	Measure U	34.3%	<b>65.7%</b>	<b>FAIL</b>
County of Santa Barbara	Santa Barbara	Measure M	48.7%	<b>51.3%</b>	<b>FAIL</b>
Davis	Yolo	Measure P	<b>51.2%</b>	48.8%	<b>PASS</b>
South Lake Tahoe	El Dorado	Measure P	<b>68.4%</b>	31.6%	<b>PASS</b>

**Secession of the North Counties: The war of southern aggression**

The feelings were apparently mixed, but voters in the counties of Del Norte and Siskiyou turned down resolutions to secede from the state of California. Tehama County voters approved their secession measure.

**Secession**

County of Tehama	Measure A	<b>55.7%</b>	44.3%	<b>PASS</b>
County fo Siskiyou	Measure C	44.1%	<b>55.9%</b>	<b>FAIL</b>
County of Del Norte	Measure A	41.4%	<b>58.6%</b>	<b>FAIL</b>

**District Elections**

Voters in the City of Whittier and the Coachella Valley Water District approved measures to elect their governing boards by district. This issue has been the subject of a number of civil rights law suits in different jurisdictions and legislation now pending in the State Capitol.

<b>District Elections</b>					
Coachella Valley Water Dist	Riverside / San Diego	Measure D	74.3%	25.8%	<b>PASS</b>
Whittier	Los Angeles	Measure W	52.9%	47.1%	<b>PASS</b>

**Police and Fire Services: Choice for Alternative Service Delivery**

Voters in the City of Downey soundly defeated an initiative measure that would have amended the city charter to remove a current provision concerning police and fire services. The charter section requires that police and fire services be provided by in-house staff unless the voters first approve by two-thirds an advisory measure on an alternative method or agreement.

**Amend Charter to remove the requirement that the City shall provide for the staffing of the police and fire departments.**

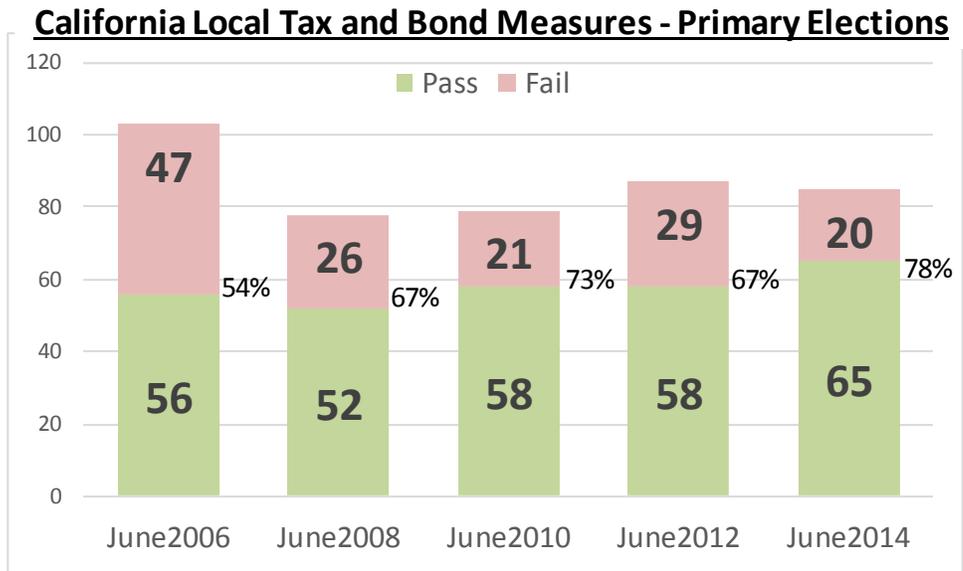
Downey	Los Angeles	Measure B	17.1%	<b>83.0%</b>	<b>FAIL</b>
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**Tax and Bond Measures: Comparison with Previous Gubernatorial and Presidential Primary Elections**

Compared with prior primary elections, the success of local measures was a bit stronger. As in prior elections, general tax measures were much more successful than others: all passed. The success is far more mixed for two-thirds vote special taxes. There were far fewer school parcel tax proposals this election, and all were extensions. The passage rate of school bond measures is quite similar: about 3 of 4 pass, although in March 2006 the success rate was lower. All school parcel taxes also failed in that election.

**Local Revenue Measures in California**

	June2006	June2008	June2010	June2012	June2014
City General Tax (Majority Vote)	6/7	11/14	12/14	10/11	<b>8/8</b>
County General Tax (Majority Vote)	1/3	1/1	2/2	4/7	<b>/</b>
Special Dist. Majority Fee	/	/	/	1/1	<b>/</b>
City SpecialTax, GObond (2/3 Vote)	4/8	2/5	5/9	2/8	<b>8/11</b>
County SpecialTax, GObond (2/3 Vote)	0/7	1/2	1/1	3/3	<b>2/5</b>
Special District (2/3)	5/9	5/10	7/11	4/10	<b>9/12</b>
School ParcelTax2/3	0/6	6/13	16/22	9/13	<b>5/5</b>
School Bond 2/3	1/2	1/1	/	/	<b>1/1</b>
School Bond 55%	39/61	25/32	15/20	25/34	<b>32/43</b>
<b>Total</b>	<b>56/103</b>	<b>52/78</b>	<b>58/79</b>	<b>58/87</b>	<b>65/85</b>



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Source: County elections offices.

