



Contra
Costa
County

To: Board of Supervisors
From: FINANCE COMMITTEE
Date: October 22, 2019

Subject: Countywide Sales Tax Referral

RECOMMENDATION(S):

1. DETERMINE that a sales tax should be pursued over a parcel tax for the entire County (unincorporated and cities),
2. DIRECT that an expenditure plan be developed prior to the ballot measure being listed,
3. ACKNOWLEDGE that a general tax is not bound to be spent on specific services,
4. CREATE an ad hoc committee of Supervisors Mitchoff and Gioia to work on development of the expenditure plan,
5. DIRECT the ad hoc committee to create a workgroup composed of labor, community based organizations, Budget Justice Coalition, East Bay Leadership Council, and County Administrator staff.
6. DIRECT that meetings shall be open meetings governed by the Brown Act,
7. DIRECT staff to work with the California Department of Tax and Fee Administration (CDTFA) on logistics of listing a ballot measure and set up and collection contracts, if approved,
8. DIRECT staff to begin discussions with County lobbyist regarding special legislation needed to list measure on the ballot, but shall not begin drafting language or engaging legislators, and
9. ACKNOWLEDGE that the Governor would need to sign special legislation by May/June timeframe for the ballot measure to be feasible.

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY
ADMINISTRATOR

☐ RECOMMENDATION OF BOARD
COMMITTEE

Action of Board On: **10/22/2019** ☐ APPROVED AS RECOMMENDED ☒ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

AYE: John Gioia, District I Supervisor
Candace Andersen, District II Supervisor
Diane Burgis, District III Supervisor
Karen Mitchoff, District IV Supervisor

ABSENT: Federal D. Glover, District V Supervisor

Contact: Timothy Ewell, Chief Assistant
County Administrator (925) 335-1036

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: October 22, 2019

David Twa, County Administrator and Clerk of the Board of Supervisors

By: June McHuen, Deputy

RECOMMENDATION(S): (CONT'D)

FISCAL IMPACT:

This is an administrative report and has no specific fiscal impact. The attached Finance Committee report provides current projections for annual revenues for a countywide transaction and use tax. A 1/2 Cent tax would generate approximately \$93 million.

BACKGROUND:

On May 21, 2019, while considering whether to accept a report on the Contra Costa Transportation Authority's (CCTA) development of a Transportation Expenditure Plan and potential sales tax ballot measure, the Board of Supervisors referred to the Finance Committee the concept of a countywide sales tax (non-transportation) measure.

On July 5, 2019, the Finance Committee met and discussed the feasibility of a sales tax measure. County Counsel provided two attachments to supplement the discussion. The first attachment is a document outlining the procedural steps necessary to bring a general or special sales tax measure to the voters for approval. The second attachment discusses the limitations on the use of public resources in relation to ballot measure campaigns for a tax. Both documents are also attached to this agenda item for reference as attachments A and B, respectively.

At the July 2019 Finance Committee meeting, staff was asked to provide several follow up information items to the Committee at it's next regular meeting, including: 1) information regarding the composition of parcels throughout the County, 2) County Counsel was asked to assemble information related to parcel taxes similar to what has been provided to the Committee for a sales tax (essentially a "Guide"), and 3) provide updated information as to what a 0.5% and 0.25% sales tax would generate if passed.

The attached report was presented to the Finance Committee on October 7, 2019. After deliberation, the Finance Committee directed staff to present these materials to the full-Board of Supervisors along with the included recommendations.

CONSEQUENCE OF NEGATIVE ACTION:

There will be insufficient time for development of proposed legislation and other time sensitive actions prior to the November 2020 election.

CLERK'S ADDENDUM

Speakers: Gabriel Hanlana, SEIU 1021; Sharri Dancy, SEIU; Yen Do, SEIU 1021, Vickey Dominguez, SEIU 1021; Seur Stanbann, Local 21; Marianna Moore, Ensuring Opportunity Campaign; Sean Casey, First 5 Contra Costa; Yen Do, SEIU 1021.

ACKNOWLEDGED that a general tax is not bound to be spent on specific services, CREATED an ad hoc committee of Supervisors Mitchoff and Gioia to work on development of the expenditure plan; DIRECTED the ad hoc committee to create a workgroup composed of labor, community based organizations, Budget Justice Coalition, East Bay Leadership Council, and County Administrator staff. DIRECTED that meetings shall be open meetings governed by the Brown Act, DIRECTED staff to work with the

California Department of Tax and Fee Administration (CDTFA) on logistics of listing a ballot measure and set up and collection contracts, if approved.

ATTACHMENTS

Report to Finance Committee of Proposed Sales Tax Measures (10/7/19)

Attachment A - Sales Tax Measures-General, Special, Voter-Initiated, Etc.

Attachment B - Use of Public Resources in Relation to Tax Measure Campaigns

Attachment C - Detailed District Taxes, Rates and Effective Dates

Attachment D - Summary Parcel Count (Unincorporated & City), by Use Code

Attachment E - County Counsel Memorandum - Uniformity in Parcel Tax Measures, October 1, 2019