



**Contra
Costa
County**

To: Board of Supervisors

From: POTENTIAL SALES TAX MEASURE AD HOC COMMITTEE

Date: December 10, 2019

Subject: Countywide Sales Tax Update and Direction

RECOMMENDATION(S):

1. 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
2. DIRECT staff to begin discussions with the County's lobbyist regarding special legislation needed to list a measure on the ballot, and begin drafting language and engaging legislators, and
3. ACKNOWLEDGE that the Governor would need to sign special legislation by May/June timeframe for the ballot measure to be feasible.

FISCAL IMPACT:

This is an administrative report and has no specific fiscal impact. The attached October 7, 2019, Finance Committee report provides current projections for annual revenues for a countywide transaction and use tax. A 1/2 cent sales tax would generate approximately \$93 million.

BACKGROUND:

On May 21, 2019, while considering whether to accept a report on the Contra Costa

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY
ADMINISTRATOR

☐ RECOMMENDATION OF BOARD
COMMITTEE

Action of Board On: **12/10/2019** ☒ 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
Federal D. Glover, District V Supervisor

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: December 10, 2019

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

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

By: Stephanie Mello, Deputy

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.

BACKGROUND: (CONT'D)

> 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 its 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 on October 22, along with the following recommendations:

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.

At the October 22, 2019, Board of Supervisors meeting, the Board created a Potential Sales Tax Measure Ad Hoc Committee and referred the other recommendations to that body through the Finance Committee.

At the November 4, 2019, Finance Committee meeting, the Committee scheduled the first meeting of the Potential Sales Tax Measure Ad Hoc Committee and considered

hiring a facilitator to work with the group.

At the first meeting of the Potential Sales Tax Measure Ad Hoc Committee on November 18, 2019, the Committee directed staff to return to the full Board of Supervisors with the recommendation to work with the California Department of Tax and Fee Administration on logistics of listing a ballot measure and set up and collection contracts and to begin discussions with the County's lobbyist regarding special legislation needed to list a measure on the ballot.

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.

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