



**Contra  
Costa  
County**

To: Board of Supervisors  
From: David Twa, County Administrator  
Date: December 8, 2020

Subject: APPROVE AND AUTHORIZE AGREEMENTS WITH THE CALIFORNIA DEPARTMENT OF TAX  
AND FEE ADMINISTRATION FOR IMPLEMENTATION OF MEASURE X ON APRIL 1, 2021

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**RECOMMENDATION(S):**

ADOPT Resolution No. 2020/308 authorizing the County Administrator or designee, to enter into agreements with the California Department of Tax and Fee Administration for collection of a new countywide, 0.5% transactions and use tax authorized by the electorate on November 3, 2020.

**FISCAL IMPACT:**

Up to \$175,000 in preparation of levying the new 0.5% countywide transactions and use tax; 100% General Fund.

**BACKGROUND:**

At the November 4, 2019 meeting of the Finance Committee of the Board of Supervisors, committee members Gioia and Mitchoff discussed the formulation of a Potential Sales Tax Measure Ad Hoc Committee and considered input from staff and community members. The Ad Hoc Committee was tasked with activating a larger, self-identified working group consisting of representatives of Community-Based Organizations, Labor Organizations, and members of the public (collectively the "Working Group) charged with the development

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY  
ADMINISTRATOR

☐ RECOMMENDATION OF BOARD  
COMMITTEE

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Action of Board On: **12/08/2020** ☒ 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 8, 2020

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

By: June McHuen, Deputy

Contact: Timothy Ewell (925)  
655-2043

cc:

and formulation of a Needs Assessment. All willing participants were invited to attend and participate.

## BACKGROUND: (CONT'D)

### **Ad Hoc Committee Work and Community Engagement**

The first meeting of the Ad Hoc committee occurred on November 18, 2019. At this meeting, Supervisors Gioia and Mitchoff directed staff to work with the California Department of Tax and Fee Administration (CDTFA) on the logistics of listing a ballot measure and setting up collection contracts. Staff also was directed to forward to the full Board of Supervisors the Committee's recommendation to begin discussions with County lobbyists regarding special legislation required to list a measure on the ballot. Additionally, staff was directed to forward to the Board the recommendation to acknowledge that the Governor would need to sign said special legislation. The Ad Hoc committee concluded by directing district staff members Chris Wikler (Supervisor Mitchoff's office) and Sonia Bustamante (Supervisor Gioia's office) to staff the Working Group.

The Working Group convened for its first meeting on December 2, 2019. At that meeting, Mariana Moore of the Ensuring Opportunity Campaign & Josh Anijar of the Contra Costa Central Labor Council were selected by those in attendance to serve as co-chairs of the working group. The Working Group began to identify top-line vision statements and values to guide the creation of a Needs Assessment report, as well as form smaller sub-groups to study specific issues and matters relative to the larger goal of a general sales tax for County services.

The Working Group subsequently met on five occasions over the months of December 2019, January 2020 and February 2020. Members worked to distill and clarify the underserved needs of the County and identified several thematic areas: health and emergency services, safety net services, housing, and early childhood services. The group also retained Jim Ross of Telegraph LLC, a communications firm, to advise the Working Group and assist with the formulation of the Needs Assessment Report. Mr. Ross' services along with a poll of likely voters on a potential general services sales tax conducted by pollsters FM3 were funded by labor unions and CBOs who participated in the Working Group process.

### **Senate Bill 1349**

On April 8th, Senator Steve Glazer amended Senate Bill 1349 to include language providing relief to the County and cities within the County for future transaction and use tax measures. The bill was immediately referred to the Senate Governance and Finance Committee. The Senate Governance and Finance Committee hearing on SB 1349 was scheduled for Thursday, May 21st. Supervisor Gioia along with Concord Mayor Tim McGallian testified in support of the measure at the Senate committee meeting on May 21st. Additionally, Chief Assistant County Administrator Tim Ewell and Concord City Manager Valerie Barone have coordinated with cities in the County to collect letters of support for the bill. Currently, letters of support have been received by the cities of

Concord, Danville, Lafayette, Pittsburg, San Ramon, Orinda and the Contra Costa Transportation Authority. In addition, the California Labor Federation, California Professional Firefighters, California Teamsters Public Affairs Council, SEIU California, IFPTE Local 21 and Office and Professional Employees International Union Local 29 have all provided letters of support as well.

### **Needs Assessment**

The Potential Sales Tax Measure Ad Hoc Committee convened a meeting via video teleconference on May 13th to receive the finalized Needs Assessment Report from the Working Group and provide direction to staff. Supervisor Mitchoff noted the need for additional polling to determine the viability of the measure, as well as her perspective that public safety should be a part of any ballot measure in November. Supervisor Gioia agreed that there needs to be additional polling and suggested that the co-chairs could bring further polling recommendations when presenting the Needs Assessment to the Board of Supervisors. Supervisors Mitchoff and Gioia agreed to direct staff to forward the Needs Assessment Report to the full Board of Supervisors, for consideration and direction to staff on next steps regarding the Potential County-wide General Sales Tax measure at the May 26th meeting of the Board of Supervisors.

On May 26th, the Board received an update on the status of Senate Bill 1349 and a presentation of the Needs Assessment assembled by the Working Group. At that time, Senate Bill 1349 had been heard in the Senate Governance and Finance Committee the previous week, but was ultimately scheduled for reconsideration by the Committee due to a procedural issue on May 28th. The Committee authorized the reconsideration and ultimately voted the bill out of Committee on June 3rd. The bill was passed on the Senate Floor on June 11th and has been sent to the Assembly Local Government Committee for consideration. In addition, after receiving a report on the Needs Assessment, the Board directed the Working Group to return in mid-June with additional information about a second poll, including the number of people to be polled, the type of questions to be asked and the cost estimate.

### **Polling to Determine Community Interest**

On June 16th, the Board authorized a cost share of \$10,000 from the County to assist in polling the community regarding the potential sales tax measure.

On July 14th, the Board received the results of polling, which showed that a transactions and use tax would likely be successful if listed on the November 2020 General Election ballot. The Board subsequently directed County Counsel to draft a transactions and use tax ordinance for introduction on the July 28th agenda, which includes language stating that the ordinance is only to be placed on the November 2020 ballot if the Legislature and the Governor approve Senate Bill 1349 no later than August 24th.

### **Sales Tax Ordinance and Calling of Election**

On July 28th, the Board introduced the transactions and use tax ordinance and fixed adoption of the ordinance and related resolution calling for the election for the August 4th regular meeting of the Board. In addition, the Board made certain amendments to the proposed ordinance, including:

1. Determined copies of the full text of Ordinance No. 2020-22 shall be made available to the public in accordance with subdivisions (b)(3) and (b)(4) of Elections Code section 9160.
2. Clarified that the ordinance shall only become effective if Senate Bill 1349 is approved by the Legislature on or before August 24, 2020, and thereafter becomes law, and if this ordinance is adopted by the voters.

Ultimately, the Board approved Ordinance No. 2020-22 and Resolution No. 2020/407 on August 4th and subsequently filed materials with the Elections Department on August 5th. Subsequently, the Board amended Ordinance No. 2020-22 to change the effective date of the ordinance, conditions on the approval by the Legislature, from August 24, 2020 to August 31, 2020 - concurrent with the end of the Legislative Session.

The Election Department conducted a lottery to determine ballot measure letter assignment following the close of the measure filing deadline. The County's sales tax measure is was listed as "Measure X" on the November 3, 2020 General Election ballot.

### **Passage of Measure X**

On November 3, 2020, the electorate passed Measure X with 58.45% of the vote (50% required). County staff had already been in contact with the California Department of Tax and Fee Administration prior to the vote and immediately received correspondence from the agency with instructions for implementation of the tax.

Today's actions are necessary to allow the State to prepare for and ultimately collect the new 0.5% transactions and use tax on the County's behalf. The State requires these materials to be completed and remitted back to the State no later than January 4, 2021 in order to begin collecting the tax on April 1, 2021 as planned.

### **CONSEQUENCE OF NEGATIVE ACTION:**

The County will be unable to levy the recently passed 0.5% transactions and use tax commencing on April 1, 2021 as planned.

### **ATTACHMENTS**

Resolution 2020/308

Resolution No. 2020/308 - Exhibit A - Preparatory Agreement

Resolution No. 2020/308 - Exhibit B - Administration Agreement