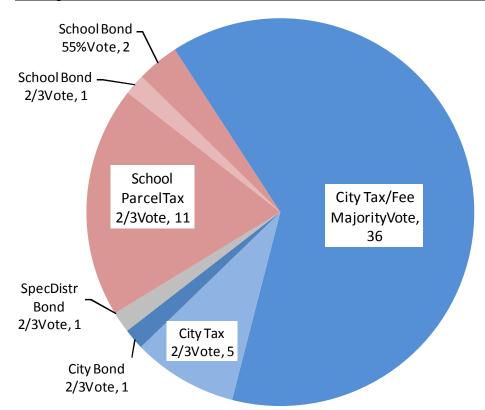
# Local Revenue Measures November 2009

Elections were held on November 3 in many areas of California. In addition to a number of elections to fill legislative and agency governing board positions, voters decided the fate of 114 local measures including 57 concerning taxes, fees or bonds for cities, counties, special districts and schools.<sup>1</sup> There were five local bond measures, including three for schools, seeking approval of a total of \$214 million to finance capital facility construction and repair. There were also 11 school parcel tax measures requiring two-thirds voter approval.

Among the non-school local fiscal measures 42 concerned cities and one concerned a special district. Among the city measures, most (36) are majority vote general tax measures. Six city measures required two-thirds voter approval including five special taxes and one general obligation bond. There were 13 utility user tax measures, including three new UUTs and nine modernization proposals. Five cities sought sales tax increases ranging from ½ cent 1 cent. Eleven cities proposed hotel tax increases and two sought to impose hotel taxes for the first time. There were five parcel tax proposals and just five bond measures including three school bonds.

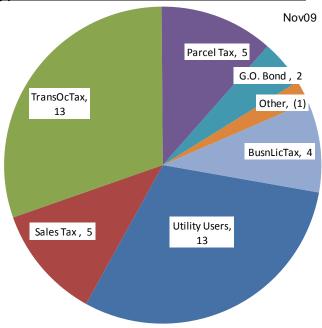
# **Proposed Local Revenue Measures Nov2009**



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# Types of Non-School Local Tax Measures



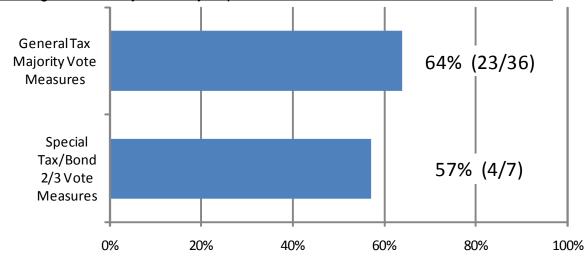
# **Local Revenue Measures Nov 2009**

	Proposed	<u>Pass</u>	Passing%
City Tax/Fee MajorityVote	36	23	64%
City Tax 2/3Vote	5	3	60%
City Bond 2/3Vote	1	0	0%
SpecialDistrict Bond 2/3Vo	ote 1	1	100%
School ParcelTax2/3	11	7	64%
SchoolBond 2/3Vote	1	0	0%
School Bond 55%	2	2	100%
To	otal 57	36	63%

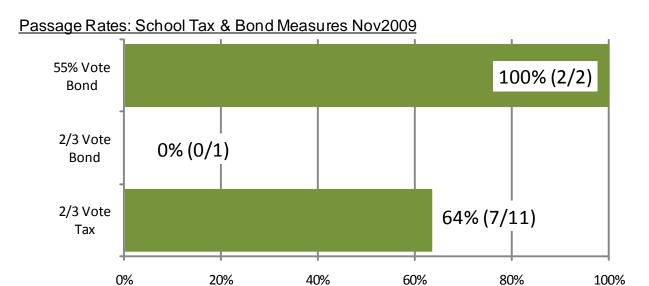
The overall passage rate of non-school local tax measures this election was similar to that of prior elections over the last decade. Of the 36 majority-vote tax measures, nearly two out of three (23) passed. Since 2001, 65% of majority vote local tax measures have passed.

Of the five special tax measures requiring two-thirds voter approval, three passed. A hospital district bond measure passed but the one city bond measure (2/3 vote) failed. This passage rate generally mirrors historic passage rates for special taxes and bonds since 2001: half passed.





The passage rates for school measures also mirrored passage rates since 2001. Both 55% school bond measures passed, but Springvale Union Elementary School District's bond measure did not meet the Proposition 39 rules for 55% approval and failed to garner the required two-thirds voter approval. Of the eleven school parcel tax measures, seven passed.



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

Five cities asked their voters to consider sales tax add-ons (transactions and use taxes) for general purposes. The proposals ranged from increases of ½ percent to 1 percent and require majority voter approval. Two of the measures passed: a ¼ cent increase in San Mateo and a ½ cent rate in Gustine. Since 2001, three out of five add-on sales tax measures have passed.

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Transactions	and Use 13	ax: (+eneral la	x Measiires (	Majority voter approval	reallired)
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Agency Name	<b>County</b>		Rate	Sunset	YES%	NO%
San Mateo	San Mateo	Measure L	1/4cent	8yrs	60.8%	39.2% PASS
Gustine	Merced	Measure B	1/2cent		52.5%	47.5% PASS
San Carlos	San Mateo	Measure U	1/2cent	6yrs	44.3%	55.7% FAIL
San Buenaventura	Ventura	Measure A	1/2cent	4yrs	44.1%	55.9% FAIL
Salinas	Monterey	Measure K	1cent		39.2%	60.8% FAIL

## **Utility User Taxes**

There were 13 measures to increase or expand utility user taxes. Five cities asked voters to modernize their existing Utility User Taxes (UUTs) on telecommunications to cover new telecommunications technologies while maintaining existing rates. All passed. Four cities similarly asked voters to modernize their existing UUTs but also reduced the tax rate. All passed. The City of Portola Valley succeeded in

# **Utility User Tax Measures - Nov 2009**

	Proposed	<u>Passed</u>
Expand what is taxed & reduce rate	4	4
Expand what is taxed & maintain rate	5	5
Extend sunset	1	1
Expand to powerplant	1	0
New/increase rate	2	0
	13	10

extending the sunset on its UUT for another four years. Among all these measures just two (Newark and Coachella) proposed tax rate increases. Both measures failed; Newark's by just ten votes of over 4,700 cast. Voters in Redondo Beach rejected a proposal to extend their UUT to tax power plants in the city.

These outcomes are similar to recent historical passage results. Since 2001, nearly all of the 56 proposals to modernize UUTs without increasing the tax rate have passed. But proposals for new or increased UUTs this decade have fared much worse with just one in four passing.

**Utility User Tax Measures - all majority vote general taxes** 

A manay Nama	Country		Data	O	VEC0/	NO0/
Agency Name	County		<u>Rate</u>		YES%	<u>NO%</u>
Tulare	Tulare	Measure N	7%to6%	expand&reduce	83.0%	17.0% PASS
Portola Valley	San Mateo	Measure P	maintain4.5%	extend 4yrs	82.1%	17.9% PASS
Irwindale	Los Angeles	Measure I-U	maintain 7.5%	expand	82.0%	18.0% PASS
Cupertino	Santa Clara	Measure B	maintain 2.4%	expand	75.5%	24.5% PASS
Palm Springs	Riverside	Measure G	5% to 4.5%	expand&reduce	70.3%	29.8% PASS
Vallejo	Solano	Measure U	7.5%to7.3%	expand&reduce	69.4%	30.6% PASS
Pico Rivera	Los Angeles	Measure TR	5% to 4.5%	expand&reduce	67.3%	32.7% PASS
Dinuba	Tulare	Measure M	maintain 7%	expand	64.7%	35.4% PASS
Pomona	Los Angeles	Measure PC	maintain 9%	expand	59.7%	40.4% PASS
Huntington Park	Los Angeles	Measure E	6.5% and 7% to 9.25% and 9.75%	increase	51.4%	48.6% PASS
Newark	Alameda	Measure L	3.9%	new	49.9%	50.1% FAIL
Coachella	Riverside	Measure M	5%	new	47.1%	52.9% FAIL
Redondo Beach	Los Angeles	Measure UU	4.75% (existing)	expand:PowerPlant	46.6%	53.4% FAIL

# Transient Occupancy (Hotel) Taxes

Voters in eleven cities considered increasing their Transient Occupancy (Hotel) Tax and two cities considered adopting a transient occupancy tax (TOT) for the first time. All were majority-vote general purpose taxes. Nine of the measures succeeded including all six in San Mateo County. The Artesia measure passed by just 12 votes of 966 cast. San Anselmo rejected a new 10% TOT, while voters in Irwindale approved their new 10% tax.

This was a slightly better overall showing for TOTs compared to past elections. In prior elections since 2001, three of five measures to increase TOTs have passed.

Transient Occupancy Tax Tax Measures - General Taxes - Majority Vote											
Agency Name	<b>County</b>		<u>Rate</u>		YES%	<u>NO%</u>					
Irwindale	Los Angeles	Measure I-T	10%	new	84.5%	15.5% PASS					
Burlingame	San Mateo	Measure H	10% to 12%	increase	79.4%	20.6% PASS					
South San Francisco	San Mateo	Measure O	9%to10%	increase	77.9%	22.1% PASS					
Banning	Riverside	Measure L	6%to12%	increase	75.0%	25.0% PASS					
San Mateo	San Mateo	Measure M	10% to 12%	increase	74.5%	25.5% PASS					
San Bruno	San Mateo	Measure F	10% to 12%	increase	70.1%	29.9% PASS					
Millbrae	San Mateo	Measure J	10% to 12%	increase	68.1%	31.9% PASS					
Brisbane	San Mateo	Measure G	10% to 12%	increase	63.9%	36.1% PASS					
Norco	Riverside	Measure B	8%to11%	increase	54.6%	45.4% PASS					
Artesia	Los Angeles	Measure S	6% to 12.5%	increase	51.0%	49.0% PASS					
Rancho Palos Verdes	Los Angeles	Measure TOT	10% to 12%	increase	48.7%	51.3% FAIL					
Blythe	Riverside	Measure H	10% to 13%	increase	47.0%	53.1% FAIL					
San Anselmo	Marin	Measure F	10%	new	40.0%	60.0% FAIL					

## Parcel Taxes (non-school)

There were five city parcel tax measures on the ballot. Three extended existing taxes. All passed. The two proposals for new parcel taxes failed, including a measure in Pacific Grove which garnered 62.2% yes vote, but short of the 2/3 approval needed.

## Parcel Taxes (2/3 vote)

Agency Name	County		<u>Rate</u>	<u>Purpose</u>		Sunset	YES%	<u>NO%</u>
South Pasadena	Los Angeles	Measure L	no increase	Library	extend	5yrs	79.7%	20.3% PASS
Atherton	San Mateo	Measure S	no increase	general	extend	4yrs	77.6%	22.4% PASS
Fairfax	Marin	Measure I	no increase	general	extend	5yrs	72.9%	27.2% PASS
Pacific Grove	Monterey	Measure J	\$75/parcel	Library	new		62.2%	37.8% FAIL
Perris	Riverside	Measure C	\$136/parcel	general	new		42.1%	57.9% FAIL

## **Business License Taxes**

Four cities proposed increases to local business license taxes. All were majority vote general taxes. Palo Alto, in failing with its proposal, remains one of the few cities in the state not to impose a business license tax. Emeryville increased its tax on card rooms. But business tax increase proposals in Artesia and Redwood City failed, the Artesia measure by just ten votes of 978 cast. Historically since 2001 three out of five business license tax increase measures have passed.

<b>Business Licens</b>	e Tax Measures	- General Tax	- Majority Vote
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Agency Name	<u>e County</u>				YES%	<u>NO%</u>	
Emeryville	Alameda	Measure K	9% to 10% cardroom	increase	82.6%	17.4%	PASS
Artesia	Los Angeles	Measure Y		increase	50.0%	50.1%	FAIL
Redwood City	San Mateo	Measure Y		increase	45.5%	54.5%	FAIL
Palo Alto	Santa Clara	Measure A		new		57.1%	FAIL

## **General Obligation Bonds**

Non-school local general obligation bond measures require 2/3 supermajority voter approval and involve the approval of a "tax override," a higher ad-valorem (property-value-based) tax rate to pay off the approved bonds. There were just two non-school general obligation bond measures including a hospital district and a city public safety facility bond. The Tehachapi Valley Health Care District measure passed, but the City of San Rafael measure failed with 61% "yes" votes.

#### G.O. Bonds (2/3 vote)

Agency Name	County		<u>Amo</u>	<u>ınt</u>	YES%	NO%
Tehachapi Valley Health Care District	Kern	Measure A	\$50M	hospital	69.8%	30.2% PASS
San Rafael	Marin	Measure G	\$88M	Police/Fire/EMS	61.0%	39.0% FAIL

### Other Revenue Measures

Voters rejected a citizen referendum to ratify a water rate increase in Paso Robles. A "yes" vote would have ratified the rate increase. The citizen group succeeded in reversing the City Council's action increasing the rates.

# Other Fiscal Measures (majority vote)

Agency Name	County	%Needed	YES% NO%
El Paso de Robles	San Luis Obispo Measure A-09 Referend:WaterRates	50.0%	45.5% <b>54.5% FAIL</b>

60.4%

39.6% PASS

El Centro

## City Incorporation and Other Measures of Note

A majority of residents in Carmel Valley said "no" to becoming California's 481st city. In advisory votes, residents of the unincorporated Los Angeles communities of Sunset Pointe, Stevenson Ranch, Southern Oaks, Westridge, Tesoro, Castaic and Val Verde said "no" to incorporation, but "yes" to becoming an "official unincorporated community" and also to annexation into the City of Santa Clarita. The cities of Palmdale and El Centro both voted to become charter cities.

Other Measures of Note					
Agency Name	County			YES%	<u>NO%</u>
Proposed Town of Carmel Valley	Monterey	Measure G	Proposed Town of Carmel Valley	47.7%	52.3% FAIL
Unincorporated Sunset Pointe,		Measure A	Official Community In Unincorporate	56.3%	43.7% PASS
Stevenson Ranch, Southern Oaks,	Los Angeles	Measure C	Annex Into the City of Santa Clarita	52.9%	47.1% PASS
Westridge, Tesoro, Castaic and Val Verde		Measure B	Incorporate Into a New Separate City	22.2%	77.8% FAIL
Palmdale	Los Angeles	Measure CH	Charter City	82.0%	18.0% PASS

Charter City

# Appointed versus Elected Clerks and Treasurers

Imperial

Voters in three out of the four cities proposing to switch from elected to appointed city clerk positions said "yes." In Millbrae, voters approved switch from an elected city treasurer to appointed.

Measure G

# Appointed City Clerk / City Treasurer

Agency Name	County		<u>Purpose</u>	YES%	<u>NO%</u>
San Carlos	San Mateo	Measure V	Appointed City Clerk (not elected)	60.9%	39.1% PASS
Willits	Mendocino	Measure B	Appointed City Clerk (not elected)	55.4%	44.6% PASS
Burlingame	San Mateo	Measure I	Appointed City Clerk (not elected)	54.0%	46.0% PASS
Perris	Riverside	Measure E	Appointed City Clerk (not elected)	45.7%	54.4% FAIL
Millbrae	San Mateo	Measure K	Appointed City Treasurer (not elected)	51.3%	48.7% PASS

## **School Parcel Taxes**

Eleven school parcel taxes were on the ballot. Seven achieved the 2/3 voter approval needed. This mirrors recent history of such measures. Since 2001, three out of five school parcel taxes have passed.

School Parcel Taxes (2/3 voter approval)

Agency Name	<u>County</u>	,	Rate		Sunset	YES%	<u>NO%</u>	
Albany Unified School District	Alameda	Measure J	\$559/du	combine -	+CPI	76.7%	23.3%	PASS
Albany Unified School District	Alameda	Measure I	\$149/parcel	new	5yrs	75.8%	24.2%	PASS
Walnut Creek School District	Contra Costa	Measure H	\$82/parcel	extend-sa	me rate	75.4%	24.6%	PASS
Culver City Unified School Distr	i Los Angeles	Measure EE	\$96/parcel	new	5yrs	74.7%	25.4%	PASS
Acalanes Union High School Di	s Contra Costa	Measure G	\$189/parcel	extend-sa	me rate	74.0%	26.0%	PASS
Larkspur School District	Marin	Measure B	\$369/parcel	extend		69.9%	30.1%	PASS
Lagunitas School District	Marin	Measure A	\$325/parcel	new		68.1%	31.9%	PASS
Santa Clara Unified School Distr	i Santa Clara	Measure C	\$138/parcel	new		62.6%	37.4%	FAIL
Fremont Union High School Dis	tı Santa Clara	Measure G	\$98/parcel	extend-sa	me rate	58.9%	41.1%	FAIL
Oxnard Elementary School Distri	c Ventura	Measure E	\$99/parcel	new		46.8%	53.2%	FAIL
Long Beach Unified School Dist	r Los Angeles	Measure T	\$92/parcel	new	5yrs	43.0%	57.0%	FAIL

## **School Bonds**

There were just three school bond measures on the ballot. Two passed.

#### **School Bond Measures**

Agency Name	County		<u>Amount</u>	%Needed	YES%	NO%
Mill Valley School District	Marin	Measure C	\$59.8M	55.0%	66.5%	33.5% PASS
Shoreline Unified School District	Marin / Sonoma	Measure D	\$9.29M	55.0%	63.0%	37.0% PASS
Springville Union Elementary School	I Tulare	Measure O	\$6.7M	66.7%		65.5% FAIL

## Conclusion

Despite the difficult economy local voters appeared just as willing as in prior times to pass many taxes and bonds. Passage rates of local revenue measures for the November 3, 2009 election generally mirror those of elections since 2001. There are a number of factors that may be at work here. While the economy has been hard on most people, it has also been very hard on cities, counties, and schools. Certainly, the dire financial conditions of some local governments is compelling to some voters. But each of these measures reflects a local circumstance and a local issue, with all the factors at work that are unique to each particular community.

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Source: County elections offices.

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