

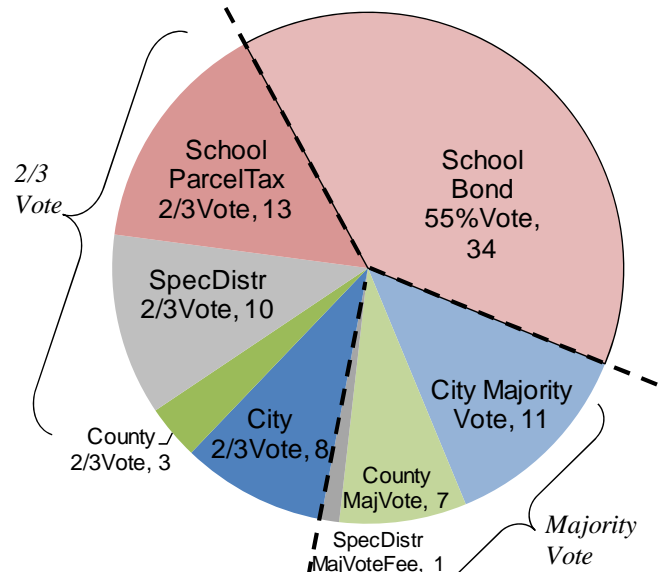
Local Revenue Measures in California June 2012 Results

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.

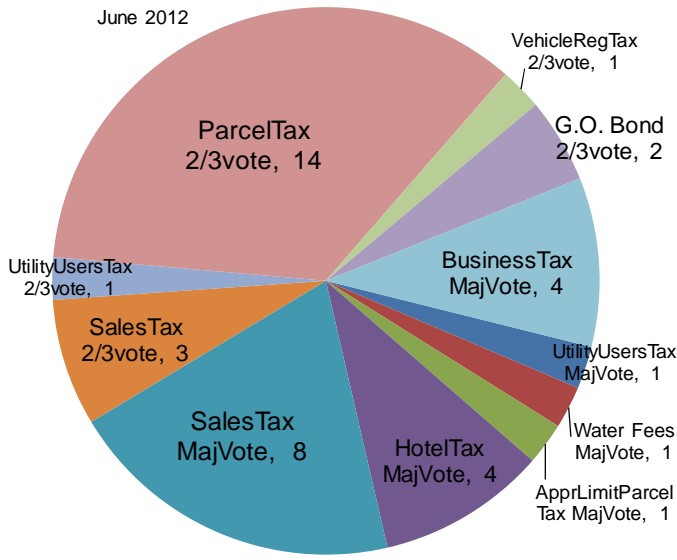
Among the 40 non-school local revenue measures were two city general obligation bond measures and 19 special taxes and parcel taxes requiring two-thirds voter approval. These included two county library sales tax extensions and a sales tax earmarked for fire and police in Parlier. The 19 majority vote 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
Total	81	87

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Local Revenue Measures June 2012

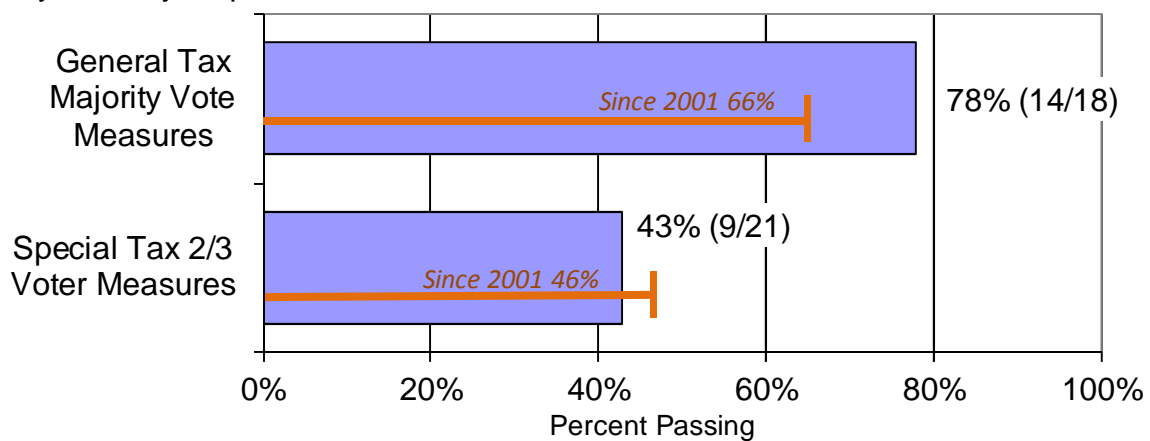
	Total	Pass	Passing'
City Majority Vote	11	10	91%
County Majority Vote	7	4	57%
Special Dist. Majority Fee	1	1	100%
City 2/3 Vote	8	2	25%
County 2/3 Vote	3	3	100%
Special District (2/3)	10	4	40%
School ParcelTax 2/3	13	9	69%
School Bond 55%	34	25	74%
Total	87	58	67%

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.

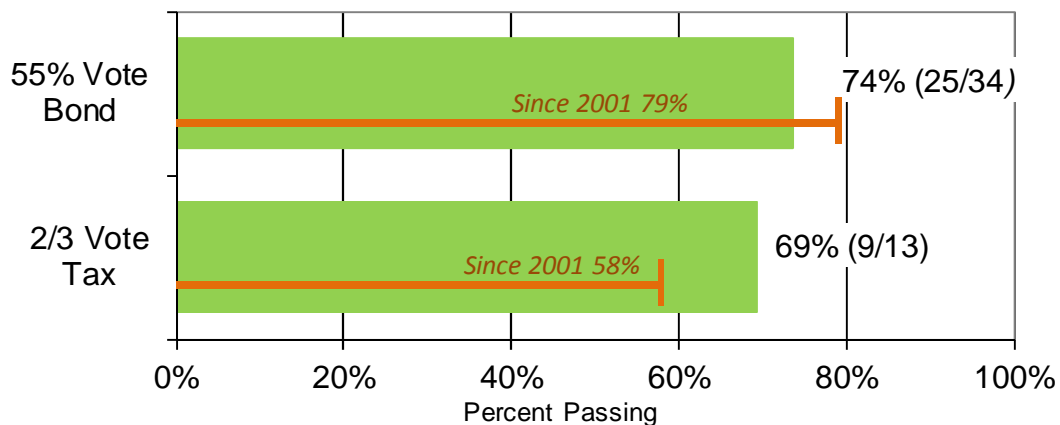
The overall passage rate of non-school local tax measures in June 2012 was similar to prior elections over the last decade. Over that time, voters have approved 66% of majority vote measures but only 45% of two-thirds vote special tax measures.

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	Action	
City of Pittsburg	Measure P	1/2 cent		new	5yrs	50.0%	74.0%	26.0%	PASS	new
City of San Pablo	Measure Q	1/2 cent		new	5yrs	50.0%	73.1%	26.9%	PASS	new
City of Soledad	Measure Y	1 cent		new	5yrs	50.0%	70.1%	29.9%	PASS	new
City of Hercules	Measure O	1/2 cent		new	4yrs	50.0%	70.1%	29.9%	PASS	new
City of Sonoma	Measure J	1/2cent		new	5yrs	50.0%	66.5%	33.5%	PASS	new
City of Santa Maria	Measure U20	1/4cent		new	9yrs	50.0%	63.9%	36.1%	PASS	new
City of Greenfield	Measure X	1/2 cent		new	5yrs	50.0%	63.4%	36.7%	PASS	new
City of Ridgecrest	Measure L	3/4cent		new	5yrs	50.0%	55.9%	44.1%	PASS	new
City of Alameda	Measure C	1/2 cent	Police/Fire/EMS	new		66.7%	50.3%	49.7%	FAIL	new
County of Solano	Measure L	1/8cent	Library	extend	16yrs	66.7%	79.9%	20.1%	PASS	extend
County of Stanislaus	Measure T	1/8cent	Library	extend	5yrs	66.7%	81.6%	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	Action	Sunset	YES%	NO%	Result	Action
County of Placer	Measure F	2%	extend	10yrs	84.1%	15.9%	PASS	extend
County of Los Angeles	Measure H	12%	Extend/amend		60.4%	39.6%	PASS	Extend/amend
County of San Mateo	Measure U	10%to12%	increase		46.5%	53.5%	FAIL	increase
County of Tuolumne	Measure C	10%	expand		43.5%	56.5%	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% 59.7% FAIL
City of Stanton	Orange	Measure J	UUT	to7.5%fr5%		expand/increase	50.0% 45.2% 54.8% FAIL
		Measure K	advisory		Police/Fire/EMS		50.0% 72.1% 27.9% PASS

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

<u>Agency Name</u>	<u>Rate</u>	<u>YES%</u>	<u>NO%</u>	
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)

<u>Agency Name</u>	<u>County</u>	<u>Amount</u>		<u>YES%</u>	<u>NO%</u>	
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%	37.7%	FAIL
City of Arroyo Grande	San Luis Obispo	Measure A \$6.7m police station	61.2%	38.8%	FAIL

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	81.2%	18.8%	PASS
Santa Cruz City High School District	Santa Cruz	Measure I \$38/parcel	8yrs	79.0%	21.1%	PASS
Scotts Valley Unified School District	Santa Cruz	Measure K \$48/parcel	3yrs	76.0%	24.0%	PASS
Ross Valley School District	Marin	Measure A \$149/parcel	8yrs	73.0%	27.0%	PASS
Peralta Community College District	Alameda	Measure B \$48/parcel	8yrs	71.7%	28.3%	PASS
Hayward Unified School District	Alameda	Measure G \$58/parcel	5yrs	70.2%	29.8%	PASS
Redwood City School District	San Mateo	Measure W \$67/parcel	5yrs	69.0%	31.0%	PASS
Jefferson Union High School District	San Mateo	Measure Y \$48/parcel	4yrs	67.2%	32.8%	PASS
Cotati/Rohnert Park Unified School District	Sonoma	Measure D \$89/parcel	5yrs	66.9%	33.1%	PASS
Santa Barbara Elementary School District	Santa Barbara	Measure X2 \$54/parcel	4yrs	65.0%	35.0%	FAIL
West Contra Costa Unified School District	Contra Costa	Measure K 10.2cents/s	5yrs	64.6%	35.4%	FAIL
Santa Barbara High School District	Santa Barbara	Measure W \$54/parcel	4yrs	64.3%	35.7%	FAIL
New Haven Unified School District	Alameda	Measure H \$180/parcel	4yrs	62.3%	37.7%	FAIL

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

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

Employee Benefit Changes

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

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

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.

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

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.

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

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.

For more information: Michael Coleman 530-758-3952. coleman@muni1.com

Source: County elections offices.

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