

Local Revenue Measure Results

June 2014

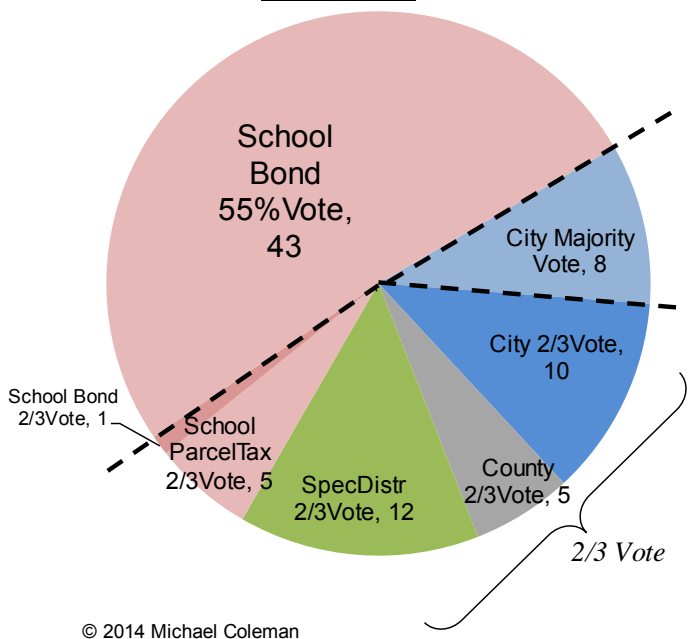
Voters in the June 4, 2014 California consolidated election decided over 140 local measures. Among these were 85 measures seeking approval for taxes or bonds. Ballots are still being counted and final results will not be known until later this month, but here are the preliminary outcomes.

K-12 schools districts and community colleges requested a total of \$2.818 billion in 44 separate bond measure authorizations for bonds to construct facilities, acquire equipment and make repairs and upgrades. There were just five measures to increase or extend school parcel taxes.

Among the 36 non-school local revenue measures were four measures asking for a total of \$722 million in bonds including a \$400 million earthquake safety improvement measure in San Francisco and a \$300 million park and open space measure in the mid-peninsula region of the San Francisco Bay Area. There were 17 parcel taxes requiring two-thirds voter approval, including six library measures and nine fire, emergency medical or police public safety measures.

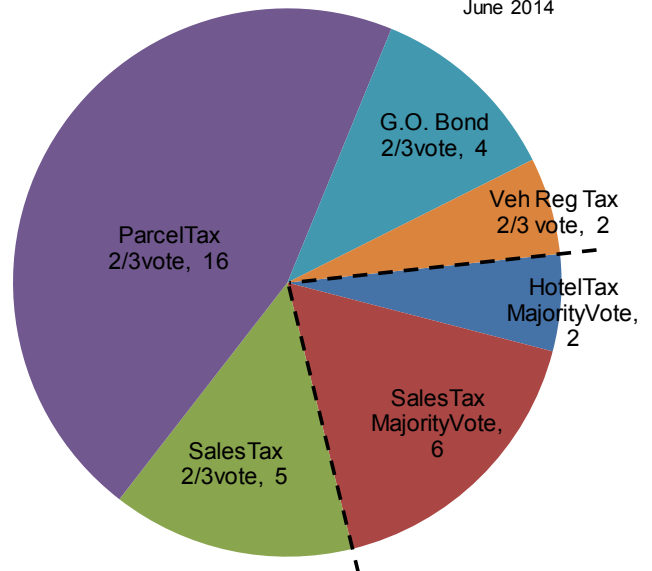
Eleven proposals sought to extend or increase local sales taxes by from ¼ percent in San Pablo, Woodland and Truckee, to 1% in Cathedral City and Cotati. Five of these measures earmarked the tax proceeds for a particular purpose, making them special taxes requiring 2/3 voter approval under Proposition 13. The City of Woodland took the unique approach of a majority vote general accompanied by four non-binding advisory measures as to the use of the funds.

Proposed Local Revenue Measures June 2014



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Types of Non-School Local Tax Measures June 2014



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Overall Passage Rates

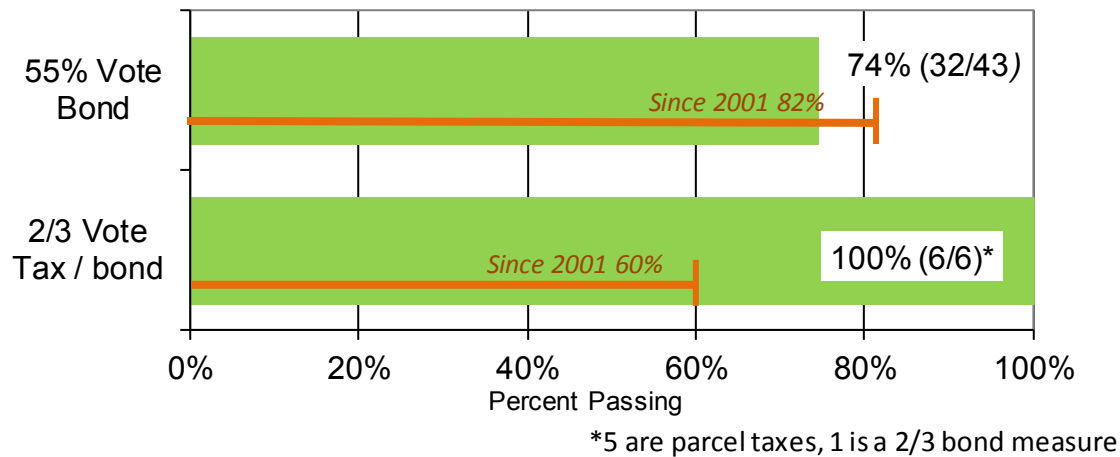
Consistent with results in prior elections, majority vote tax measures fared much better than supermajority measures. Just one majority vote measure is failing. Typically, about half of two-thirds supermajority measures succeed, but at this election about 2 out of 3 passed. In fact, about 3 of 4 city and special district special tax measures passed.

Local Revenue Measures June 2014

	Total	Pass	Passing%
City General Tax (Majority Vote)	8	8	100%
City Special Tax or G.O. bond (2/3 Vote)	11	8	73%
County (Special Tax) 2/3 Vote	5	2	40%
Special District (2/3)	12	9	75%
School Parcel Tax 2/3	5	5	100%
School Bond 2/3	1	1	100%
School Bond 55%	43	32	74%
Total	85	65	76%

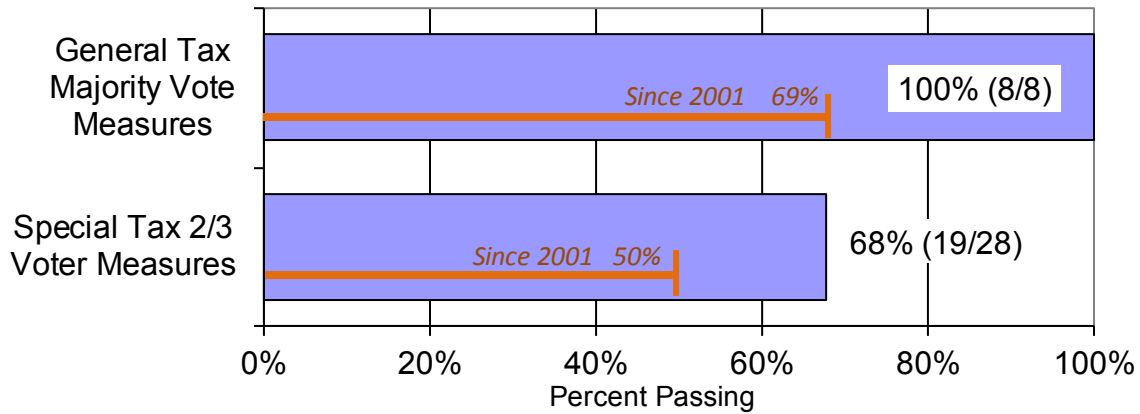
The school bond passage rate was similar to prior passage rates. The 100% success of the five school parcel taxes clearly beats historical outcomes, although all five continue - but do not increase - existing taxes.

School Tax & Bond Measures June 2014

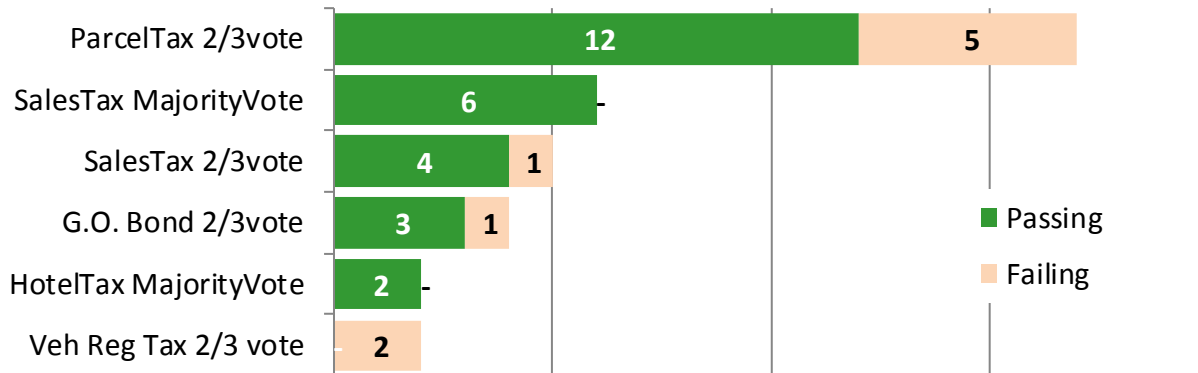


Among non-school measures, all of the general purpose tax measures passed including two hotel taxes and six add-on sales taxes. Historically, roughly two out of three local general tax measures have passed in California. Nineteen out of the 28 special tax measures passed. This too exceeds historic levels of success of these sorts of measures.

City / County / Special District Tax & Bond Measures June 2014



Five of 12 non-school parcel tax measures failed. Both measures to extend vehicle registration taxes for abandoned vehicle abatement failed to get the 2/3 vote needed.



School Bonds

In November 2000, the voters of California approved Proposition 39, a constitutional amendment allowing K-12 and community college school facilities bond measures to be approved by fifty-five percent of the voters in local elections rather than two-thirds. Property taxes to exceed the one percent Proposition 13 limit in order to repay the bonds.

Bond funds may be used only for construction, rehabilitation, equipping of school facilities, or the acquisition or lease of real property for school facilities. The school district must approve a specific list of school projects that meets specified safety, class size reduction, and information technology needs. The school board must conduct annual, independent financial and performance audits until all bond funds have been spent to ensure that the bond funds have been used only for the projects listed in the measure. The tax rate levied as the result of a bond measure may not exceed \$60 for a unified school district, \$30 for a school district, or \$25 for a community college district, per \$100,000 of taxable property value.

Voters approved a total of \$2.432 billion in new school bonds in 35 school districts.

School Bond Measures

Agency Name	County		Amount	YES%	NO%	
Bayshore Elementary School District	San Mateo	Measure C	\$6m	79.3%	20.7%	PASS
Pixley Union School District *	Tulare	Measure Z	\$7.8m	77.5%	22.5%	PASS
Round Valley Unified School District	Mendocino	Measure L	\$4m	76.4%	23.6%	PASS
Culver City Unified School District	Los Angeles	Measure CC	\$106m	75.9%	24.2%	PASS
Cambrian School District	Santa Clara	Measure I	\$39m	71.8%	28.2%	PASS
Scotts Valley School District	Santa Cruz	Measure A	\$35m	71.3%	28.7%	PASS
Winters Joint Unified School District	Yolo/Solano	Measure R	\$15m	70.8%	29.2%	PASS
Larkspur-Corte Madera School District	Marin	Measure D	\$19m	68.7%	31.3%	PASS
Union School District	Santa Clara	Measure J	\$125m	67.8%	32.2%	PASS
Petaluma City School District	Sonoma	Measure E	\$21m	67.2%	32.8%	PASS
Buena Park Elementary School District	Orange	Measure B	\$71m	66.6%	33.4%	PASS
Rincon Valley Union School District	Sonoma	Measure F	\$35m	66.0%	34.0%	PASS
Parlier Unified School District	Fresno	Measure P	\$6m	66.0%	34.1%	PASS
Hydesville Elementary School District	Humboldt	Measure M	\$1.1m	65.9%	34.1%	PASS
Perris Elementary School District	Riverside	Measure C	\$40m	65.4%	34.6%	PASS
Sequoia Union High School District	San Mateo	Measure A	\$265m	64.3%	35.7%	PASS
Tracy Unified School District Facilities	San Joaquin	Measure B	\$82m	64.3%	35.7%	PASS
Petaluma Joint Union High School Dist	Sonoma / Marin	Measure C	\$68m	63.9%	36.1%	PASS
Los Gatos-Saratoga Joint Union High S	Santa Clara / Santa	Measure E	\$99m	63.8%	36.2%	PASS
Princeton Joint Unified School District	Colusa/Glenn	Measure S	\$2.75m	63.7%	36.3%	PASS
Benicia Unified School District	Solano	Measure S	\$49.6m	63.2%	36.8%	PASS
Happy Valley Union School District	Shasta	Measure C	\$2.495m	63.0%	37.0%	PASS
Cotati/Rohnert Park Unified School Dis	Sonoma	Measure B	\$80m	63.0%	37.0%	PASS
Woodside Elementary School District	San Mateo	Measure D	\$13.5m	63.0%	37.1%	PASS
Bellevue Union School District	Sonoma	Measure D	\$12m	62.7%	37.3%	PASS
Planada Elementary School District	Merced	Measure O	\$1.5m	62.4%	37.6%	PASS
Merced River School District	Merced	Measure L	\$1.8m	61.5%	38.5%	PASS
Fremont Unified School District	Alameda	Measure E	\$650m	61.2%	38.8%	PASS
Springville Union School District	Tulare	Measure J	\$4m	59.3%	40.7%	PASS
Contra Costa Community College Distr	Contra Costa	Measure E	\$450m	57.6%	42.4%	PASS
Merced City Elementary School Distric	Merced	Measure M	\$60m	56.8%	43.2%	PASS
San Benito High School District	San Benito / Santa	Measure G	\$42.5m	56.3%	43.7%	PASS

School Bond Measures

<u>Agency Name</u>	<u>County</u>		<u>Amount</u>	<u>YES%</u>	<u>NO%</u>	
Kingsburg Joint Union High School District	Fresno /Tulare/Kings	Measure K	\$13m	56.3%	43.7%	PASS
Le Grand Union High School District	Merced	Measure N	\$4.2m	55.6%	44.4%	PASS
Mojave Unified School Facilities Improvement	Kern	Measure A	\$8.1m	54.8%	45.2%	FAIL
Southern Humboldt Joint Unified School District	Humboldt / Mendocino	Measure N	\$10m	54.0%	46.0%	FAIL
Golden Plains Unified School District	Fresno	Measure G	\$13m	53.0%	47.0%	FAIL
Pine Ridge Elementary School District	Fresno	Measure R	\$4m	51.2%	48.8%	FAIL
Willows Unified School District	Glenn	Measure R	\$14m	49.6%	50.4%	FAIL
Gonzales Unified School District	Monterey	Measure N	\$16.9m	49.4%	50.6%	FAIL
Elk Hills School District	Kern	Measure B	\$7.13m	48.4%	51.6%	FAIL
Piedmont Unified School District	Alameda	Measure H	\$13.5m	47.7%	52.3%	FAIL
West Contra Costa Unified School District	Contra Costa	Measure H	\$270m	46.3%	53.7%	FAIL
Coronado Unified School District	San Diego	Proposition E	\$29m	40.7%	59.3%	FAIL

School Parcel Taxes

California law allows K-12 and community college school districts to levy parcel taxes. A parcel tax is an excise tax on real property (i.e. real estate) and is typically a flat per-parcel rate. School parcel taxes require two-thirds voter approval and may be used for any school purpose, but are typically used for operations as opposed to facility construction.

All five school parcel taxes passed. All extended, but did not increase, existing taxes.

School Parcel Taxes - Two-Thirds Approval

<u>Agency Name</u>	<u>County</u>		<u>Single Family Rate</u>	<u>YES%</u>	<u>NO%</u>	
Cabrillo Unified School District Parcel Tax	San Mateo	Measure B	\$150/parcel	69.9%	30.1%	PASS extend
Livermore Valley Joint Unified School District Parcel Tax	Alameda/Contra Costa	Measure G	\$138/Parcel	72.4%	27.6%	PASS extend
Milpitas Unified School District Parcel Tax	Santa Clara	Measure C	\$84/parcel	73.3%	26.8%	PASS extend
Evergreen School District Parcel Tax	Santa Clara	Measure H	\$100/parcel	75.3%	24.7%	PASS extend
Mount Pleasant School District Parcel Tax	Santa Clara	Measure K	\$95/parcel	77.4%	22.6%	PASS extend

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

Under California law, transactions and use taxes may be approved locally and added to the combined state and local sales and use tax rate. Transactions and use taxes generally apply to merchandise that is delivered in a jurisdiction that imposes such a tax.

All of the majority vote general purpose add-on sales tax measures passed. Anderson and Woodland paired their measures with advisory measures as to the use of the tax funds if passed. Woodland and Cathedral City extended their existing taxes without an increase.

Transactions and Use Tax (Add-on Sales Tax) - General Tax - Majority Approval

<u>Agency Name</u>	<u>County</u>		<u>Rate</u>	<u>Sunset</u>	<u>YES%</u>	<u>NO%</u>		
Woodland	Yolo	Measure J	1/4 cent	8yrs	68.4%	31.6%	PASS	extend
Hayward	Alameda	Measure C	1/2 cent	20yrs	67.4%	32.6%	PASS	new
Cathedral City	Riverside	Measure B	1 cent		66.8%	33.2%	PASS	extend
Davis	Yolo	Measure O	1%from1/2%	6yrs	58.5%	41.5%	PASS	extend/increase
Anderson	Shasta	Measure A	1/2 cent		53.3%	46.7%	PASS	increase
Cotati	Sonoma	Measure G	1%from1/2%	9yrs	52.8%	47.2%	PASS	extend/increase

Advisory Measures as to Use of Proceeds

Anderson	Shasta	Measure B	*Advisory - TrUT	50%Police	63.5%	36.5%	PASS	
Woodland	Yolo	Measure K	*n/a Advisory TrUT	Youth programs	65.2%	34.8%	PASS	
Woodland	Yolo	Measure L	*n/a Advisory TrUT	Library	66.2%	33.8%	PASS	
Woodland	Yolo	Measure M	*n/a Advisory TrUT	Crime prevention	70.3%	29.7%	PASS	
Woodland	Yolo	Measure N	*n/a Advisory TrUT	Ratepayer assistance	54.3%	45.7%	PASS	

There were five two-thirds vote special add-on sales tax measures. Watsonville’s ½ cent measure is narrowly passing. The Lake County measure to clean up Clearlake garnered 63.9% “yes,” but failed.

Transactions and Use Tax (Add-on Sales Tax) - Special Tax - Two-Thirds Approval

<u>Agency Name</u>	<u>County</u>		<u>Rate</u>	<u>Purpose</u>	<u>Sunset</u>	<u>YES%</u>	<u>NO%</u>		
County of Alameda	Alameda	Measure AA	1/2 cent	Lake cleanup	20yrs	75.0%	25.0%	PASS	extend
Truckee	Nevada	Measure R	1/4 cent	other	10 yrs	75.0%	25.0%	PASS	increase
San Pablo	Contra Costa	Measure K	1/4 cent	Fire/EMS		70.8%	29.2%	PASS	increase
Watsonville	Santa Cruz	Measure G	1/2 cent	Police/Fire/EMS	7yrs	67.2%	32.8%	PASS	increase

Transient Occupancy (Hotel) Taxes

Cities may impose the transient occupancy tax (TOT) on persons staying 30 days or less in a hotel, inn, motel, tourist home, non-membership campground or other lodging facility. Cities may also levy a tax on the privilege of renting a mobile home located outside a mobile home park, unless such occupancy is for more than 30 days or unless the tenant is an employee of the owner. More than 400 cities and 55 (all but three) counties impose a TOT. Most are general purpose taxes.

Both TOT measures on this ballot passed. Banning voters approved an extension of the current 12% rate that was scheduled to drop to 6% in November 2014. Winters voters approved an increase from 10% to 12%.

Transient Occupancy Tax Tax Measures: All General Majority Vote

<u>Agency Name</u>	<u>County</u>		<u>Rate</u>	<u>YES%</u>	<u>NO%</u>	
Banning	Riverside	Measure E	12% (goes to 6% 11/14)	82.8%	17.3%	PASS extend
Winters	Yolo	Measure Q	To 12% from 10%	58.3%	41.7%	PASS increase

General Obligation Bonds

Cities, counties, school districts and some special districts may issue general obligation bonds to acquire, construct or improve real property. Proceeds of the bonds may not be used to purchase equipment or pay for operations and maintenance. General Obligation Bonds may be used to finance the acquisition, construction, or completion of the real property portion of any “works, property or structures necessary or convenient to carry out the objects, purposes and powers” of the agency including: city halls, public safety buildings, school facilities, park improvements, libraries, public works projects, including street and road improvements. The California Constitution Article XVI §18 requires approval of two-thirds of the voters for general obligation bonds of cities, counties, and school districts. Article XIII A §1(b) provides an exception from the 1 percent real property tax limit for taxes to pay voter-approved general obligation bonds.

There were four general obligation measures this election. San Francisco’s \$400 million earthquake safety measure passed easily. Orinda voters passed a bond to improve their streets and storm drain systems. Voters on the San Francisco Mid-Peninsula narrowly approved a \$300 million bond for parks and open space.

City, County and Special District Bond Measures - Two-Thirds Approval

<u>Agency Name</u>	<u>County</u>		<u>Amount</u>	<u>YES%</u>	<u>NO%</u>	
San Francisco	San Francisco	Measure A	\$400m	78.8%	21.2%	PASS
Orinda	Contra Costa	Measure J	\$20m	75.5%	24.5%	PASS
Midpeninsula Regional Open Space District	San Mateo / Santa Clara / Santa Cruz	Measure AA	\$300m	68.0%	32.0%	PASS
Kensington Police Protection	Contra Costa	Measure L	\$2m	48.5%	51.5%	FAIL

Vehicle Registration Taxes

Prior to the passage of Proposition 26 on November 3, 2010, many counties adopted local vehicle registration fees. The fees adhered to specific requirements and uses prescribed in state law. Proposition 26 effectively makes these special taxes, requiring two-thirds voter approval for an increase or extension. Two counties, Fresno and San Benito, requested renewal for a period of ten years of their vehicle registration taxes used for abandoned vehicle abatement pursuant to state Vehicle Code. The tax is one dollar per vehicle and an additional two dollars for certain commercial vehicles.

These local taxes are paid with motor vehicle registration by motor vehicle owners to the Department of

Motor Vehicles (DMV). After determining compliance with certain reporting requirements and deducting administrative costs for the DMV, the State Controller’s office allocates the funds to the county. The funds may be used for the “abatement and removal, as a public nuisance, of abandoned, wrecked, dismantled or inoperative vehicle or parts from private or public property, not including highways.”

Two counties, Fresno and San Benito, sought to continue existing Vehicle Registration Fees (now taxes) but failed to garner the 2/3 voter approval needed.

Vehicle Registration Tax						
Agency Name	County		Rate	YES%	NO%	
County of Fresno	Fresno	Measure A	\$1/veh, \$2/comm extend	50.7%	49.3%	FAIL
County of San Benito	San Benito	Measure F	\$1/veh, \$2/comm extend	64.2%	35.8%	FAIL

Parcel Taxes – Cities, Counties and Special Districts

A parcel tax is an excise tax on real property (i.e. real estate) that is based on either a flat per-parcel rate or a rate that varies depending upon use, size, and/or number of units on each parcel. Regardless of its use, a parcel tax must be adopted as a special tax.

Twelve of the 17 non-school parcel tax measures passed, including all six library measures. Would a lower vote threshold have made a difference? The Lake Shastina Community Services District Measure D is the only measure that failed to get over 55% approval.

City, County and Special District Parcel Taxes - Two-Thirds Approval

Agency Name	County		Single Family Rate	YES%	NO%	
Kneeland Fire Protection District	Humboldt	Measure L	\$80/parcel	82.9%	17.1%	PASS increase
San Jose	Santa Clara	Measure B	\$30+/parcel	81.0%	19.0%	PASS extend
Bear Valley Community Healthcare Distric	San Bernardino	Measure F	\$45/parcel	80.7%	19.3%	PASS extend
Fallen Leaf Lake Community Services Dist	El Dorado	Measure A	\$660+/parcel	80.7%	19.4%	PASS extend
South Lake Tahoe Zone of Benefit, Zone I	El Dorado	Measure L	\$20/parcel	78.5%	21.5%	PASS extend increase
North San Juan Fire Protection District	Nevada	Measure Q	\$61.5/DU	77.9%	22.2%	PASS increase
Marin County Free Library District	Marin	Measure A	\$49+/parcel	77.7%	22.3%	PASS extend
Georgetown Divide Zone of Benefit, Zone	El Dorado	Measure G	\$20/parcel	77.1%	22.9%	PASS extend increase
County of Santa Cruz	Santa Cruz	Measure F	\$8.50/parcel	75.5%	24.5%	PASS increase
Sacramento	Sacramento	Measure B	\$12+/parcel	72.9%	27.1%	PASS increase
San Anselmo	Marin	Measure E	\$54+/parcel	72.1%	27.9%	PASS increase
Brooktrails Township Community Service	Mendocino	Measure K	\$99/parcel	69.5%	30.5%	PASS increase
Parlier	Fresno	Measure S	\$180/parcel	64.2%	35.8%	FAIL extend increase
Desert Hot Springs	Riverside	Measure F	\$373/vacantparcel	62.9%	37.1%	FAIL extend increase
Apple Valley Fire Protection District	San Bernardino	Measure G	from \$63to\$87/parcel	59.3%	40.7%	FAIL extend increase
Southern Cascade Community Services D	Modoc/Lassen	Measure Y	\$65/parcel	56.3%	43.7%	FAIL increase
Lake Shastina Community Services Distric	Siskiyou	Measure D	\$124/parcel	44.6%	55.4%	FAIL extend/increase

The Spurned Taxes

There were no local measures concerning utility user taxes, business license taxes or property transfer taxes at this election.

Other Measures of Note

Referenda concerning fees and taxes.

Four cities faced referenda to limit or repeal fees or taxes. All measures failed.

- In Signal Hill, voters rejected a sweeping measure that would have required two-thirds voter approval of all taxes, assessments and fees increases, the sunset of all taxes and fees after ten years, assessments after twenty years; and bond repayment within twenty years.
- Santa Barbara County voters rejected another unusual measure that would have required the county to maintain all county-owned roads, parks and buildings in the same or better condition as on June 3, 2014.
- Voters in Davis narrowly approved a referendum repealing the city’s recently adopted water rate structure casting questions over the city’s joint agreement with the city of Woodland for major surface water system improvements.
- South Lake Tahoe voters passed an initiative measure that repeals that city’s paid parking program adopted in 2012.

Referenda concerning municipal fees or taxes

<u>Agency Name</u>	<u>County</u>		<u>YES%</u>	<u>NO%</u>	
Signal Hill	Los Angeles	Measure U	34.3%	65.7%	FAIL
County of Santa Barbara	Santa Barbara	Measure M	48.7%	51.3%	FAIL
Davis	Yolo	Measure P	51.2%	48.8%	PASS
South Lake Tahoe	El Dorado	Measure P	68.4%	31.6%	PASS

Secession of the North Counties: The war of southern aggression

The feelings were apparently mixed, but voters in the counties of Del Norte and Siskiyou turned down resolutions to secede from the state of California. Tehama County voters approved their secession measure.

Secession

County of Tehama	Measure A	55.7%	44.3%	PASS
County fo Siskiyou	Measure C	44.1%	55.9%	FAIL
County of Del Norte	Measure A	41.4%	58.6%	FAIL

District Elections

Voters in the City of Whittier and the Coachella Valley Water District approved measures to elect their governing boards by district. This issue has been the subject of a number of civil rights law suits in different jurisdictions and legislation now pending in the State Capitol.

District Elections					
Coachella Valley Water Dist	Riverside / San Diego	Measure D	74.3%	25.8%	PASS
Whittier	Los Angeles	Measure W	52.9%	47.1%	PASS

Police and Fire Services: Choice for Alternative Service Delivery

Voters in the City of Downey soundly defeated an initiative measure that would have amended the city charter to remove a current provision concerning police and fire services. The charter section requires that police and fire services be provided by in-house staff unless the voters first approve by two-thirds an advisory measure on an alternative method or agreement.

Amend Charter to remove the requirement that the City shall provide for the staffing of the police and fire departments.

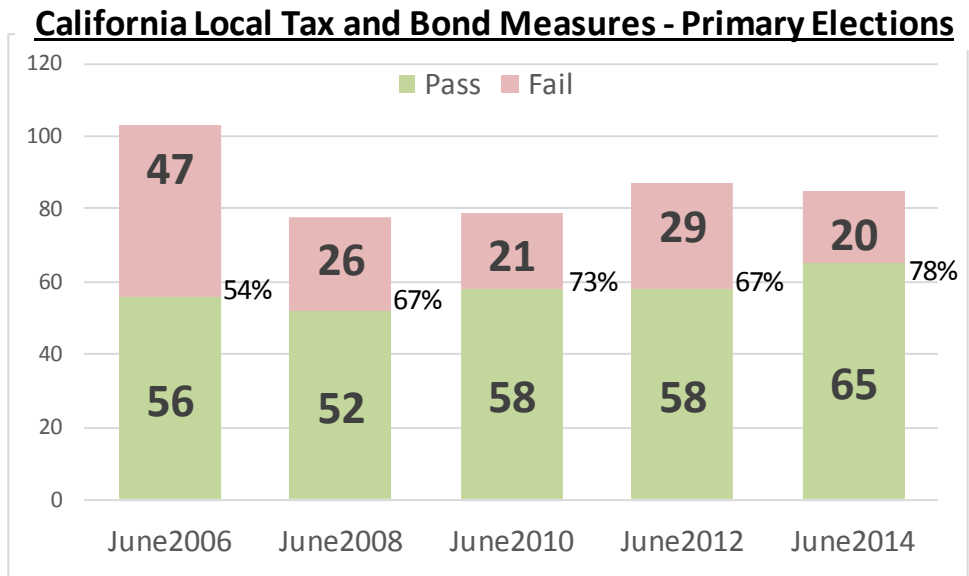
Downey	Los Angeles	Measure B	17.1%	83.0%	FAIL
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Tax and Bond Measures: Comparison with Previous Gubernatorial and Presidential Primary Elections

Compared with prior primary elections, the success of local measures was a bit stronger. As in prior elections, general tax measures were much more successful than others: all passed. The success is far more mixed for two-thirds vote special taxes. There were far fewer school parcel tax proposals this election, and all were extensions. The passage rate of school bond measures is quite similar: about 3 of 4 pass, although in March 2006 the success rate was lower. All school parcel taxes also failed in that election.

Local Revenue Measures in California

	June2006	June2008	June2010	June2012	June2014
City General Tax (Majority Vote)	6/7	11/14	12/14	10/11	8/8
County General Tax (Majority Vote)	1/3	1/1	2/2	4/7	/
Special Dist. Majority Fee	/	/	/	1/1	/
City SpecialTax, GObond (2/3 Vote)	4/8	2/5	5/9	2/8	8/11
County SpecialTax, GObond (2/3 Vote)	0/7	1/2	1/1	3/3	2/5
Special District (2/3)	5/9	5/10	7/11	4/10	9/12
School ParcelTax2/3	0/6	6/13	16/22	9/13	5/5
School Bond 2/3	1/2	1/1	/	/	1/1
School Bond 55%	39/61	25/32	15/20	25/34	32/43
Total	56/103	52/78	58/79	58/87	65/85



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

Source: County elections offices.

