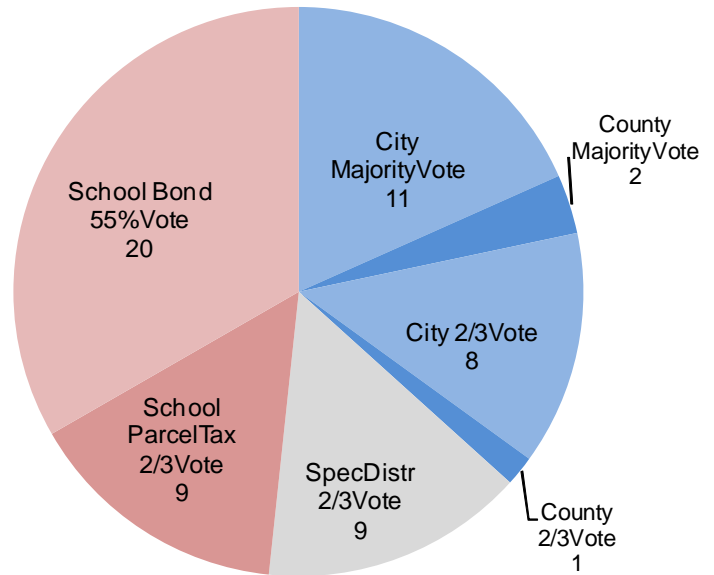


Local Revenue Measures June 2010

A gubernatorial primary election was held in California on June 8, 2010. In addition to elected offices and statewide measures, voters in California considered, voters decided the fate of over 100 local measures including 60 concerning taxes, fees or bonds for cities, counties, special districts and schools. There were 29 school measures including 20 school bond proposals requiring 55% voter approval and nine parcel tax increases requiring 2/3 approval.

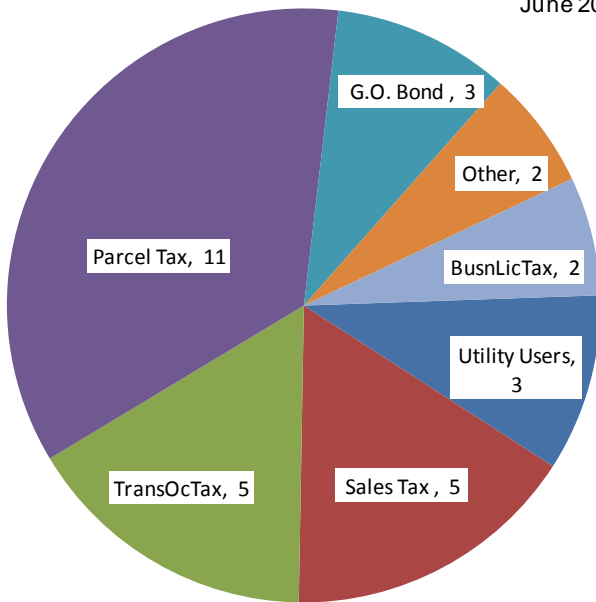
Among the 31 non-school local fiscal measures, were three city general obligation bond measures and 18 special taxes requiring 2/3 voter approval. The 13 majority vote tax measures included increases and extensions of utility user taxes, add-on sales taxes, hotel taxes and business license taxes.

Proposed Local Revenue Measures June 2010



Types of Non-School Local Tax Measures

June 2010



Local Revenue Measures June 2010

	Total	Pass	Passing%
City Majority Vote	11	9	82%
County Majority Vote	2	2	100%
City 2/3 Vote	8	5	63%
County 2/3 Vote	1	1	100%
Special District (2/3)	9	6	67%
School ParcelTax2/3	9	6	67%
School Bond 55%	20	15	75%
Total	60	44	73%

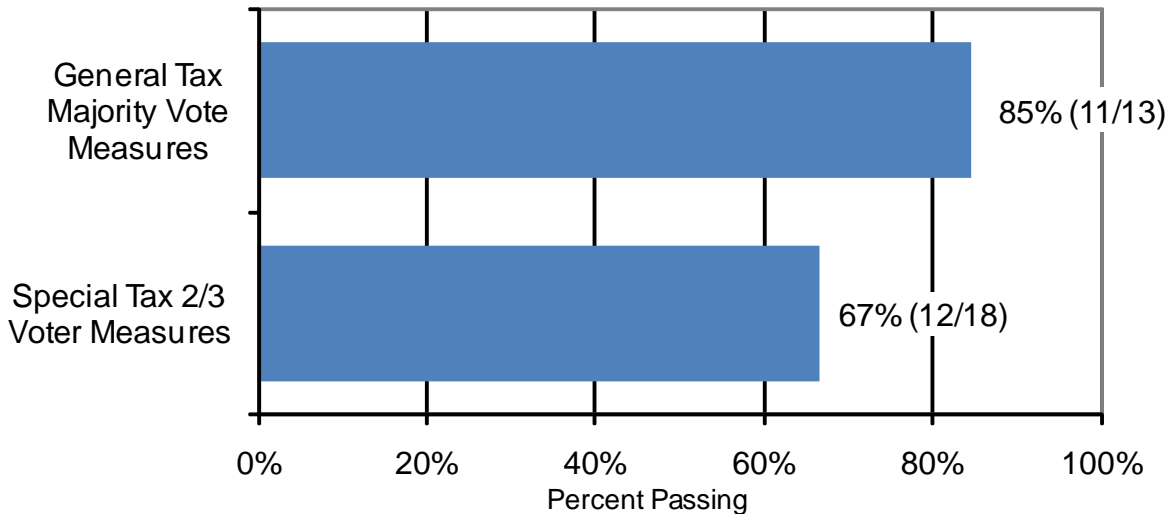
Prior to the June 8 election, there were 22 additional local measures put to voters through special mailed ballot elections held in 2010. These included 18 tax measures: a business license tax increase and a utility users tax revision in El Segundo, a parcel tax for a recreation district in San Bernardino County, a 1/2 cent sales tax in Cotati, and 14 school parcel taxes. In addition, voters in the city of Lancaster decided to become a charter city. The results of these January through May elections are referenced in the following sections discussing particular categories of taxes and bonds.

Overall Passage Rates

The overall passage rate of non-school local tax measures this election (June 2010) was better than that of prior elections over the last decade. Of the 13 majority-vote tax measures, eleven passed. Since 2001, 65% of majority vote local tax measures have passed.

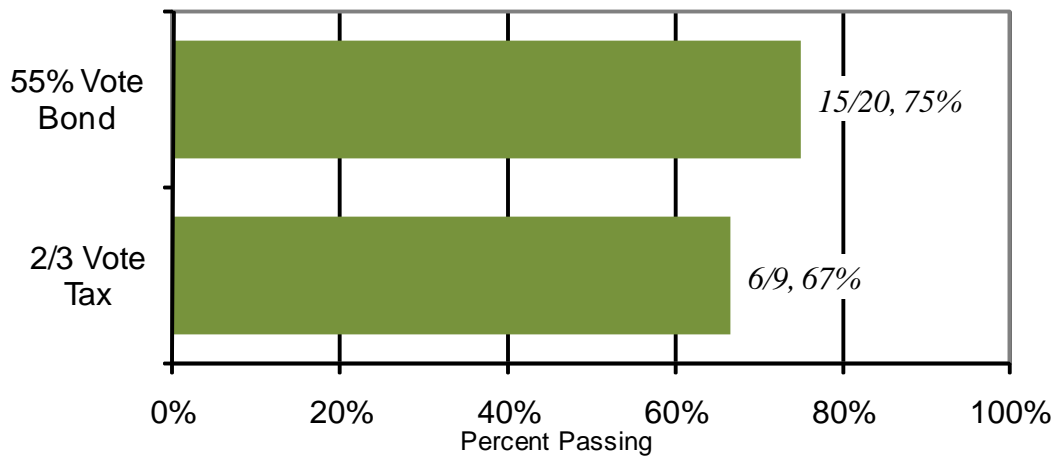
Of the eighteen special tax measures requiring two-thirds voter approval, twelve passed. This passage rate exceeds the 50% historic passage rate for special taxes and bonds since 2001.

City / County / Special District Tax & Bond Measures June 2010



The passage rates for school measures this June generally matched passage rates since 2001. Fifteen of the twenty 55%-vote school bond measures passed (a 75% rate compared to a historic rate of just over 80%). Of the nine school parcel tax measures, seven met the 2/3 vote requirement for passage.

School Tax & Bond Measures June 2010



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 ¼ percent to 1 percent and require majority voter approval. All of the measures passed, including the extension for 4 years of an existing tax in Davis, and a measure in Woodland that was accompanied by three advisory measures regarding the use of the funds. Since 2001, three out of five add-on sales tax measures have passed. A special mailed ballot measure passed in Cotati in April.

Transactions and Use Tax: General Tax Measures (Majority voter approval required)

<u>Agency Name</u>	<u>Rate</u>	<u>Sunset</u>	<u>YES%</u>	<u>NO%</u>		
6/8/2010 City of Davis	Measure Q 1/2cent	extend4yrs	74.5%	25.5%	PASS	extend
6/8/2010 City of Calexico	Measure H 1/2cent	20 yrs	60.0%	40.0%	PASS	new
6/8/2010 City of Cathedral City	Measure H 1cent	5yrs	56.0%	44.0%	PASS	new
6/8/2010 City of Woodland	Measure V 1/4cent	4yrs	55.2%	44.8%	PASS	new A/B
6/8/2010 City of Rohnert Park	Measure E 1/2cent	5yrs	55.2%	44.8%	PASS	new
4/13/2010 City of Cotati	Measure A 1/2cent	5yrs	59.8%	40.2%	PASS	new

Utility User Taxes

There were three measures (Coachella, Mammoth Lakes, Winters) to increase or expand utility user taxes (UUT) on the June 8 ballot. All passed. Coachella voters approved a new 5% UUT on electricity, natural gas, water, sewer, telecommunications and garbage services (but not cable TV or internet). Voters in Winters increased their 4.75% UUT on telecommunications, electricity, gas and cable TV to 9.5%. The Winters measure was accompanied by a companion advisory measure regarding the use of the funds. Voters in Mammoth Lakes approved modernizing and expanding their 2.5% UUT to cover new telephone technologies.

In April, El Segundo voters approved the modernization, without a change in rate, of their existing UUT, applying the tax to modern mobile telecommunications.

Utility User Tax Measures

<u>Agency Name</u>	<u>Rate</u>	<u>%Nee</u>	<u>YES%</u>	<u>NO%</u>		
6/8/2010 City of Coachella	Measure I 5%	50.0%	54.1%	45.9%	PASS	new
6/8/2010 City of Winters	Measure W to9.5%from4.75% a/b	50.0%	51.9%	48.1%	PASS	increase
6/8/2010 City of Mammoth Lakes	Measure U	66.7%	67.5%	32.5%	PASS	extend
4/13/2010 City of El Segundo	Measure M modernize	50.0%	70.8%	29.2%	PASS	extend

Transient Occupancy (Hotel) Taxes

Voters in three cities and two counties considered increasing their Transient Occupancy (Hotel) Tax. Voters in Santa Barbara County validated a 1990 tax increase. Sonora and Tuolumne increased their TOT from 8% to 10%. But voters in Del Mar rejected a measure to extend the existing 13% rate to short term rental properties. In Selma, the unusual approach of placing specific required percentage program allocations in the measure caused the measure to be a special tax requiring 2/3 voter approval. The measure failed with a 57% “yes” vote.

In prior elections since 2001, three of five measures to increase TOTs have passed.

Transient Occupancy Tax Measures

	<u>Agency Name</u>		<u>Rate</u>		<u>%Needed</u>	<u>YES%</u>	<u>NO%</u>		
6/8/2010	County of Santa Barbara	Measure K	8%to10%	general	50.0%	71.2%	28.8%	PASS	affirm
6/8/2010	City of Sonora	Measure B	8%to10%	general	50.0%	60.0%	40.0%	PASS	increase
6/8/2010	City of Selma	Measure K	6%to12%	parks/rec 50%, arts & culture 20%, gen govt 30%	66.7%	57.0%	43.0%	FAIL	increase
6/8/2010	County of Tuolumne	Measure A	8%to10%	general	50.0%	55.2%	44.8%	PASS	increase
6/8/2010	City of Del Mar	Proposition J	to rentals	general	50.0%	41.7%	58.3%	FAIL	extend

Parcel Taxes and Special Taxes (non-school)

There were twelve parcel tax measures and a special mosquito abatement tax on the June ballot. These require 2/3 voter approval. Ten passed. Additionally, in April a special mailed ballot election was successful in passing a parcel tax in the Rim of the World Parks and Recreation District in San Bernardino.

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>	
6/8/2010	Muir Beach Community Services District	Marin	Measure E	\$300/parcel	86.3%	13.7%	PASS
6/8/2010	City of Desert Hot Springs	Riverside	Measure G	existing \$121/sfu	85.0%	15.0%	PASS
6/8/2010	City of Alturas	Modoc	Measure O	Mosquito abatement charge \$1.50 per meter	79.5%	20.5%	PASS
6/8/2010	North County Library Authority	Santa Clara	Measure L	\$76/parcel	76.6%	23.5%	PASS
6/8/2010	City of San Anselmo	Marin	Measure B	\$49/parcel	74.4%	25.6%	PASS
6/8/2010	Marin County Library	Marin	Measure A	\$49/parcel	74.0%	26.0%	PASS
6/8/2010	Surprise Valley Health Care District	Modoc	Measure P	\$225/sfu	71.9%	28.1%	PASS
6/8/2010	Kensington Police Protection and Communit	Contra Costa	Measure G	\$200/sfu	70.2%	29.8%	PASS
6/8/2010	Russian River Fire Protection District	Sonoma	Measure F	\$140/sfu	69.9%	30.1%	PASS
6/8/2010	City of San Rafael	Marin	Measure C	\$49/parcel	69.0%	31.0%	PASS
6/8/2010	County Service Area P-6, Zone 3111	Contra Costa	Measure E	\$38/parcel	45.3%	54.7%	FAIL
6/8/2010	North San Joaquin Water Conservation Dist	San Joaquin	Measure C		32.4%	67.6%	FAIL
6/8/2010	Marin County Flood Control District	Marin	Measure D	\$530/parcel	29.2%	70.8%	FAIL
4/6/2010	Rim of the World Park & Rec District	San Bernardino	Measure N	to\$22from\$10/parcel	69.6%	30.4%	PASS

Business License Taxes

Two cities proposed increases to local business license taxes. El Segundo passed a measure in April. All were majority vote general taxes. On June 8, the Solana Beach measure failed, but the San Jose measure aimed at cardrooms passed. Solana beach remains among the few cities in California without a business license tax. Historically since 2001 three out of five business license tax increase measures have passed.

Business License Tax Measures

	<u>Agency Name</u>		<u>Rate</u>	<u>YES%</u>	<u>NO%</u>	
6/8/2010	City of San Jose	Measure K	cardrooms	76.1%	23.9%	PASS
6/8/2010	City of Solana Beach	Proposition L		42.7%	57.3%	FAIL
4/13/2010	City of El Segundo	Measure N	annual inflator	68.0%	32.0%	PASS

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 three non-school general obligation bond measures, all by cities. San Francisco’s \$412.3 million earthquake safety measure passed but measures in Berkeley and Arroyo Grande failed despite garnering over 60% “yes” votes.

City, County and Special District Bond Measures (2/3 vote)

	<u>Agency Name</u>	<u>Amount</u>		<u>%Need</u>	<u>YES%</u>	<u>NO%</u>	
6/8/2010	City of San Francisco	Measure B	\$412.3M	EarthquakeSafety	66.7%	79.2%	20.8% PASS
6/8/2010	City of Arroyo Grande	Measure A-10	\$6M	Police/Fire/EMS no net incr	66.7%	64.7%	35.3% FAIL
6/8/2010	City of Berkeley	Measure C	\$22.5M	Parks/Recr	\$0.0258/sqf	66.7%	60.4% 39.6% FAIL

School Parcel Taxes

The June 8 ballot included nine local school parcel taxes. Six apparently achieved the 2/3 voter approval needed. Los Angeles Unified School District’s Measure E was defeated. Previously this year, twelve other parcel tax measures were considered via mailed ballot, ten passing. Since 2001, three out of five school parcel taxes have passed.

School Parcel Taxes (2/3 voter approval)

<u>Date</u>	<u>Agency Name</u>	<u>County</u>	<u>Measure Na</u>	<u>Rate</u>	<u>Sun</u>	<u>YES%</u>	<u>NO%</u>	
6/8/2010	Alum Rock Elementary School District	Santa Clara	Measure I	\$48/parcel	5yrs	74.6%	25.4%	PASS
6/8/2010	Mount Pleasant Elementary School District	Santa Clara	Measure H	\$95/parcel	5yrs	71.2%	28.8%	PASS
6/8/2010	Cabrillo Unified School District	San Mateo	Measure E	\$150/parcel	5yrs	70.7%	29.3%	PASS
6/8/2010	Milpitas Unified School District	Santa Clara	Measure B	\$84/parcel	5yrs	70.2%	29.8%	PASS
6/8/2010	San Francisco Unified School District	San Francisco	Measure A	\$32.20/parcel		69.9%	30.1%	PASS
6/8/2010	San Mateo County Community College	San Mateo	Measure G	\$34/parcel	4yrs	66.9%	33.1%	PASS
6/8/2010	Los Angeles Unified School District	Los Angeles	Measure E	\$100/parcel	4yrs	53.0%	47.1%	FAIL
6/8/2010	Buena Park School District	Orange	Measure B	\$0.0375/sqft	4yrs	50.7%	49.3%	FAIL
6/8/2010	Cutler-Orosi Joint Unified School District	Tulare/Fresno	Measure P	\$97/parcel		46.8%	53.2%	FAIL
2/23/2010	San Mateo Foster City Elementary School District	San Mateo	Measure A	+\$90/parcel	7yrs	67.0%	33.0%	PASS
3/2/2010	Burlingame Elementary School District	San Mateo	Measure B	+\$76/parcel	10yrs	71.0%	29.0%	PASS
5/4/2010	Acalanes Union High School District	Contra Costa	Measure A	\$112/parcel	5yrs	68.5%	31.5%	PASS
5/4/2010	Pasadena Unified School District	Los Angeles	Measure CC	\$120/parcel	5yrs	52.5%	47.5%	FAIL
5/4/2010	Menlo Park City School District	San Mateo	Measure C	\$178/parcel	7yrs	76.2%	23.8%	PASS
5/4/2010	Portola Valley Elementary School District	San Mateo	Measure D	\$168/parcel	4yrs	77.6%	22.4%	PASS
5/4/2010	Palo Alto Unified School District	Santa Clara	Measure A	\$96/parcel	6yrs	79.4%	20.6%	PASS
5/4/2010	Fremont Union High School District	Santa Clara	Measure B	\$98/parcel	6yrs	72.5%	27.5%	PASS
5/4/2010	Loma Prieta Joint Union Elementary School District	Santa Cruz / Santa Clara	Measure G	\$95/parcel	4yrs	69.5%	30.5%	PASS
5/4/2010	Union Elementary School District	Santa Clara	Measure H	\$96/parcel	6yrs	72.4%	27.6%	PASS
5/4/2010	Lakeside Joint School District	Santa Cruz / Santa Clara	Measure C	\$311/parcel	7yrs	67.2%	32.8%	PASS
5/25/2010	Santa Monica-Malibu Unified School District	Los Angeles	Measure R	+\$198/parcel	0	63.2%	36.8%	FAIL

School Bonds

There were twenty school bond measures on the June 2010 ballot, each requiring 55% approval for passage. Fifteen passed, authorizing a combined total of \$1.35 Billion in bonds for local school facility improvements.

School Bond Measures - all 55% Approval

<u>Agency</u>	<u>Agency Name</u>	<u>County</u>		<u>Amount</u>	<u>YES%</u>	<u>NO%</u>	
6/8/2010	Mountain View-Los Altos Union High Scho	Santa Clara	Measure A	\$41.3M	76.7%	23.3%	PASS
6/8/2010	Campbell Union Elementary School District	Santa Clara	Measure G	\$150M	73.1%	26.9%	PASS
6/8/2010	Los Gatos Union School District	Santa Clara	Measure E	\$30.9M	71.3%	28.7%	PASS
6/8/2010	Hope Elementary School District	Santa Barbara	Measure L	\$8M	67.5%	32.6%	PASS
6/8/2010	Blue Lake Union Elementary School District	Humboldt	Measure K	\$2M	65.2%	34.8%	PASS
6/8/2010	Southern Humboldt Unified School District	Humboldt / Mer	Measure L	\$25.2M	64.1%	35.9%	PASS
6/8/2010	Anderson Valley Unified School District	Mendocino	Measure A	\$15.25M	62.3%	37.7%	PASS
6/9/2010	Big Pine School District	Inyo	Measure I	\$4.1M	62.5%	37.5%	PASS
6/8/2010	West Contra Costa Unified School District	Contra Costa	Measure D	\$380M	62.2%	37.8%	PASS
6/8/2010	Willits Unified School District	Mendocino	Measure B	\$43M	61.6%	38.4%	PASS
6/8/2010	Mount Diablo Unified School District	Contra Costa	Measure C	\$348M	60.7%	39.3%	PASS
6/8/2010	Greenfield Union School District	Monterey	Measure L	\$8.3M	59.3%	40.7%	PASS
6/8/2010	Garden Grove Unified School District	Orange	Measure A	\$250M	59.2%	40.8%	PASS
6/8/2010	Rohnerville School District	Humboldt	Measure M	\$5M	59.2%	40.8%	PASS
6/8/2010	Mark West Union School District	Sonoma	Measure C	\$14M	58.9%	41.1%	PASS
6/8/2010	Calipatria Unified School District	Imperial	Measure I	\$25M	52.5%	47.6%	FAIL
6/8/2010	Corcoran Joint Unified School District	Kings / Tulare	Measure Q	\$24.7M	51.4%	48.6%	FAIL
6/8/2010	Lynwood Unified School District	Los Angeles	Measure AA	\$37.4M	50.9%	49.2%	FAIL
6/8/2010	Lucerne Valley Unified School District	San Bernardino	Measure S	\$8M	32.6%	67.4%	FAIL
6/8/2010	Arcohe Union School District	Sacramento	Measure A	\$3.9M	28.4%	71.7%	FAIL

City Incorporation and Other Measures of Note

Residents of Eastvale in Riverside County voted to become California's 481st incorporated city. Oceanside is now a Charter City following Lancaster who approved charter city status in April. Voters in Rialto advised against the City Council restoring a previously voter approved tax. Vallejo voters repealed a clause in the city charter which provides for binding arbitration to settle labor disagreements. The provision has been a contributor to the city's well known financial struggles. Voters in Santa Clara advised in favor of a proposal for a sports stadium.

Other Measures of Note

<u>Agency</u>	<u>Agency Name</u>	<u>Measure</u>	<u>Proposal</u>	<u>YES%</u>	<u>NO%</u>	
6/8/2010	Proposed City of Eastvale	Measure A	Incorporation	64.1%	35.9%	PASS
6/8/2010	City of Rialto	Measure RR	Advisory Vote to Reimpose Voter approved Tax	26.2%	73.8%	FAIL
6/8/2010	City of Santa Clara	Measure J	Sports Stadium	59.6%	40.4%	PASS
6/8/2010	City of Vallejo	Measure A	Repeal Binding Arbitration	51.9%	48.1%	PASS
6/8/2010	City of Oceanside	Proposition K	Charter City	53.6%	46.4%	PASS
4/13/2010	City of Lancaster	Measure C	Charter City	71.2%	28.8%	PASS

Conclusion

The continuing success of most local fiscal measures indicates that voters are willing to approve additional local taxes and bonds even in difficult times. In fact, the overall passage rates this election were better overall than historic approval levels. Local issues and services are more directly felt and understood by most voters. The benefits to the voter are more apparent. Moreover, local officials are less likely to place a tax or bond measure before voters if it's passage is doubtful. Consequently, there is an inherent "self sifting" mechanism.

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 are compelling to some voters. There are many individual stories to be told among these measures, stories that will help to explain why some succeeded and others did not.

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Source: County elections offices.

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