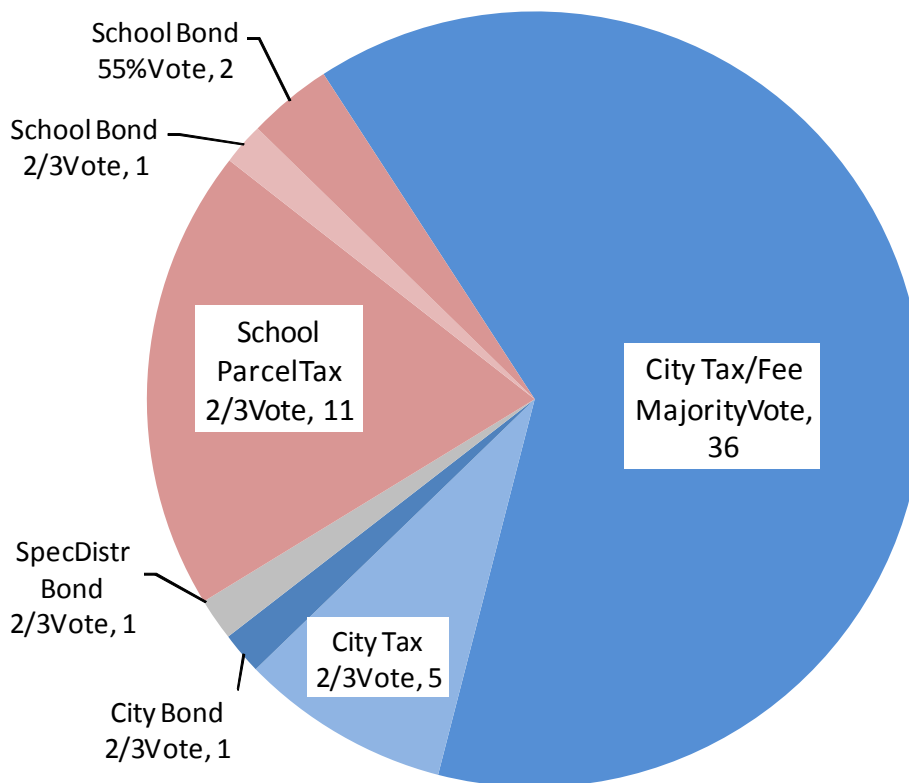


Local Revenue Measures November 2009

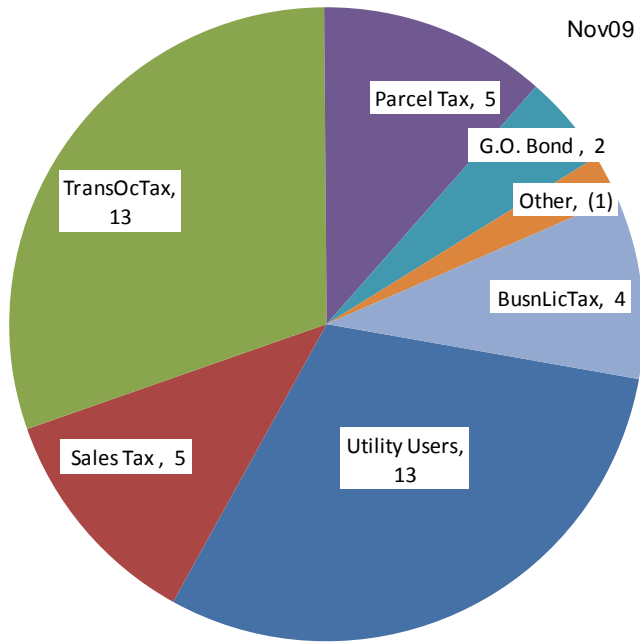
Elections were held on November 3 in many areas of California. In addition to a number of elections to fill legislative and agency governing board positions, voters decided the fate of 114 local measures including 57 concerning taxes, fees or bonds for cities, counties, special districts and schools.¹ 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 ¼ 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



Types of Non-School Local Tax Measures



Local Revenue Measures Nov 2009

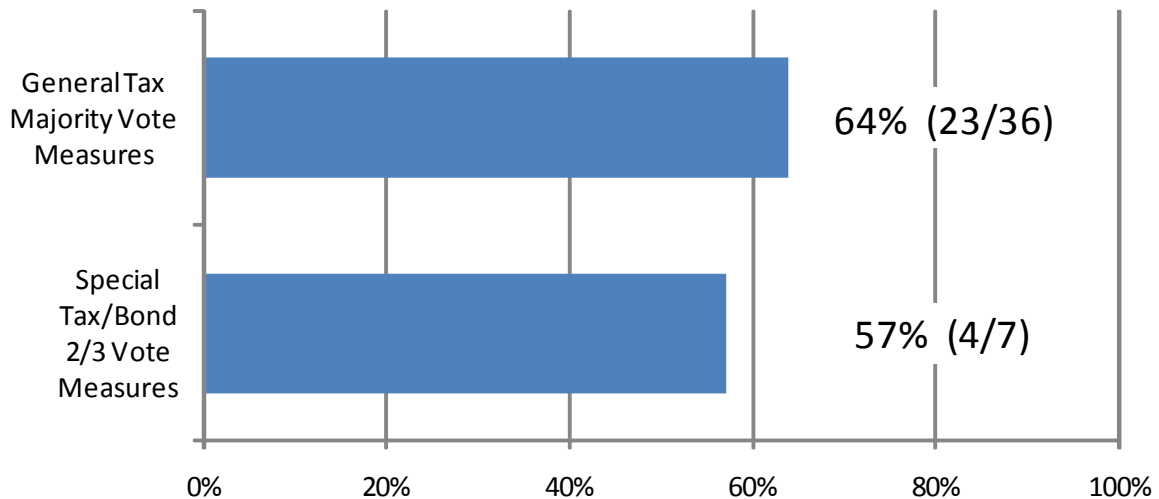
	Proposed	Pass	Passing%
City Tax/Fee MajorityVote	36	23	64%
City Tax 2/3Vote	5	3	60%
City Bond 2/3Vote	1	0	0%
SpecialDistrict Bond 2/3Vote	1	1	100%
School ParcelTax2/3	11	7	64%
SchoolBond 2/3Vote	1	0	0%
School Bond 55%	2	2	100%
Total	57	36	63%

Update 11/9/09: *The too-close-to-call counts for Artesia's Measure S (FOT) and T (BLT) have changed putting S in the win column and T just one vote behind. Newark's new UUT has flipped to "no," behind by 10 votes.*

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.

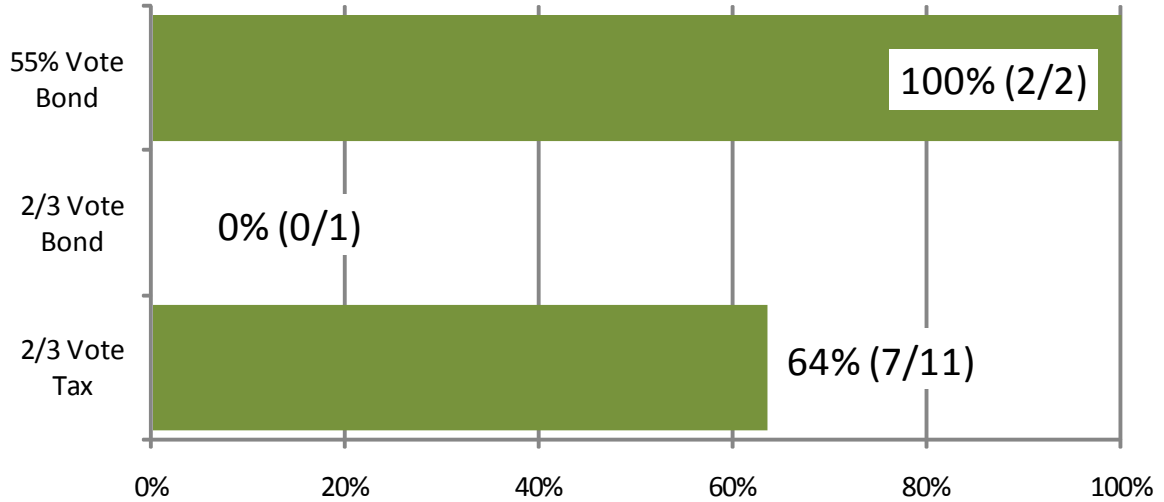
Of the five special tax measures requiring two-thirds voter approval, three passed. A hospital district bond measure passed but the one city bond measure (2/3 vote) failed. This passage rate generally mirrors historic passage rates for special taxes and bonds since 2001: half passed.

Passage Rates: City / County / Special District Tax & Bond Measures Nov2009



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.

Passage Rates: School Tax & Bond Measures Nov2009



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. 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.

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

Agency Name	County	Measure	Rate	Sunset	YES%	NO%	Result
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 extending the sunset on its UUT for another four years. Among all these measures just two (Newark and Coachella) proposed tax rate increases. Coachella’s proposal was rejected, but Newark’s measure is narrowly passing – currently by just eight votes. Voters in Redondo Beach rejected a proposal to extend their UUT to tax power plants in the city.

Utility User Tax Measures - Nov 2009

	Proposed	Passed
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

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

Agency Name	County		Rate		YES%	NO%	
Tulare	Tulare	Measure N	7% to 6%	expand & reduce	83.0%	17.0%	PASS
Portola Valley	San Mateo	Measure P	maintain 4.5%	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% to 7.3%	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 is narrowly ahead. 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

<u>Agency Name</u>	<u>County</u>		<u>Rate</u>		<u>YES%</u>	<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% to 10%	increase	77.9%	22.1%	PASS
Banning	Riverside	Measure L	6% to 12%	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% to 11%	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)

<u>Agency Name</u>	<u>County</u>		<u>Rate</u>	<u>Purpose</u>	<u>Sunset</u>	<u>YES%</u>	<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 apparently failed, although as of November 6, the Artesia measure is just one vote behind. Historically since 2001 three out of five business license tax increase measures have passed.

Business License Tax Measures - General Tax - Majority Vote

<u>Agency Name</u>	<u>County</u>		<u>YES%</u>	<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	42.9%	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)

<u>Agency Name</u>	<u>County</u>	<u>Amount</u>	<u>YES%</u>	<u>NO%</u>	
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)

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

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

<u>Agency Name</u>	<u>County</u>			<u>YES%</u>	<u>NO%</u>	
Proposed Town of Carmel Valley	Monterey	Measure G	Proposed Town of Carmel Valley	47.7%	52.3%	FAIL
Unincorporated Sunset Pointe, Stevenson Ranch, Southern Oaks, Westridge, Tesoro, Castaic and Val Verde	Los Angeles	Measure A	Official Community In Unincorporated	56.3%	43.7%	PASS
		Measure C	Annex Into the City of Santa Clarita	52.9%	47.1%	PASS
		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
El Centro	Imperial	Measure G	Charter City	60.4%	39.6%	PASS

Appointed versus Elected Clerks and Treasurers

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.

Appointed City Clerk / City Treasurer

<u>Agency Name</u>	<u>County</u>		<u>Purpose</u>	<u>YES%</u>	<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)

<u>Agency Name</u>	<u>County</u>		<u>Rate</u>		<u>Sunset</u>	<u>YES%</u>	<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-same rate		75.4%	24.6%	PASS
Culver City Unified School District	Los Angeles	Measure EE	\$96/parcel	new	5yrs	74.7%	25.4%	PASS
Acalanes Union High School District	Contra Costa	Measure G	\$189/parcel	extend-same 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 District	Santa Clara	Measure C	\$138/parcel	new		62.6%	37.4%	FAIL
Fremont Union High School District	Santa Clara	Measure G	\$98/parcel	extend-same rate		58.9%	41.1%	FAIL
Oxnard Elementary School District	Ventura	Measure E	\$99/parcel	new		46.8%	53.2%	FAIL
Long Beach Unified School District	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

<u>Agency Name</u>	<u>County</u>		<u>Amount</u>	<u>%Needed</u>	<u>YES%</u>	<u>NO%</u>	
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 District	Tulare	Measure O	\$6.7M	66.7%	34.5%	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.

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

Source: County elections offices.

