



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Dennis Hawkins, CMC
City Clerk

A handwritten signature in black ink, appearing to read "D. Hawkins", is written over the printed name of Dennis Hawkins.

DATE: 09-28-12

SUBJECT: MEASURE A – COUNTY OF SANTA CLARA SALES TAX

RECOMMENDATION

As recommended by Rules and Open Government Committee on September 26, 2012, and outlined in the attached memorandum previously submitted to the Rules and Open Government Committee:

It is recommended that the City Council not take a position on Measure A on the November 6, 2012 General Election ballot.



Memorandum

TO: RULES AND OPEN
GOVERNMENT COMMITTEE

FROM: Betsy Shotwell

SUBJECT: SEE BELOW

DATE: September 17, 2012

Approved

Date

9/19/12

SUBJECT: MEASURE A - COUNTY OF SANTA CLARA SALES TAX

RECOMMENDATION

It is recommended that:

1. The City Council not take a position on Measure A on the November 6 General Election ballot.
2. The Committee provide a one-week turnaround for Mayor and City Council review.

BACKGROUND

On August 7 the Santa Clara County Board of Supervisors placed a general purpose sales tax on the November ballot. If passed by the voters the measure would add a one-eighth cent sales tax for ten years.

ANALYSIS

The Measure A ballot measure reads as follows:

A ONE-EIGHTH CENT SALES TAX. Shall the County of Santa Clara enact a one-eighth cent sales tax, that cannot be taken by the state, for local priorities such as:

- Law enforcement and public safety;
- Trauma and emergency room services;
- Health coverage for low-income children;
- Economic development and job creation;
- Housing for the homeless; and

RULES AND OPEN GOVERNMENT COMMITTEE

9-17-12

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Programs to help students stay in school; for a limited period of ten years, with annual public reports to ensure fiscal accountability?

The analysis and the staff recommendation on Measure A is attached.

PUBLIC OUTREACH

- Criteria 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criteria 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criteria 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

This document will be posted on the City's website for the September 26, Rules and Open Government Committee where Council and the public will have the opportunity to comment.

COORDINATION

This memorandum was coordinated with the City Attorney's Office.



BETSY SHOTWELL
Director, Intergovernmental Relations

For questions please contact Betsy Shotwell at 408-535-8270

Measure A – County of Santa Clara Sales Tax

Recommended City Position: No position

Background and Analysis:

If passed by the voters of Santa Clara County the sales tax would increase for ten-years one-eighth of a cent. From the impartial ballot analysis “the additional sales tax would be a general tax, meaning that the County could use the funds that the tax generates for any County purposes. The County now has an 8.375% sales tax with two main parts: 7.25% in State taxes, part of which the County receives; and 1.125% in special district taxes that fund transportation services.”

If the voters approve this measure then the County will start collecting this additional sales tax in both the incorporated and unincorporated areas of the County on April 1, 2013 until its expiration on March 31, 2023. The estimated amount that would be raised by Measure A is \$498.5 million. Again from the impartial ballot analysis, “the sales tax increase would be a general tax, so the County could use funds from the tax for any County purposes. For example, as stated in the measure, the tax funds could be used for law enforcement and public safety, trauma and emergency room services, health coverage for low-income children, economic development and job creation, housing for the homeless, programs to help students stay in school, and other uses.”

As staff has recommended a support position for the State Ballot’s Proposition 30: “Temporary Taxes to Fund Education. Guaranteed Local Public Safety Funding,” also on the November ballot which would increase the sales and use tax by ¼ cent for four years and personal income tax on annual earnings over \$250,000 for seven years to fund public safety realignment and schools, staff has no recommended position on Measure A at this time.

Supporters: (Partial listing)

Santa Clara County Board of Supervisors, Santa Clara County District Attorney Jeffrey F. Rosen, Santa Clara County Democratic Party.

Opponents: (Partial listing)

Silicon Valley Taxpayers Association (SVTA). On September 5 the SVTA lost its bid for an appellate court review of a Santa Clara county judge’s decision that allowed this measure to appear on the November ballot. The taxpayer’s group had originally argued that placing the measure on the November ballot violated Proposition 218. (The three county supervisors were already elected, or re-elected on the June ballot so no members of the Board will be on the November ballot). Other groups listed in opposition include the San Jose Silicon Valley Chamber of Commerce and the Libertarian Party of Santa Clara County.