

**RESOLUTION NO. \_\_\_\_\_**

**BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA**

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**RESOLUTION CALLING AN ELECTION FOR THE PURPOSE OF SUBMITTING TO THE ELECTORS A PROPOSITION FOR THE ADOPTION OF A RETAIL TRANSACTIONS AND USE TAX TO FINANCE PARK ACQUISITION, IMPROVEMENTS, MAINTENANCE, PROGRAMS AND OPERATIONS**

**RESOLVED**, by the Board of Supervisors of the County of San Mateo, State of California, that

**WHEREAS**, this Board has, on August 1, 2006, adopted an ordinance proposing to impose a retail transactions and use tax pursuant to the provisions of Chapter 2.995 (consisting of section 7286.90) of Art 1.7 of Division 2 of the Revenue and Taxation Code; and

**WHEREAS**, Revenue and Taxation Code section 7286.90 directs that approval of said retail transactions and use tax shall be submitted to the voters;

**NOW THEREFORE, IT IS HEREBY DETERMINED AND ORDERED** as follows:

- 1.) An election shall be and is hereby ordered to be held on November 7, 2006, at which election there shall be submitted to the qualified electors of the County the question of imposition of a retail transactions and use tax. The abbreviated statement of the measure, which is set forth in Section 13 of Ordinance No. \_\_\_\_\_, reads as follows:

Shall San Mateo County enact a one-eighth cent sales tax, with annual audits and reports to the community, to support parks and recreation services provided by cities, the county and special districts, including, but not limited to: maintaining and improving park bathrooms, picnic areas and athletic facilities; repairing and upgrading playgrounds and play structures; improving access to parks and playgrounds for the disabled; preserving natural open spaces; and maintaining hiking, walking and biking trails?

- 2.) The Board of Supervisors does hereby submit to the qualified electors of the County at said election said measure as set forth in paragraph 1 of this resolution and designates and refers to said measure as the measure to be set forth on the ballots for use at said election.
- 3.) The full text of the measure is set forth in section 12 of Ordinance No. \_\_\_\_\_, and reads as follows:

## **San Mateo County 1/8 Cent Sales Tax Measure for Parks and Recreation**

This measure authorizes the enactment of a one-eighth (1/8) cent retail transaction and use (sales) tax to fund park acquisition, improvements, maintenance, programs and operations, including recreation and recreation programs, within the incorporated and unincorporated areas of San Mateo County, with the following requirements:

- \$ The tax will be levied for a period of twenty-five (25) years.
- \$ Revenues from the tax may only be used for park acquisition, improvements, maintenance, programs, and operations, including recreation and recreation programs, within the incorporated and unincorporated areas of the County, and shall be used only in accordance with the expenditure plan set forth below.
- \$ During the first year that the tax is levied, net tax revenues, after deduction of administrative expenses, will be apportioned among the County, all cities within the County ("Cities"), and the MidPeninsula Regional Open Space District, the Highlands Recreation District, and the Ladera Recreation District (collectively, "Districts") on the following basis:
  1. The County will receive 42% of net tax revenues.
  2. Districts will receive 6% of net tax revenues. Of the amounts allocated to the Districts, the MidPeninsula Regional Open Space District will receive 70%, the Highlands Recreation District will receive 20%, and Ladera Recreation District will receive 10% of such amounts.
  3. Cities will receive 52% of net tax revenues, with each city to receive a portion of the total Cities' allocation calculated on a per capita basis, using yearly population figures published by the State Department of Finance. Notwithstanding the amounts calculated on a per capita basis, each city will receive from the Cities' allocation a minimum distribution equal to 1.357% of total net tax revenues and the remaining City allocations will be adjusted accordingly.
- \$ In each year after the first year, the County, Districts, and Cities shall share in any growth in sales tax revenues of up to four percent (4%) over the previous year in accordance with the allocation percentages set forth above. In each year after the first year, the Cities and Districts only shall share in any growth in sales tax revenues over the previous year which exceeds four percent (4%). Districts will be allocated 10% and Cities will be allocated 90% of any such sales tax revenues exceeding a four percent (4%) growth in sales tax revenues over the previous year. The allocation of the funds in excess of the 4% growth for the respective District and City will be in proportion to the shares established for each agency for the funds less than 4% growth. For each year after the first year, the method of allocation to each of the Cities and Districts shall be the same as that for first year, including the minimum allocation of 1.357% for each City.

- \$ The County and each city will establish a general fund baseline Parks and Recreation budget for Fiscal Year 2006/07, measured in dollars. The baseline budget will be adjusted every five years, beginning in Fiscal Year 2011/12, and continuing at five year intervals thereafter, by applying the Bay Area Consumer Price Index, published by the Bureau of Labor Statistics, or a successor index. In order to receive its full share of sales tax proceeds for a given fiscal year, the County and each city must either (1) maintain or increase its Parks and Recreation budget in dollars as measured against the baseline budget, or (2) reduce its Parks and Recreation budget compared to the baseline budget, in percentage terms, no more than the percentage by which the combined budgets of all other non-public safety departments is reduced as measured against the combined budgets of all other non-public safety departments for the prior fiscal year. In the event the County or a city reduces its Parks and Recreation budget compared to the baseline budget, measured on a percentage basis, more than percentage reduction of the combined budgets of all other non-public safety departments over the prior year's combined budgets, or reduces its Parks and Recreation budget compared to the baseline budget, measured on a percentage basis, while the combined budgets of all other non-public safety departments increases in relation to the prior year's combined budgets, the sales tax revenue that would otherwise have been payable to that County or city for that fiscal year shall be reduced by the difference between those percentage variances. For each fiscal year beginning in Fiscal Year 2007/08, before sales tax revenues for that year may be disbursed to the County or city, a resolution must be adopted stating the baseline Parks and Recreation budget in dollars; the Parks and Recreation budget in dollars for the fiscal year; the reduction in percentage terms of the Parks and Recreation budget from the baseline, if any; and the variance in percentage terms of the combined budgets for all other non-public safety departments from the combined budgets for the prior fiscal year. The County and each City shall certify the data provided. All requests for disbursement must be made within the fiscal year for which the measure funds are made available or the funds will not be disbursed to the city or County and will be rolled over for the next year. For purposes of this section, neither the baseline Parks and Recreation budget, nor any yearly Parks and Recreation budget used for purposes of the calculations set forth herein, shall include any revenues from the sales tax disbursed pursuant to this measure.
- \$ The following expenditure plan represents allocations for the first year of sales tax revenue collection and distribution (Fiscal Year 2006-07), and is based on population figures published by the State Department of Finance on January 1, 2006. The allocations will change from year to year based on the allocation specified above, changes in published populations, and any adjustments based on the failure of an entity to maintain its required general fund baseline Parks and Recreation budget.

**Expenditure Plan (Fiscal Year 2006-07)**

<u>Entity</u>	<u>Population</u>	<u>Percent Allocation of Tax Revenue</u>
County of San Mateo	724,104	42.00%
Highlands Recreation District	N/A	1.20%
Ladera Recreation District	N/A	0.60%
MidPeninsula Regional Open Space District	N/A	4.20%
Atherton, Town of	7,262	1.357%
Belmont, City of	25,648	1.778%
Brisbane, City of	3,744	1.357%
Burlingame, City of	28,322	1.964%
Colma, Town of	1,575	1.357%
Daly City, City of	104,820	7.267%
East Palo Alto, City of	32,083	2.224%
Foster City, City of	29,900	2.073%
Half Moon Bay, City of	12,739	1.357%
Hillsborough, Town of	10,965	1.357%
Menlo Park, City of	30,750	2.132%
Millbrae, City of	20,735	1.438%
Pacifica, City of	38,739	2.686%
Portola Valley, Town of	4,553	1.357%
Redwood City, City of	76,087	5.275%
San Bruno, City of	41,515	2.878%
San Carlos, City of	28,265	1.960%
San Mateo, City of	94,315	6.539%
South San Francisco, City of	61,824	4.286%
Woodside, Town of	5,507	1.357%

Notes:

1. Population figures represent populations served by parks and recreation facilities within the jurisdiction of the specified entity. For the County of San Mateo, the population figure represents the entire County population. City population figures are those published by the State Department of Finance.
2. The estimated yearly tax revenues available for distribution, after deduction for administrative expenses, is approximately \$16,000,000, based on taxable sales during the 2002 calendar year. For FY 2006-07, it is anticipated that revenues will be collected for the last quarter (April-June) only.
3. Tax revenues will supplement any amounts specified by an entity under its annual General Fund Parks and Recreation budget.
4. Funds must be used for parks and recreation purposes, including but not limited to, maintaining and improving park bathrooms, picnic areas and athletic facilities; repairing and upgrading playgrounds and play structures;

improving access to parks and playgrounds for the disabled; preserving natural open spaces; and maintaining hiking, walking and biking trails.

\$ Tax revenues received will be deposited into a separate account maintained and administered by the City/County Association of Governments (C/CAG), or a successor entity as may be selected by the County and Cities, which shall calculate the amounts to be allocated to the County, Cities and Districts as provided for in this measure, and distribute such amounts on a quarterly basis to the Cities, County and Districts. C/CAG shall audit the distribution and use of the tax revenues distributed pursuant to this measure on a yearly basis, shall audit the performance of the entities receiving tax revenues on a periodic basis, shall consider and approve the audit results in an open meeting, and shall provide a copy of the audit results to the County, the Cities and the Districts. C/CAG shall be entitled to reimbursement for its services from available tax revenues at a rate of one percent (1%) of such revenues for the first full year of such services, with reimbursement to be adjusted for future years based on the actual cost of such services.

\$ Any election costs and state startup costs required by state law, borne by the County of San Mateo shall be reimbursed to the County from net tax revenues received during the first year of collection.

- 4.) The County Clerk shall publish a notice of this election in accordance with the Elections Code and give any other required notices.
- 5.)
  - a. The election shall be held and conducted, the returns canvassed, and the result declared in the same manner as provided by law for general elections.
  - b. The election will be held on November 7, 2006, from the hour of 7:00 a.m. to the hour of 8:00 p.m., during which period of time the polls will remain continuously open. At 8:00 p.m., the polls will be closed, except as provided in section 14401 of the Elections Code.
  - c. The County Clerk shall prepare and mail to each eligible voter in the County a sample ballot and a voter's pamphlet containing the abbreviated statement of the measure as set forth in paragraph 1 above, and the full text of the measure as set forth in paragraph 3 above. The sample ballot and voter's pamphlet shall include the following statement: "If you desire a copy of the entire Ordinance No. \_\_\_\_\_, please contact the Elections Office at (650) 312-5222 and a copy will be mailed at no cost to you."
  - d. The County Clerk shall establish election precincts, designate the polling places, and provide election officers for each precinct at the November 7, 2006, election in accordance with the election laws of the State of California.
  - e. The election on the proposed measure shall be consolidated with any and all other elections to be held on November 7, 2006.

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