



Local ballot measure: S

S

City of Santa Cruz

Ballot question

To protect Santa Cruz's quality of life by maintaining: police community and neighborhood services and crime prevention; homeless and treatment services; funding for local non-profits providing children/senior/working family services; City programs for children/at-risk youth; support for parks/beaches/open spaces; fire prevention programs and other essential city services, shall the City of Santa Cruz enact a permanent $\frac{1}{4}$ percent sales tax to provide about \$3 million annually for use in our local community?

Pregunta de Boleta

Con el propósito de proteger la calidad de vida en Santa Cruz manteniendo: servicios de policía comunitaria y vecinal y prevención del delito; servicios y tratamiento para indigentes; fondos para organizaciones locales sin fines de lucro que ofrecen servicios para niños/personas de la tercera edad/familias trabajadoras; programas de la Ciudad para niños/jóvenes en riesgo; apoyo para parques/playas/espacios abiertos; programas de prevención de incendios y otros servicios esenciales de la ciudad, ¿debe la Ciudad de Santa Cruz promulgar un impuesto permanente a las ventas de $\frac{1}{4}$ por ciento para proporcionar aproximadamente \$3 millones anualmente para usarse en nuestra comunidad local?

What your vote means

YES	NO
A "Yes" vote is a vote to approve the enactment of the $\frac{1}{4}$ cent tax.	A "No" vote is vote against the tax.

For and against Measure S

FOR	AGAINST
<p>Maggie Duncan Merrell Friends of Parks and Recreation Board Member</p> <p>Cody Muhly President, Santa Cruz Firefighters Local 1716</p> <p>Zachary Davis Co-founder, The Penny-Ice Creamery</p> <p>Sibley V. Simon President, New Way Homes</p> <p>Janet Fardette President, Leveelies</p>	<p>No argument against was filed.</p>



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Arguments and replies are the opinions of the authors. We print them exactly as submitted, including errors.

Argument for Measure S

Santa Cruz residents value their City services, including protection by firefighters and police, popular parks and recreation programs, maintenance of critical infrastructure, and support for programs that enhance the quality of life for all.

Now, in spite of managing its finances responsibly through recent years, the City faces a deepening fiscal crisis that threatens to erode these services. **Measure S will help avoid a major deficit in coming years, to help sustain essential City services and facilities.**

The surprising fact is that local governments have not shared in the current economic recovery. Like most California cities, Santa Cruz is feeling the impact of several trends that undermine its long-term fiscal prospects. Local government budgets are increasingly strained by declining revenues due to changes in consumer spending patterns, increased costs of providing services, steep assessments by the state for its investment shortfalls, declining federal support for core services, and the urgent need to deal with aging infrastructure and unanticipated emergencies.

The plain truth: If additional funds are not provided, our community faces painful service cuts and deteriorating facilities. That's not the future we want, and that's why we urge you to vote **YES on MEASURE S**.

If Measure S fails, the City will face a deficit of \$5.5 million in the next year alone, and even more in future years. Potential cuts include

- Reducing crime prevention programs
- Delaying repair of aging infrastructure and facilities
- Cutting maintenance at City parks and open spaces
- Reducing support for programs helping seniors, children, and those in need

Passing Measure S allows the City of Santa Cruz to sustain its current level of funding for public safety, parks, and community programs. **All funds from Measure S will stay right here in our community.** Protect the services we count on. **Vote YES on MEASURE S.**

Maggie Duncan Merrell

Friends of Parks and Recreation Board Member

Cody Muhly

President, Santa Cruz Firefighters Local 1716

Zachary Davis

Co-founder, The Penny-Ice Creamery

Sibley V. Simon

President, New Way Homes

Janet Fardette

President, Leveelies

No argument against Measure S was filed.



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Impartial Analysis of Measure S

Anthony P. Condotti, City Attorney, City of Santa Cruz

¼ Cent Sales Tax Ballot Measure

The City Council of the City of Santa Cruz has placed a measure on the ballot asking voters to approve a ¼ percent (0.25%) transactions and use tax within the City. The proposed tax would add a ¼ of a penny to the price of an item that costs a dollar, or one dollar to the price of an item that costs \$400. Because the measure does not limit the use of tax revenue, it is a “general tax,” not a “special tax” that restricts the funds to specific purposes. Therefore, as explained in the ballot question, the City may use the funds for a variety of purposes, including but not limited to maintaining current levels of police services, crime prevention and investigation resources; police staffing; earthquake preparedness; afterschool programs for children and teens; senior services; library services and parks and recreation programs.

Currently, the cumulative tax on retail sales in Santa Cruz is 9%, of which Santa Cruz receives only 1.5%. The remainder primarily goes to the State of California, with a small percentage allocated to county-wide transportation funding, the Santa Cruz Metro Transit District, and the Santa Cruz City-County Library System.

Technically, the existing “sales tax” is a combination of “sales and use tax” and “transactions and use tax.” With some exceptions, both are levied on the sale or use of tangible personal property sold at retail. Retailers collect the tax at the time of sale and remit the funds to the State Board of Equalization, which administers the tax.

This proposed measure would authorize an additional 0.25% transactions and use tax, which would increase the total sales tax rate to 9.25%. If approved, this additional increment would go exclusively to the City’s general fund and be available to support the full range of local municipal services.

A “Yes” vote is a vote to approve the enactment of the ¼ cent tax. A “No” vote is a vote against the tax. The measure would be approved if it received a simple majority of “Yes” votes.

Full text of Measure S

The people of the City of Santa Cruz ordain as follows:

BE IT ORDAINED by the electorate of the City of Santa Cruz that Section 3.19 of the Santa Cruz Municipal Code is hereby added as follows:

Section 1. Chapter 3.18 – TRANSACTIONS AND USE TAX of the City of Santa Cruz Municipal Code is hereby amended to add Section 3.18.055 “ADDITIONAL TRANSACTIONS AND USE TAX” to read as follows:

“3.18.055 ADDITIONAL TRANSACTIONS TAX RATE.

For the privilege of selling tangible personal property at retail, an additional tax is hereby imposed upon all retailers in the incorporated territory of the City at the rate of 0.25% of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in said territory on and after the operative date of this ordinance.”

Section 2. Chapter 3.18 – TRANSACTIONS AND USE TAX is hereby further amended to add Section 3.18.075 “ADDITIONAL USE TAX RATE” to read as follows:

“3.18.075 ADDITIONAL USE TAX RATE.

An additional excise tax is hereby imposed on the storage, use or other consumption in the City of tangible personal property purchased from any retailer on and after the operative date of this ordinance for storage, use or other consumption in said territory at the rate of 0.25% of the sales price of the property. The sales price shall include delivery charges when such charges are subject to state sales or use tax regardless of the place to which delivery is made.”

Section 3. EFFECTIVE DATE. This ordinance relates to the levying and collecting of the City transactions and use taxes and shall take effect immediately if the tax imposed is approved by a simple majority of voters voting on the question at the June 5, 2018 election, and shall become operative on the first date of the first calendar quarter commencing more than 110 days after the adoption of this ordinance, the date of such adoption being as set forth below.