



County of Monterey

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Board Report

File #: 15-0968, **Version:** 1

Approve and authorize the Chair to sign a letter to Monterey County's State Legislative Representatives supporting legislation that would provide an exemption from the current Two Percent (2%) cap for the Transportation Agency for Monterey County to pursue a local sales tax measure for transportation, subject to voter approval in 2016. (ADDED VIA ADDENDUM)

RECOMMENDATION:

It is recommended that the Board of Supervisors approve and authorize the Chair to sign a letter to Monterey County's State Legislative Representatives supporting legislation that would provide an exemption from the current Two Percent (2%) cap for the Transportation Agency for Monterey County to pursue a local sales tax measure for transportation, subject to voter approval in 2016.

SUMMARY/DISCUSSION:

Existing law authorizes various local governmental entities to levy a transactions and use tax for specific purposes, in accordance with the Transactions and Use Tax Law, including a requirement that the combined rate of all taxes that may be imposed under that law in the county may not exceed 2%.

TAMC is considering a 3/8% (0.375%) countywide transportation investment measure for the November 2016 ballot. Many counties have opted to become "self-help" counties with voter approved transportation measures dedicated to meet their local needs. An important component of becoming a "self-help" county is that the community controls the funds and determines how the funds are spent. However, with other non-transportation tax measures proposed by Monterey County jurisdictions, there will not be sufficient capacity under the 2% local option sales tax cap. As a result, special legislation to provide an exemption to the 2% local option cap is needed to allow TAMC to proceed with its proposed 3/8% sales tax measure.

The TAMC Board of Directors agreed to pursue special legislation at their August 26, 2015 meeting. The deadline to get special legislation passed this session is September 11, 2015. Therefore, a letter of support is needed immediately.

OTHER AGENCY INVOLVEMENT:

Monterey County received a request from the Transportation Agency for Monterey County (TAMC) to send letters to the Monterey County State Legislative Representatives supporting TAMC's efforts with a sales tax initiative. County Administrative Office-Intergovernmental and Legislative Affairs staff has determined that the proposed legislation is consistent with the Monterey County Legislative Program 2015-16 legislative priorities for Transportation Infrastructure which states, in part, "... *Support efforts to secure predictable and stable revenue sources through the existing federal and state relationships or with expanded authority to generate voter approved revenues at the local level. ...*". Due to late submission of this Board Report, the CAO Budget and Analysis Division was not provided adequate time to fully review for potential fiscal, organizational, policy, or other implications to the County of Monterey.

FINANCING:

The recommended action has no direct financial impact to the General Fund. Should special legislation be

passed by the Legislature and TAMC is successful in placing a 3/8% (0.375%) countywide transportation on the November ballot, TAMC estimates the measure would raise \$20 Million/year or \$600 Million over 30 years for infrastructure improvements subject to voter approval.

Prepared by: Robert K. Murdoch, P.E., Director of Public Works

Approved by:

Nicholas E. Chiulos
Assistant County Administrative Office

Attachments: Letter of support to State Legislative Representatives: The Honorable Bill Monning, Senate Majority Leader, 17th Senate District; The Honorable Anthony Cannella, 12th Senate District; The Honorable Luis Alejo, 30th Assembly District; and The Honorable Mark Stone, 29th Assembly District. (Attachments on file with the Clerk of the Board)