



County of Monterey

Item No.

Board Report

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

Legistar File Number: 26-579

June 16, 2026

Introduced: 6/9/2026

Current Status: Agenda Ready

Version: 1

Matter Type: General Agenda Item

- a. Receive an update on community and stakeholder support regarding a potential real estate transfer tax affecting ultra-high-value residential properties in unincorporated areas; and
- b. Provide direction to staff on whether to move forward with developing a tax measure for potential placement on a future ballot.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Receive an update on community and stakeholder support regarding a potential real estate transfer tax affecting ultra-high-value residential properties in the unincorporated area; and
- b. Provide direction to staff on whether to move forward with developing a tax measure for potential placement on a future ballot.

SUMMARY/DISCUSSION:

On March 17, 2026, the Board reviewed the first follow-up report for Board Referral No. 2026.01 (Daniels), which requested staff to analyze the feasibility of a special real estate transfer tax (PTT) applied to transactions involving ultra-high-value residential properties. The discussion addressed:

- Considering a \$10 million threshold, with a possible adjustment to \$5 million;
- An initial assessment of market impacts, policy framework, and legal requirements; and
- Instructions to return with further analysis.

On April 7, 2026, staff presented a broadened evaluation including alternative thresholds, revenue estimates, experiences from similar jurisdictions, and suggestions to conduct public opinion polling for a potential Property Transfer Tax (PTT). The Board approved funding for a community survey and scheduled to return on June 9, 2026, to share results.

On June 9, 2026, the Board reviewed the survey findings, which showed limited support for a special PTT, starting at approximately 51 percent, short of the two-thirds majority required under state law. While support rose slightly after additional information was provided, it never reached the necessary two-thirds level. Survey responses ranged from the low to high 50s during the polling period, indicating that even with improved messaging, passing the PTT as a special tax would likely be difficult. The survey focused on a 3% property transfer tax for single family residences valued over \$10 million in the unincorporated area.

The Board directed that the issue should return for consideration on June 16, 2026, to assess community stakeholder support or opposition and discuss the possibility of advancing the item as a

general tax, which would require approval by a simple majority vote (50% plus one).

OTHER AGENCY INVOLVEMENT/COMMITTEE ACTIONS:

The Office of the County Counsel, Assessor-County Clerk-Recorder's Office, Housing and Community Development, County Administrative Office, and District 5 Supervisor Office have been involved in this process.

FINANCING:

The Property Transfer Tax is estimated to generate approximately \$5 million annually.

BOARD OF SUPERVISORS STRATEGIC PLAN GOALS:

- Well-Being and Quality of Life
- Sustainable Infrastructure for the Present and Future
- Safe and Resilient Communities
- Diverse and Thriving Economy

Link to the Strategic Plan:

<https://www.countyofmonterey.gov/home/showdocument?id=139569>

Prepared and approved by: Michael Beaton, Assistant County Administrative Officer