



AGENCY: City Council
MEETING DATE: April 23, 2018
DEPARTMENT: Administration
PRESENTED BY: Tabatha Miller
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AGENDA ITEM SUMMARY

TITLE:

Adopt City Council Resolution Opposing the Tax Fairness, Transparency and Accountability Act of 2018

ISSUE:

The "Tax Fairness, Transparency and Accountability Act of 2018" is gathering signatures for the November ballot. This initiative eliminates the City's authority to impose a general purpose tax by a simple majority vote. This initiative would require two-thirds vote for all proposed local tax increases. Additionally, it would require a two-thirds vote to increase, impose and extend any fee or charge, other than those subject to Prop. 218. If successful, the measure would retroactively apply to January 1, 2018. This could effectively void a local general tax measure approved by a majority of the voters but receiving less than the two-thirds voter requirement of this initiative.

ANALYSIS:

The proposed state initiative is a statewide decision on local tax and revenue decisions. The initiative would increase the necessary level of support for general purpose taxes from fifty percent (50%) plus one to a two-thirds majority. A resolution opposing the initiative may influence businesses and individuals who actively or passively support the proposed Act.

The City of Fort Bragg's Ad Hoc Revenue Committee has reviewed the matter and recommends the City Council approve the Resolution opposing the Tax Fairness, Transparency and Accountability Act of 2018. If the City Council supports the Resolution, letters would be sent out opposing the measure and encouraging local control over local revenue measures.

RECOMMENDED ACTION:

Adoption of attached Fort Bragg City Council Resolution as part of the Consent Calendar.

ALTERNATIVE ACTION(S):

Do not pass the Resolution and take no further action.

FISCAL IMPACT:

The fiscal impact would be to the long term viability of the City. The impact would come from tax or revenue increases that could not meet the two-thirds passage but would have met the simple majority requirement.

CONSISTENCY:

This initiative is not consistent with the City's consideration of placing a general purpose sales tax increase measure on the November ballot in order to balance the budget and proactively pay down the City's California Public Employees' Retirement System (CalPERS) unfunded liability.

IMPLEMENTATION/TIMEFRAMES:

If successful, the ballot initiative would be applied retroactively to January 1, 2018.

ATTACHMENTS:

1. Resolution
2. Action Alert to Oppose State Ballot Measure Restricting Local Taxing Authority

NOTIFICATION:

None.