



**BOARD OF SUPERVISORS
AGENDA LETTER**

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: County Executive Office
Department No.: 012
For Agenda Of: April 2, 2024

Placement: Departmental
Estimated Time: N/A
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Director(s) **Mona Miyasato, County Executive Officer**
Contact Info: **Nancy Anderson, Assistant County Executive Officer**
Brittany Odermann, Deputy County Executive Officer

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SUBJECT: County Ballot Measures Assessment Issues Survey Results – Library and General Tax

County Counsel Concurrence

As to form: N/A

Other Concurrence:

As to form: N/A

Auditor-Controller Concurrence

As to form: N/A

Recommended Actions:

That the Board of Supervisors:

- a) Receive and file the presentation from Fairbank, Maslin, Maullin, Metz & Associates Research on potential county tax measure(s) survey results; and
- b) Provide direction to staff, as appropriate; and
- c) Determine that pursuant to CEQA Guidelines section 15378(b)(5) the above actions are not a project subject to CEQA review because they are administrative activities that will not result in direct or indirect physical changes in the environment.

Summary:

This item is on the agenda to provide the poll results for surveys conducted to gauge voter support for the following three types of taxes: a **general** sales tax to be collected in the unincorporated county area to be used for general county purposes; a countywide library **special** sales tax; and a countywide library **special parcel** tax.

The County hired Fairbank, Maslin, Maullin, Metz & Associates Research (FM3 Research), an opinion, research, and strategy firm to conduct survey research to examine voter attitudes toward various funding

Board of Supervisors
 April 2, 2024
 Page 2 of 6

measures. The research was designed in close collaboration with County staff to examine ballot measures' feasibility, assess voter attitudes toward County government generally, identify concerns and funding priorities, and explore themes to inform the development of a public education and outreach program or other future work as necessary. The surveys were conducted in November 2023 over the period of one week with Santa Barbara County likely November 2024 voters through telephone and online interviews. Overall, survey results indicate that it may be difficult to achieve passage of either a general or special tax measure on the November 2024 ballot. A robust public education and outreach program could be necessary to improve the potential for positive results.

Background:

During the April 2023 budget workshops staff presented a special issue item about various options for establishing a new tax to generate additional revenue. This was presented given the continued financial needs faced by the county for facilities, including operation of the Northern Branch Jail, fire safety improvements, reduction of deferred maintenance backlog, and increased employee costs. The Board appropriated \$80,000 to retain a polling firm and conduct surveys.

At the May 9, 2023 Board hearing the Library Ad Hoc Committee presented an update on their work. The committee recommended conducting public polling to assess voter preferences around a new special tax to supplement library funding. Staff presented the options of a special transaction and use tax or a parcel tax for this purpose. The Board confirmed direction for polling specific to libraries at this meeting. Staff requested funding from each of the cities to augment the library polling. The cities together will contribute \$30,000.

Staff retained a polling firm in September 2023, and worked closely with their project manager to design the questionnaire(s) that they used to conduct their surveys. The survey explored three tax scenarios: a **general** sales tax to be collected in the unincorporated county area to be used for general fund purposes; a countywide **special** sales tax, to be used for library funding; and a countywide **parcel** tax to fund libraries. The results of the library specific polling effort were shared with City Managers and the Library Advisory Committee on March 20, 2024.

Current Sales Tax Rates and Revenue

The current County tax rate is 7.75% of which one percent is the local share collected by the State on behalf of the County and distributed back to the County for use at its discretion. Six percent of the sales tax collected by the State remains at the State (although some is distributed to counties for state-mandated programs), one-quarter percent is allocated to the countywide regional transportation fund, and one-half percent is distributed to the Santa Barbara County Association of Governments (SBCAG) to fund Measure A, transportation programs and projects.

Santa Barbara County Unincorporated Sales Tax Breakdown

2023 Total County Tax	7.75%
State Share	6.00%
Roads/Transportation Programs	0.25%
Measure A	0.50%
Local Share	1.00%

Board of Supervisors
 April 2, 2024
 Page 3 of 6

The current sales tax rates for each city and the unincorporated area is shown in Table 1. Seven of the eight cities in the county have additional voter approved sales tax.

Table 1. Sales Tax Rates in Santa Barbara County

Jurisdiction	Sales Tax Rate
Santa Barbara County Unincorporated	7.75%
Buellton	7.75%
Carpinteria	9.00%
Goleta	8.75%
Guadalupe	8.75%
Lompoc	8.75%
Santa Barbara	8.75%
Santa Maria	8.75%
Svang	8.75%

The County anticipates \$15.1M in revenue from the one-percent local retail sales tax in fiscal year 2023-24. Table 2 provides the estimated annual revenue generated for every quarter-cent increase up to an additional one-percent, as well as the total estimated sales tax that would be generated.

Table 2. Santa Barbara County Unincorporated, Estimated Annual Sales Tax Revenues

Increase	Proposed Rate	Estimated Annual	Total Estimated
0.25%	8.00%	\$ 3.77M	\$ 18.85M
0.50%	8.25%	\$ 7.54M	\$ 22.62M
0.75%	8.50%	\$ 11.31M	\$ 26.39M
1.00%	8.75%	\$ 15.08M	\$ 30.16M

Potential Library Tax Rates and Revenues

The Library Ad Hoc Committee considered tax options that would generate approximately \$8 million or roughly the equivalent of fifty percent of the total dedicated county and city funding combined for libraries as shown in Table 5 below. Table 3 provides estimated revenue that would be generated from a 0.125% and 0.25% sales tax increase countywide and the adjusted new sales tax rate in each of the jurisdictions. Table 4 includes the estimated equivalent revenue, approximately \$8 million, for an annual flat tax of \$60 per parcel. The Board directed staff to poll the library sales tax at the quarter-cent rate.

Table 3. Estimated Annual Sales Tax Revenue (0.125% and 0.25%)

Jurisdiction	Estimated Revenue Increase (.125%)	New Tax Rate	Estimated Revenue Increase (.25%)	New Tax Rate
City of Santa Maria	\$2,000,334	8.875%	\$4,000,668	9.00%
City of Santa Barbara	\$1,816,092	8.875%	\$3,632,184	9.00%
Unincorporated – County	\$1,885,213	7.875%	\$3,770,426	8.00%
City of Goleta	\$545,379	8.875%	\$1,090,758	9.00%
City of Lompoc	\$408,832	8.875%	\$817,664	9.00%
City of Buellton	\$442,010	7.875%	\$884,020	8.00%
City of Carpinteria	\$332,911	9.125%	\$665,822	9.25%
City of Solvang	\$123,789	8.875%	\$247,578	9.00%
City of Guadalupe	\$34,340	8.875%	\$68,680	9.00%
Countywide Totals	\$ 7,588,898		\$15,177,800	

Table 4. Estimated Annual Parcel Tax Revenue

Jurisdiction	No. of Parcels (2022)	Estimated Revenue \$60/parcel
City of Santa Maria	24,575	\$1,474,500
City of Santa Barbara	25,268	\$1,516,080
Unincorporated - County	49,847	\$2,990,820
City of Goleta	10,094	\$605,640
City of Lompoc	11,052	\$663,120
City of Buellton	2,164	\$129,840
City of Carpinteria	5,013	\$300,780
City of Solvang	2,348	\$140,880
City of Guadalupe	2,123	\$127,380
Countywide Totals	132,484	\$ 7,949,040

Local governments have been the primary funders of California libraries since state funding for library operations was phased out in the early 2010s. In some counties, a dedicated property tax instituted prior to Proposition 13 funds county library service. This is not the case in our county. The Board has provided discretionary general fund dollars to the library system to support a regional system, although the County is not required to fund municipal services in city jurisdictions. Even so, local libraries within Santa Barbara County have faced chronic budget shortfalls for over a decade. The County’s Library Ad Hoc Committee was created to address persistent budget challenges and funding requests needed to keep libraries open and maintain minimum service levels countywide.

The countywide library system is a complex partnership between the County and the cities. The Cities of Santa Maria, Santa Barbara, Lompoc, Goleta, and Carpinteria (“Managing Cities”) each have municipal libraries funded and governed by their City Councils. The County contributes funding to these libraries, and contracts with four of the five Managing Cities to manage libraries in the cities of Guadalupe, Buellton, Solvang, and in the unincorporated communities of Orcutt, Los Alamos, Vandenberg Village, Cuyama, and Montecito. Table 5 shows the total city and county contribution to each of the library

Board of Supervisors
 April 2, 2024
 Page 5 of 6

branches for the current fiscal year including fund balance originally generated from county contributions. In addition, in the City of Goleta and the unincorporated Eastern Goleta Valley, referred to as County Service Area (CSA) 3, Measure L was passed and residents in those areas pay a tax for libraries, roads, and parks.

Table 5. Library Funding by Zone/Branch

FY 23-24 Budget				
	City	Fund Balance	County	Measure L (CSA 3)
Zone 1				
City of Santa Barbara:				
Main/Eastside	\$4,509,664		\$793,765	
Unincorporated:				
Montecito		\$104,514	\$360,924	
Subtotal	\$4,509,664	\$104,514	\$1,154,689	
Zone 2				
City of Lompoc	\$992,411		\$434,374	
Unincorporated:				
Vandenburg Village		\$17,819	\$132,270	
Subtotal	\$992,411	\$17,819	\$566,644	
Zone 3				
City of Santa Maria	\$1,759,581		\$1,021,486	
Bookmobile	\$22,228			
Unincorporated:				
Orcutt		\$87,656	\$389,544	
Cuyama		\$22,680	\$28,948	
Guadalupe		\$50,296	\$105,862	
Los Alamos		\$80,090	\$50,450	
Subtotal	\$1,781,809	\$240,722	\$1,596,290	
Zone 4				
City of Goleta	\$798,100		\$562,397	\$600,000
City of Buellton	\$228,830		\$161,891	
City of Solvang	\$254,967		\$186,265	
Unincorporated:				
Isla Vista			\$238,594	
Subtotal	\$1,281,897		\$1,149,147	\$600,000
Zone 5				
City of Carpinteria	\$575,676		\$146,831	
Subtotal	\$575,676		\$146,831	
TOTAL	\$9,141,457	\$363,055	\$4,613,601	\$600,000

Board of Supervisors
April 2, 2024
Page 6 of 6

Discussion – Polling Results

Project Manager, Rick Sklarz from the polling and research firm FM3 will provide a summary of findings from the conducted surveys. Initially when presented with example ballot language, just over thirty percent of unincorporated County voters vote, “definitely yes” in favor of a one-cent sales tax to fund local services. Another approximately twenty-two percent vote “probably yes” or “undecided, lean yes.” Passage of a general sales tax in the unincorporated county requires majority voter approval in the unincorporated county. This means that passage would rely heavily on the “soft” support of the probably and lean yes voters.

The surveys also show that voters value County services, but likely due to concerns about the cost of living and their own financial security, are sensitive to tax increases associated with these potential ballot measures. The survey found that unincorporated County voters’ top funding priorities for potential ballot measure revenue are: addressing homelessness; improving roads and local infrastructure; and investing in public safety services to reduce crime. Survey respondents received information simulating community engagement and public education and this did not alter voter opinion towards any of the potential tax measures. In contrast, a statement from hypothetical opponents of these measures that focused on the high cost of living and rising prices for food, gas, and housing elicited a strong reaction and reduced support for both measures to less than 50%. At the same time, voters in unincorporated communities identify a number of County services as highly important and worthy of funding.

Among all County voters, a majority polled in favor of a quarter cent Library sales tax, but this is well short of the two-thirds vote needed to pass a special purpose measure and reaching that threshold to pass a Countywide Library sales tax measure could be challenging in the near term. The number of votes in favor for a parcel tax are even lower than the sales tax and would also require a two-thirds favorable vote of the electorate.

Financial Impacts

A decision to place the imposition of a Tax Measure on the November 2024 ballot will cost the County in the range of \$100,000 - \$130,000 for our proportional share of ballot preparation and printing costs.

Next Steps

Survey results indicate a successful tax measure either general or special could be difficult to achieve on the November 2024 ballot. A robust public education and outreach program, to the extent allowed by law, as well as additional polling could be considered to prepare for a potential future tax measure. No public funds or staff time could be used for advocacy. In addition, the Library Ad Hoc Committee may need to regroup to discuss options.

Authored by:

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