

Analysis of Opportunities and Constraints

POTENTIAL OIL EXTRACTION TAX

REDUCING COUNTY COSTS

- × Operational efficiencies
- × Employee concessions
- × New retirement tier
- × Department consolidations
- × Full cost recovery fees
- × Soft hiring freeze
- × Staffing reductions

CONTEXT

- ✘ Increased revenue is required to sustain services in the future
- ✘ Increasing revenue has been a consistent message over the past four years
- ✘ Difficult to accomplish
- ✘ Use of revenues determines voter approval level needed to pass

REVENUE OPTIONS

- ✘ General vs. Specific tax revenue measures
- ✘ Two revenue strategies:
 - + New sources
 - ✘ Oil extraction tax
 - ✘ General business license fee
 - + Expand existing sources
 - ✘ Increase rate or application of TOT
 - ✘ Adjust existing assessment districts or parcel taxes
 - ✘ Increase rate or application of administrative fees

OIL EXTRACTION TAX - OPPORTUNITIES

- ✘ Already voter-approved in cities
- ✘ Positive market timing – price & volume
- ✘ Approximately \$1.8 - 3.3M in new revenue
- ✘ Multiple options for tax structures

OIL EXTRACTION TAX - CONSTRAINTS

- ✘ Revenue increases being sought by others
- ✘ Opposition by industry, environmental and anti-tax advocates
- ✘ Cost to administer program
- ✘ Concerns about the allocation of new revenues

NEXT STEPS

- ✘ Board decision on need and direct staff action
- ✘ Planning the initiative
- ✘ Public survey
- ✘ Public outreach
- ✘ Initiative writing
- ✘ Submission to the ballot for November 2012