



# STAFF REPORT

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July 10, 2024  
File Number 0650-20

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## SUBJECT

**CONSIDERATION OF RESOLUTION AND ORDINANCE PLACING THE ESCONDIDO COMMUNITY INVESTMENT MEASURE BEFORE VOTERS AT THE MUNICIPAL ELECTION ON NOVEMBER 5, 2024 –**

## DEPARTMENT

City Clerk's Office and City Attorney's Office

## RECOMMENDATION

Request the City Council (a) adopt Resolution No. 2024-89 calling for an election submitting a proposed one-cent general transactions and use (sales) tax increase to the voters; and (b) introduce Ordinance No. 2024-08 amending the Escondido Municipal Code to establish a one-cent sales tax, for twenty years, to be administered by the California Department of Tax and Fee Administration, including provisions for citizens' oversight and accountability.

Staff Recommendation: Approval (Zack Beck, City Clerk; Michael McGuinness, City Attorney)

Presenters: Zack Beck and Mike McGuinness

**ESSENTIAL SERVICE** – (Yes) Police Services; Fire/EMS Services; Keep City Clean for Public Health and Safety; Land Use/Development; Clean Water; Sewer; Public Works/Infrastructure; Maintenance of Parks facilities/Open Spaces

**COUNCIL PRIORITY** – Eliminate Structural Deficit; Improve Public Safety; Increase Retention and Attraction of People and Businesses to Escondido; Encourage Housing Development

## FISCAL ANALYSIS

The San Diego County Registrar of Voters estimates placing a Citizen's Initiative or a Council Measure on the November 5, 2024 General Election Ballot will cost between \$150,000 and \$200,000. The cost includes printing and distributing the ballot question, impartial analysis, supporting/opposing arguments, and rebuttal. If the measure passes, preparatory costs and ongoing administration costs charged by the California Department of Tax and Fee Administration will be paid from the revenues received.

## BACKGROUND

On January 9, 2024, proponents for the *Escondido Community Investment Initiative* filed a Notice of Intention to Circulate a Petition in the City of Escondido, to establish a one-cent general transaction and



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use (sales) tax increase, for twenty years, pursuant to California Elections Code Section 9202, with the City Clerk's Office (Attachment "1").

On January 17, 2024, the City Attorney drafted a Ballot Title and Summary, pursuant to California Elections Code section 9203(a). The City Clerk provided the Ballot Title and Summary to the proponents of the Escondido Community Investment Initiative, pursuant to California Elections Code Section 9203(b) (Attachment "2").

On January 25, 2024, proponents for the *Escondido Community Investment Initiative* published the Notice of Intention to Circulate a Petition and the Ballot Title and Summary in the Escondido Times-Advocate, pursuant to California Elections Code Section 9205. The proponents provided a copy of the proof of publication to the City Clerk, pursuant to California Elections Code Section 9206 (Attachment "3").

After the Notice of Intention to Circulate a Petition and the Ballot Title and Summary were published, proponents of the *Escondido Community Investment Initiative* commenced circulation of the petition, pursuant to California Elections Code Section 9207.

On May 31, 2024, proponents filed the petitions with the City Clerk and the City Clerk conducted a prima facie count of the signatures, pursuant to California Elections Code Section 9210 (Attachment "4"). During the Prima Facie Count, the City Clerk identified that the proponents took the proactive step of striking through duplicates and problematic signatures on the petitions.

On June 3, 2024 the City Clerk provided the petitions to the San Diego County Registrar of Voters for verification, pursuant to California Elections Code Section 9115(a). The San Diego County Registrar of Voters found that the *Escondido Community Investment Initiative* approximately achieved a 74% signature validation rate, via their 3% Random Sample Count.

On June 18, 2024, the San Diego County Registrar of Voters informed the City Clerk that that there were 2 duplicates found in the 3% Random Sample Count. Per California Administration Code Section 20531, duplicate signatures are assigned a weighted average and negatively impact the statistical projection. This duplicate penalty resulted in the San Diego County Registrar of Voters verifying 7,717 signatures for *Escondido Community Investment Initiative* (Attachment "5").

On that note, duplicate signatures are not weighted as part of the Full Signature Verification Process. As previously mentioned, during the Prima Facie Count, the City Clerk identified that the proponents struck through duplicate signatures on the petitions.

Per the San Diego County Registrar of Voters Registration Report that was on file prior to the Notice of Intention being submitted to the City Clerk's Office on January 9, 2024, the number of signatures required to qualify a measure for the ballot in Escondido was 7,748. (Attachment "6").

California Elections Code Section 9115(b) states:



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*“If the statistical sampling shows that the number of valid signatures is within 95 to 110 percent of the number of signatures of qualified voters needed to declare the petition sufficient, the elections official shall, within 90 days from the date of the filing of the petition, excluding Saturdays, Sundays, and holidays, examine and verify the signatures filed.”*

On June 19, 2024, the City Clerk requested that the San Diego County Registrar of Voters proceed with conducting a Full Count of all signatures submitted for the *Escondido Community Investment Initiative*. On June 20, 2024, the San Diego County Registrar of Voters notified the City Clerk that their official deadline to complete the count the remaining signatures is October 8, 2024.

California Elections Code Section 10403 (a) states:

*“Whenever an election called by a district, city, or other political subdivision for the submission of a question, proposition, or office to be filled is to be consolidated with a statewide election, and the question, proposition, or office to be filled is to appear upon the same ballot as that provided for the statewide election, the district, city, or other political subdivision shall, at least 88 days prior to the date of the election, file with the board of supervisors, and a copy with the elections official, a resolution of its governing board that does all of the following: (1) Requests that the district, city, or other political subdivision election be consolidated with the statewide election. (2) Sets forth the exact form of the question, proposition, or office to be voted upon at the election, as it is to appear on the ballot. The question or proposition to appear on the ballot shall conform to this code governing the wording of propositions submitted to the voters at a statewide election. (3) Acknowledges that the consolidated election will be held and conducted in the manner prescribed in Section 10418.”*

The deadline to place a measure on the November 5, 2024 General Election Ballot is **August 9, 2024**.

As previously stated, the San Diego County Registrar of Voters is only required to complete the full count of the remaining *Escondido Community Investment Initiative* signatures by October 8, 2024, which is beyond the August 9, 2024 deadline to place that initiative on the November 5, 2024 General Election Ballot.

Due to the time constraints associated with the San Diego County Registrar of Voters being able to meet the August 9, 2024 deadline, as well as the expectation that the *Escondido Community Investment Initiative* would likely qualify for the ballot in 2026 once the Full Signature Count is complete, staff recommends the City Council take the following proactive steps to place the *Escondido Community Investment Measure* on the November 5, 2024 General Election Ballot:

- Introduce Ordinance No. 2024-08, amending the Escondido Municipal Code to add Chapter 25, Article 2, Division 2, Sections 25-33.1 through 25-33.14 establishing a one-cent general transactions and use tax, for twenty years, to be administered by the California Department of Tax and Fee Administration including provisions for citizens’ oversight and accountability.



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- Adopt Resolution No. 2024-89 calling for and giving notice of a consolidated General Election to be held on November 5, 2024, and ordering submission of a measure at said election for voters to consider approval of Ordinance No. 2024-08.

The City Council must approve Ordinance No. 2024-08 and Resolution No. 2024-89 with a two-thirds majority, which requires four affirmative votes. Majority voter approval is required to approve the local sales tax (50 percent of voters, plus one). The following Ballot Question, prepared by the City Attorney, would be presented to the voters:

**ESCONDIDO COMMUNITY INVESTMENT MEASURE.** *To provide funding for essential services in Escondido, such as providing public safety; addressing homelessness; improving streets, sidewalks and infrastructure; increasing police, fire and paramedic services; reducing traffic congestion; and maintaining parks, trails and open space, shall the Escondido Community Investment Measure establishing a local one-cent sales tax providing approximately twenty-eight million dollars annually for twenty years be adopted, for general government use, with independent audits, citizen oversight, and all money staying in Escondido?*

The timeline for the ballot measure, per the San Diego County Registrar of Voters is as follows:

August 9	Ballot text and consolidation resolution due to the Registrar of Voters
August 15 by 12pm	Arguments due to City Clerk's Office
August 16 by 12pm	Impartial Analysis and Fiscal Impact due to City Clerk's Office
August 20 by 12pm	Rebuttals due to City Clerk's Office

If adopted, the new rate would go into effect on the first day of the first calendar quarter commencing more than more than 110 days after approval of Ordinance No. 2024-08 by the electorate. Revenue from the *Escondido Community Investment Measure* would be collected in the same manner as the existing sales tax by the California Department of Tax and Fee Administration. An exception to this would be for vehicle sales, which are taxed based on where the vehicle will be registered by the owner, rather than where the vehicle is sold. All revenue generated by the *Escondido Community Investment Measure* would be dedicated to the City of Escondido and could not be diverted to the State, County, or other agencies.

Staff recommends the City Council (a) adopt Resolution No. 2024-89 calling for an election submitting a proposed one-cent general transactions and use (sales) tax increase to the voters; and (b) introduce Ordinance No. 2024-08 amending the Escondido Municipal Code to establish a one-cent sales tax, for twenty years, to be administered by the California Department of Tax and Fee Administration, including provisions for citizens' oversight and accountability.



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### RESOLUTIONS

- a. Resolution No. 2024-89

### ORDINANCES

- b. Ordinance No. 2024-08

### ATTACHMENTS

- a. Attachment "1" – Notice of Intention
- b. Attachment "2" – Ballot Title and Summary
- c. Attachment "3" – Proof of Publication
- d. Attachment "4" – Prima Facie Count
- e. Attachment "5" – ROV Certification
- f. Attachment "6" – Signature Chart