

2022 Measure T Sales Tax Investment Plan

Issues Related to the “Until Ended By Voters” and 20- & 30-Year Sales Tax Duration Alternatives

✓ **Pros and Cons of “Until Ended by Voters” Duration Alternative**

Pros:

A Measure that does not sunset would/could:

1. Give voters the responsibility to end the tax if no longer needed or if they believe the funds are not being expended as promised
2. Remain in perpetuity until voters repeal it
3. Provide a secure source of funding for local transportation improvements
4. Allow for the development of a more flexible Investment Plan that enables consideration of projects for on-going funding versus projects with a specific time period (20 or more years)
5. Ensure appropriate checks and balances of the Investment Plan are in place to meet local needs
6. Incorporate timelines and/or firm dates for amending and/or updating the Investment Plan
7. Provide greater public assurance that the quality of transportation systems and services can be reliably addressed
8. Remain flexible and responsive to changing transportation technologies, demographics, and public preferences

Cons:

A Measure that does not sunset could:

1. Give the perception of a potential lack of control and accountability without measures in place
2. Lack appropriate checks and balances if the Investment Plan is not updated at specific intervals to ensure that local needs are being met
3. Give the opposition the opportunity to use “Until Ended By Voters” as a negative as they campaign against the Measure
4. Be non-specific as it relates to the development of criteria used to amend the Investment Plan
5. Be of concern regarding how to frame the Investment Plan in such a way that we could change it over time without watering down our commitments in the initial Investment Plan
6. Still be repealed by voters through the initiative process if they believe the funds are not being expended as promised
7. More of risk than the other duration alternatives. It may be safer to limit the term of the Measure and revisit a new Investment Plan in 20 years

20- or 30-Year Measure Duration Alternatives

Pros:

1. The current measure is a 20-year measure, which was passed by the voters in Madera County and is being implemented in accordance with the Investment Plan
2. These alternatives allow MCTC and MCTA to address the 20-year transportation needs of the County consistent with the 20-year Regional Transportation Plan (RTP)
3. These alternatives would focus other funding from federal, state, or other local sources on the regional projects listed in the 20-year Investment Plan that can be leveraged
4. These alternatives would show that MCTC/MCTA is in control of the funding and that the funding process is accountable to the voters given the measures/requirements in place
5. These alternatives would show that appropriate checks and balances of the Investment Plan are in place to ensure that local needs are being met
6. Longer duration measures save significant costs and staff time, as well as Steering Committee time and expense
7. For the 30-Year duration alternative, leveraging federal, state, or other funding to address funding shortfalls would allow funding to be more easily secured because it takes a long time to deliver projects

Cons:

1. Typically, the 20-Year Investment Plan is not as flexible in terms of implementation since it assumes that the 20-year transportation needs are set and that the projects and programs that have been identified and incorporated into the Investment Plan are those needs that will continue throughout the 20-year period
2. The 20-Year alternative does not reflect as much funding or continual funding to address short- and long-term transportation needs compared to the 30-year or “Until Ended By Voters” duration alternatives
3. Voters can still repeal the 20-year sales tax through the initiative process if they believe the funds are not being expended as promised
4. The 20-Year duration alternative potentially limits the type and duration of local transportation improvements since a secure source of funding for local transportation improvements would be for a shorter duration
5. Shorter term measures reduce the ability of MCTC/MCTA to prepare a flexible Investment Plan without on-going funding to continually address transportation needs as they arise in Madera County; especially considering changes in technology, etc.

✓ **What other counties have “until ended by voters” measures?**

Most recently, the Metropolitan Transportation Authority in Los Angeles (Metro) passed a ½ cent sales tax until ended by voters in 2016. LA Metro’s Measure M ordinance, which continues until ended by voters is attached. Section 11 addresses amendment procedures. BART (San Francisco, Alameda and Contra Costa) also has a permanent transportation sales tax that was adopted in the

1970s. Currently several counties including Riverside and Fresno are contemplating different duration options, including until ended by voters, as they plan potential renewal measures for upcoming ballots.

Many cities in recent years have passed local sales tax measures with durations lasting until ended by voters. This includes the City of Madera that passed a local sales tax for public safety services in November 2016 with over 80% support that lasts until ended by voters. Other nearby Valley cities that have passed similar measures are Fowler, Kerman, Parlier and Reedley in Fresno County as well as the City of Turlock in Stanislaus County.

✓ **What if the voters end the measure when a project is not fully completed?**

We would definitely need to check with legal counsel to determine the specific requirements, but here are some suggested safeguards that would be written into the Measure Investment Plan to secure enough funding to finish a project:

1. If an agency issued debt to finance projects in the short-term, then the funding stream cannot be interrupted. The collection of sales taxes would need to continue until the debt is paid in full
2. If a project has commenced through right of way (ROW) or other modal acquisition activity, then the project shall continue through the development and funding process through to construction or implementation

✓ **How easy is it to amend the measure to reflect current times if until ended by voters is recommended?**

There are several ways to ensure a measure with a duration of until ended by voters can adapt over time to meet changing needs:

1. When planning a measure without a fixed sunset date, there is an incentive to construct the measure and the related investment plan more generally and flexibly to meet changing needs. For example, a shorter-term measure of 20 years can name specific projects and a finite set of transportation modes. However, an indefinite measure must focus on broader framework of goals that are not tied to discrete projects and allow for potential significant changes in transportation patterns in the future. Within this broad framework a governance structure can identify specific projects and make funding allocation decisions.
2. Measures without a fixed sunset date also need an established process for amending or finetuning the investment plan over time. This type of process would empower a combination of representatives from the transportation authority along with representatives of impacted agencies such as the cities and the county to approve amendments to the investment plan. Amendments could require supermajority approval, or a weighted vote based on the population represented to ensure broad consensus support for any amendments. Given that amendments to the plan are virtually inevitable for an indefinite tax, a mechanism is needed to adapt the plan without having to hold an election for every change.

3. If at some point a significant change to the investment plan or other terms of the measure does require voter approval, it is important to note that changes that do not impact the tax component of the measure can be approved with a simple majority vote rather than the two-thirds majority needed to enact or extend the tax. This lower support threshold makes voter-approved changes to the plan more feasible.

✓ **Can policies be written in the Investment Plan related to “until ended by voters?”**

Yes. Policies similar to some of those noted above could be included in the Investment Plan depending on legal counsel opinion. The Investment Plan could also be reviewed and updated at specific time intervals to ensure that local transportation needs in Madera County are addressed consistent with the Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS).

✓ **What is the Voter Opinion Research on Duration Options?**

To assess how support for the measure may vary based on the duration of the measure, the survey employed a split-sample approach to test two options: until ended by voters and for 20 years. The overall sample of voters was split into two representative subsamples, with half receiving one version and half receiving the alternative.

Consistent with the findings of other similar studies, this survey found that voters tend not to assign much weight to the duration of a measure in their decision calculus. At the Initial Ballot Test, overall support for the renewal measure was the same for a measure that would last 20 years (76%) as it was for a measure that would last until ended by voters (76%). Although a small gap emerged in support for the respective measures by the end of the survey, it was not statistically significant, nor likely the product of the difference in duration.

Additionally, the poll simulated the impact of an opposition campaign seizing on the duration issue by testing the following critical statement: this tax will last forever; there is no expiration date. This was the least compelling of the critical statements tested in the poll. Following presenting the critical statements, including this one emphasizing that an until ended by voters’ measure could be permanent, support for the renewal measure remained above the two-thirds approval threshold at 72%.