



CITY OF ORLAND STAFF REPORT MEETING DATE: April 16, 2024

TO: Honorable Mayor and Council

FROM: Pete Carr, City Manager

SUBJECT: **Second Reading: Proposed Local Sales Tax Ballot Measure Ordinance and Resolution (Action)**

Following months of discussion, receipt of public input and consideration of alternatives, the City Council directed staff to move forward with proposed actions to present a local sales tax for voter consideration. The October 3, November 7, and February 20 agenda staff reports presented the topic with factors to consider. At its February 6, 2024 meeting the Council directed staff to provide draft ballot measure text and to overview the process of placing an item on the November ballot. Staff did so on February 20th, at which meeting Council directed staff to schedule a public hearing. At the conclusion of the March 19 public hearing, Council approved a first reading adoption of the proposed ordinance.

The measure would propose a ½¢ local tax on the sale of all taxable goods, increasing the effective sales tax rate in Orland from the current 7.75¢ to 8.25¢. Combined with the existing ½¢ Measure A Public Safety local sales tax, the entire 1¢ will remain in Orland.

While this measure would be a “general” tax, meaning that the funds go to the City General Fund at the discretion of the City Council, it is understood that the Council’s intention and clear commitment is the top spending priority for this tax revenue will be ambulance services, followed by street maintenance/improvements; excess revenue in future years could potentially be utilized to support parks & recreation and library services if needed. Measure A revenue will remain dedicated to public safety, with fire equipment capital expenses as top priority. Each measure will have its own annual report published to the community showing actual revenue and expenses for the previous fiscal year.

Analysis of the impacts of the proposed measure was included in the March 19 agenda report. This second reading of the ordinance is accompanied by a resolution ordering the election. If this action is approved by a 4/5 vote, the measure will be placed on the November ballot for consideration by the voters.

Attachments: Draft Ordinance Providing ½¢ Sales Tax for Orland General Fund Services
Resolution to Order Sales Tax Measure for November 2024 General Election

RECOMMENDATION:

1. Approve Second Reading of Ordinance 2024-04 by title: adding Chapter 3.10 to the Orland Municipal Code regarding a Transactions and Use Tax to be Administered by the State Board of Equalization upon Adoption by the Voters.

2. Adopt Resolution 2024-05 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ORLAND

(1) CALLING AND GIVING NOTICE OF A MUNICIPAL ELECTION TO BE HELD ON NOVEMBER 5, 2024 TO SUBMIT TO THE QUALIFIED VOTERS A QUESTION INCREASING THE CURRENT TRANSACTIONS AND USE TAX RATE FROM 1/2 CENT TO ONE CENT TO BE IMPLEMENTED AS A GENERAL TAX;

(2) REQUESTING THAT THE GLENN COUNTY BOARD OF SUPERVISORS APPROVE CONSOLIDATION OF THE CITY'S MUNICIPAL ELECTION WITH THE COUNTY-ADMINISTERED STATEWIDE GENERAL ELECTION OF THE SAME DATE;

(3) REQUESTING THAT THE GLENN COUNTY CLERK RENDER SPECIFIC SERVICES AND CONSOLIDATED ELECTION SERVICES TO THE CITY RELATED TO THE CONDUCT OF THE CITY'S MUNICIPAL ELECTION; AND

(4) SETTING ELECTION PROCEDURES FOR THE FILING OF WRITTEN ARGUMENTS AND REBUTTALS REGARDING THE MEASURE AND DIRECTING THE CITY ATTORNEY TO PREPARE AN IMPARTIAL ANALYSIS

Fiscal Impact of Recommendation:

Minor administrative expenses in preparing for the election.