



Date: March 12, 2024

Honorable Mayor and Council Members:

Author and title: Kelly Carpenter, Town Clerk

Title: Truckee Trails Tax Measure Agreements, Resolutions and Ordinance Adoption

Jen Callaway, Town Manager

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**Recommended Action:** That Council: (1) adopt Resolution 2024-13 certifying the results of the June 7, 2022 election; (2) adopt Ordinance 2024-03 imposing a transaction and use tax to be administered by the California Department of Tax and Fee Administration (CDTFA); (3) adopt Resolution 2024-14 authorizing the Town Manager to execute the Preparatory Agreement and the Administrative Agreement with CDTFA to authorize CDTFA to collect the voter-approved tax pursuant Measure U by October 1, 2024; and (4) adopt Resolution 2024-15, authorizing Town staff and representatives to examine confidential tax records maintained by CDTFA.

**Discussion:** At the June 7, 2022 election, Truckee voters approved Ballot Measure U, to renew the existing 1/4% sales tax for trails purposes at an increased rate of 1/2%. The increased tax is set to go into effect with the expiration of Measure R (the current trails tax measure) in October 2024. The Town Council needs to take several steps in order for the California Department of Tax and Fee Administration to begin collecting the increased tax in October:

- First, the Town Council needs to certify the results of the Measure U election. Nevada County has previously certified the results, but with the adoption of Resolution 2024-13 the Town Council will also certify the results.
- The Town Council needs to adopt Ordinance 2024-03, which was introduced at the last Council meeting and which formally imposes the voter-approved tax.
- The Town Council needs to approve two agreements with CDTFA that authorize CDTFA to collect the tax and agree to pay for CDTFA's work. Adoption of Resolution 2024-14 will approve those agreements and authorize the Town Manager to execute them.
- Finally, the Town Council needs to adopt Resolution 2024-15, which authorizes representatives of the Town to examine confidential sales tax records as part of CDTFA's administration of the tax. Like the two agreements approved by Resolution 2024-14, adoption of this resolution is a CDTFA requirement.

**Priority:**

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Enhanced Communication  
Infrastructure Investment

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Climate and Greenhouse Gas Reduction  
Emergency and Wildfire Preparedness

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Housing  
Core Service

**Fiscal Impact:** Increase of sales tax from 1/4% which generates approximately \$1.75 million per year to 1/2% for the Truckee Trails Tax Measure which is estimated to generate approximately \$3.5 million per year.

**Public Communication:** This staff report.

**Attachments:**

Attachment 1: Resolution 2024-13 Certifying the Results of the June 7, 2022 Election;

Attachment 2: Ordinance 2024-03 Imposing a Transaction and Use Tax to be Administered by the California Department of Tax and Fee Administration;

Attachment 3: Resolution 2024-14 Authorizing the Town Manager to Execute the "Preparatory Agreement" and the "Administration Agreement"; and

Attachment 4: Resolution 2024-15 Authorizing Examination of Sales or Transactions and Use Taxes Records.