

TO: CITY COUNCIL
FROM: JAMES L. APP, CITY MANAGER
SUBJECT: SAN LUIS OBISPO COUNTY SALES TAX BALLOT MEASURE
DATE: NOVEMBER 4, 2003

NEEDS: For the City Council to consider a possible Countywide ¼ cent sales tax ballot measure to fund Libraries.

- FACTS:**
1. The San Luis Obispo County Library Director has been exploring the possibility of a ¼ cent sales tax measure to support county libraries. In fact, the County Board of Supervisors was recently briefed regarding the possibility of placing such a measure on the November 2004 ballot (see attached Tribune article).
 2. In view of other public agency financial needs (bond and/or tax measures for area schools, statewide college/university, and/or State deficit financing bond measures), Paso Robles declined the County Librarian's invitation to participate in special Library tax measure voter support surveys.
 3. The City has been informed that if a County sales tax for Libraries ballot measure goes forward, it must include all public libraries in the county, including the Paso Robles Municipal Library.
 4. A vote of the County Board of Supervisors is required to place a Countywide sales tax measure on the ballot. The County Librarian may propose a November 2004 ballot.
 5. The measure is not yet written, but in concept could provide additional revenue for Paso Robles Library services based on sales tax collected within the city limits.

ANALYSIS & CONCLUSION: The County Board of Supervisors may be asked to place a library sales tax measure on the November 2004 ballot. If they approve, the measure will include Paso Robles, and if passed, will increase sales tax by ¼ cent per dollar. Revenue generated by the increase will be exclusively for library materials and services.

This measure would compete for voter support against other initiatives designed to supply needed facilities and/or services for local schools, colleges, and universities, or State deficit financing. It does not consider or address funding requirements for other essential public services. It does not, therefore, allow the public to comprehensively address broad public service challenges.

POLICY REFERENCE: None

FISCAL IMPACT: If the ballot measure is successful, sales tax rates throughout the county will be increased by ¼ cent. Based on estimated sales tax projections, Paso Robles City library revenues could increase approximately \$1.4-1.5M per year.

- OPTIONS:**
- a. Authorize the Mayor to forward a letter urging the Board of Supervisors to deny any proposal for a sales tax measure intended solely for libraries.
 - b. Amend, modify, or reject the above option.