

TO: CITY COUNCIL
FROM: JAMES L. APP, CITY MANAGER
SUBJECT: SAN LUIS OBISPO COUNTY SALES TAX BALLOT MEASURE
DATE: APRIL 6, 2004

NEEDS: For the City Council to re-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
 2. In view of other public agency financial needs, 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 to the Supervisors as early as April 20, 2004.
 5. The measure could provide additional revenue for Paso Robles Library services based on sales tax collected within the city limits.
 6. In November 2003, the City Council expressed opposition to the proposed special interest, limited term sales tax measure.

ANALYSIS &

CONCLUSION: The County Board of Supervisors will be asked to place a library sales tax measure on the November 2004 ballot. The proposal may be considered as early as April 20. If they approve, the measure will include Paso Robles, and if passed, will increase sales tax by ¼ cent per dollar for a period of seven years. Revenue generated by the increase would be exclusively for library materials and services.

This measure 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. The City Council may wish to encourage the Supervisors to broaden the scope of the proposed sales tax initiative to address all general public service challenges, and do so for the long-term.

POLICY REFERENCE: None

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

- OPTIONS:**
- a. Encourage the Board of Supervisors to place a general sales tax measure on the November ballot.
 - b. Urge the Board of Supervisors to deny any proposal for a sales tax measure intended solely for libraries.
 - c. Amend, modify, or reject the options above.

