



Government Finance and Administration Policy Committee Meeting



Agenda at a Glance

- 2:00 pm Welcome and Introductions
- 2:05 pm County Veterans Service Officers: Veterans' Local Lifeline
- 2:45 pm Big Brother or Better Governing? The debate over public data in 2025
- 3:15 pm Unlocking Local Dollars: Creative Revenue Solutions for Counties
- 3:50 pm 2026 GFA Legislative Advocacy Priorities
- 3:55 pm 2025 GFA Legislative Year in Review
- 4:00 pm Adjourn

Please use this QR code to access meeting materials:



GFA Policy Committee Leadership



Mani Grewal
Supervisor, Stanislaus
County, Chair



Anne Cottrell
Supervisor, Napa County,
Vice Chair



Angela Curro
Supervisor, San Benito
County, Vice Chair

Advocacy Team

CSAC staff work diligently with legislators and their staff, as well as with local government partners to help shape the bills that impact counties.

Please reach out to the CSAC Advocacy Team to stay updated on the latest developments concerning the status and impact of pending legislation.

www.counties.org/csac-advocacy



Eric Lawyer
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Julissa Ceja Cardenas
Legislative Analyst
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The Government Finance and Administration (GFA) Policy Committee is responsible for:

- Revenue and taxation
- State and local finance/budgets
- State mandates
- Economic development
- Labor and employment
- Retirement and pensions
- Workers' compensation
- Workforce development
- Elections
- Public records
- The Brown Act
- Artificial Intelligence
- And more.



County Veterans Service Officers: Veterans' Local Lifeline

Moderated by: Supervisor Mani Grewal, Stanislaus County

Panelists:

- Senator Bob Archuleta, Chair, Senate Committee on Military and Veterans Affairs
- Assemblywoman Pilar Schiavo, Chair, Assembly Committee on Military and Veterans Affairs
- David West II, Veterans Services Officer, Nevada County & President, California Association of County Veterans Service Officers
- Jim Zenner, Director, Military & Veterans Affairs, Los Angeles County & Legislative Chair, California Association of County Veterans Service Officers



Big Brother or Better Governing? The debate over public data in 2025

Moderated by: Supervisor Ann Cottrell, Napa County

Panelists:

- Evan White, Executive Director, California Policy Lab
- Charles Loudon, Legislative Director, Assemblymember Chris Ward



Unlocking Local Dollars: Creative Revenue Solutions for Counties

Moderated by: Supervisor Angela Curro, San Benito County

Panelists:

- Bobby Young, Director of Client Services, HdL Companies
- Karen Lange, Partner, Shaw Yoder Antwih Schmelzer & Lange, Legislative Advocate, California Association of County Treasurers and Tax Collectors



CSAC Government Finance and Administration (GFA) Policy Committee

County Revenue Discussion

December 3, 2025

HdL® Companies





Considering County Revenues

- Federal/State (*Intergovernmental*) Funding
- Local Taxes (Requiring Ballot Measures)
 - **Property Taxes (Parcel Tax)**
 - **Sales Taxes (Transaction & Use Tax)**
 - **Other – Hotel/Transient Occupancy (TOT), Business Licenses, etc**
- Licenses, Permits and Franchise Fees
 - Mostly Cost Recovery



Transaction & Use Tax





General vs Specific Tax - GENERAL

Rev & Tax Code 7285 (County) & 7285.9 (City)

The *board of supervisors/governing body* of any *county/city* may levy, increase, or extend a transaction and use tax for general purposes at a rate of 0.125 percent or a multiple thereof, if the ordinance proposing that tax is approved by a ***two-thirds vote of all members of that governing body*** and the tax is approved by a ***majority vote of the qualified voters*** of the city voting in an election on the issue.



General vs Specific Tax - SPECIFIC

Rev & Tax Code 7285.5 (County) & 7285.91 (City)

...for the purpose for which it is established,

- (1) The ordinance proposing that tax is approved by a ***two-thirds vote of all members of the board of supervisors/governing body*** and is subsequently approved by a ***two-thirds vote of the qualified voters*** of the county/city voting in an election on the issue



What about the 'CAP'

Rev & Tax Code 7251.1

The combined rate of all taxes imposed in accordance with this part in any county may not exceed 2 percent (above the base sales tax rate), except...

Specific Legislative Approval:

"that would, in combination with all taxes imposed in accordance with Part 1.6 (commencing with Section 7251), exceed the limit established in Section 7251.1."



Base Sales Tax Rate Breakdown

| | |
|--|-----------------|
| State General Fund | 3.9375 % |
| City/County General Fund (Bradley-Burns) | 1.0000 % |
| County Public Safety (Prop 172) | 0.5000 % |
| County Realignment (Mental Health/Welfare/Public Safety) | 1.5625 % |
| Countywide Transportation Fund | 0.2500 % |
| Total Rate | 7.2500 % |

Cap = Total 2% above statewide base 7.25%

Multiple Counties Have Reached the Cap Including:
**Alameda, Los Angeles, San Mateo, Santa Cruz,
Sonoma**



Examples of Different Local Sales Tax Rates

City of San Jose:

| | |
|--------------------------------|---------------|
| State Base Rate | 7.25% |
| Santa Clara Countywide Add-Ons | 1.875% |
| City of San Jose Add-On | 0.25% |
| Total | 9.375% |

Includes 0.125%
Exempt from Cap

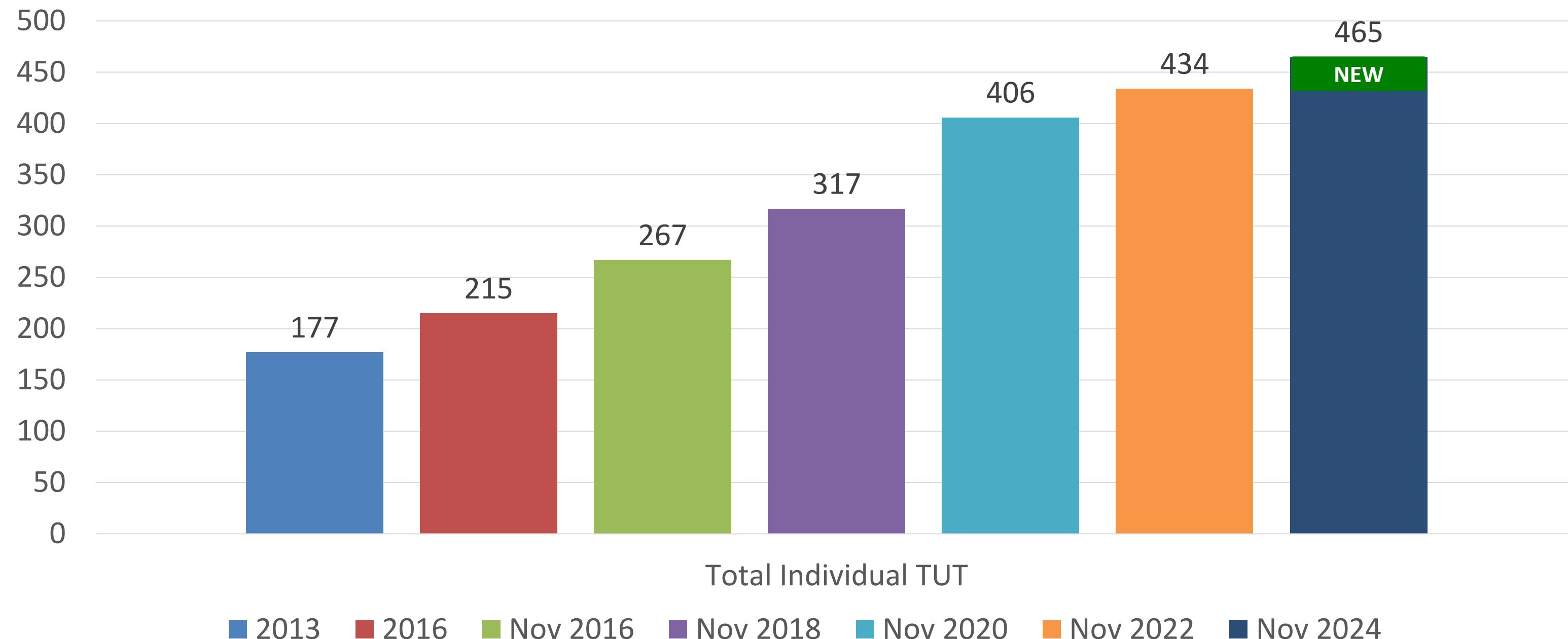
City of Santa Cruz:

| | |
|-------------------------------|--------------|
| State Base Rate | 7.25% |
| Santa Cruz Countywide Add-Ons | 1.25% |
| City of Santa Cruz Add-Ons | 1.25% |
| Total | 9.75% |

Includes 0.50%
Exempt from Cap



Number of TUTs Continues to Increase



Approximately 95%+ of the state's population live
in one or more transactions and use tax district



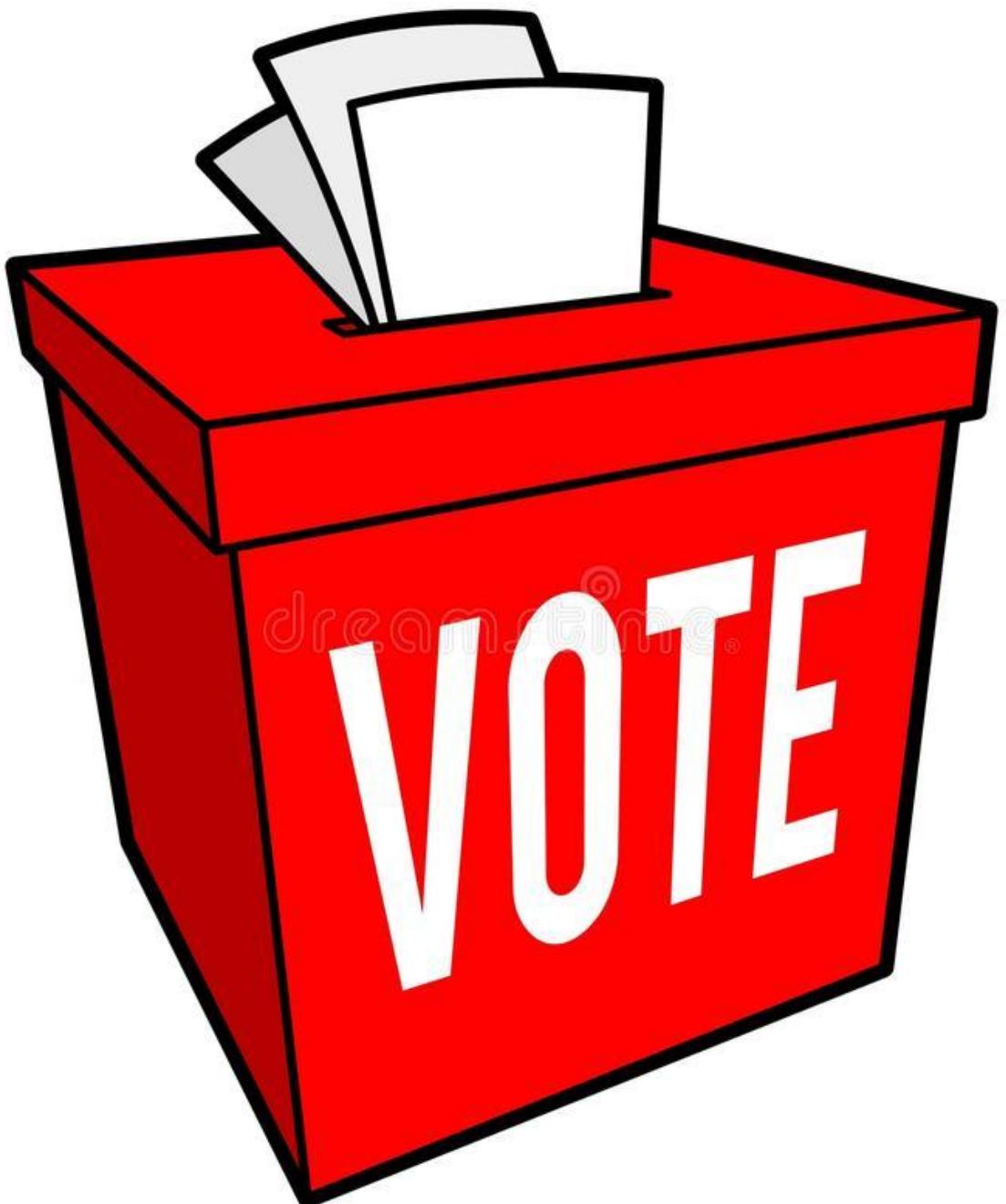
Where in CA...



- 38 of 58 Counties
- 253 of 483 Cities
 - Northern - 115
 - Central - 61
 - Southern – 77
- Coastal - 146
- Central - 95
- Mountains - 12



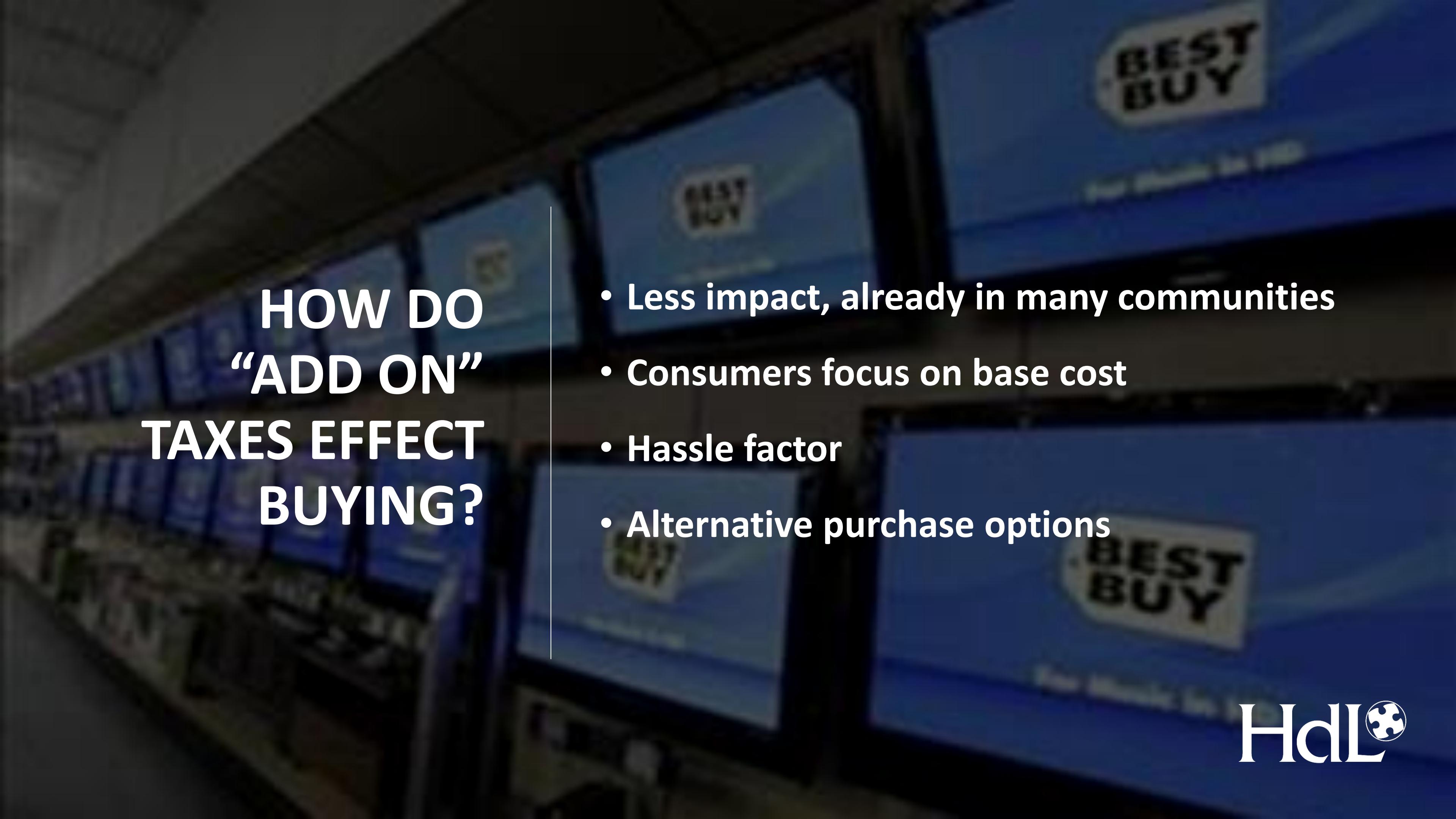
**POSSIBLE NEW
MEASURE**





Road to Success... Communicate

- Consider messaging around the need
- *Consider outreach efforts with specific community groups*
- Consider polling the community
 1. Determine a desire for tax
 2. Understanding priorities
- *Consider community meetings*

A stack of Best Buy gift cards is visible in the background, slightly out of focus. The cards are blue with the 'BEST BUY' logo and a small image of a television screen.

HOW DO “ADD ON” TAXES EFFECT BUYING?

- Less impact, already in many communities
- Consumers focus on base cost
- Hassle factor
- Alternative purchase options



Additional Resources

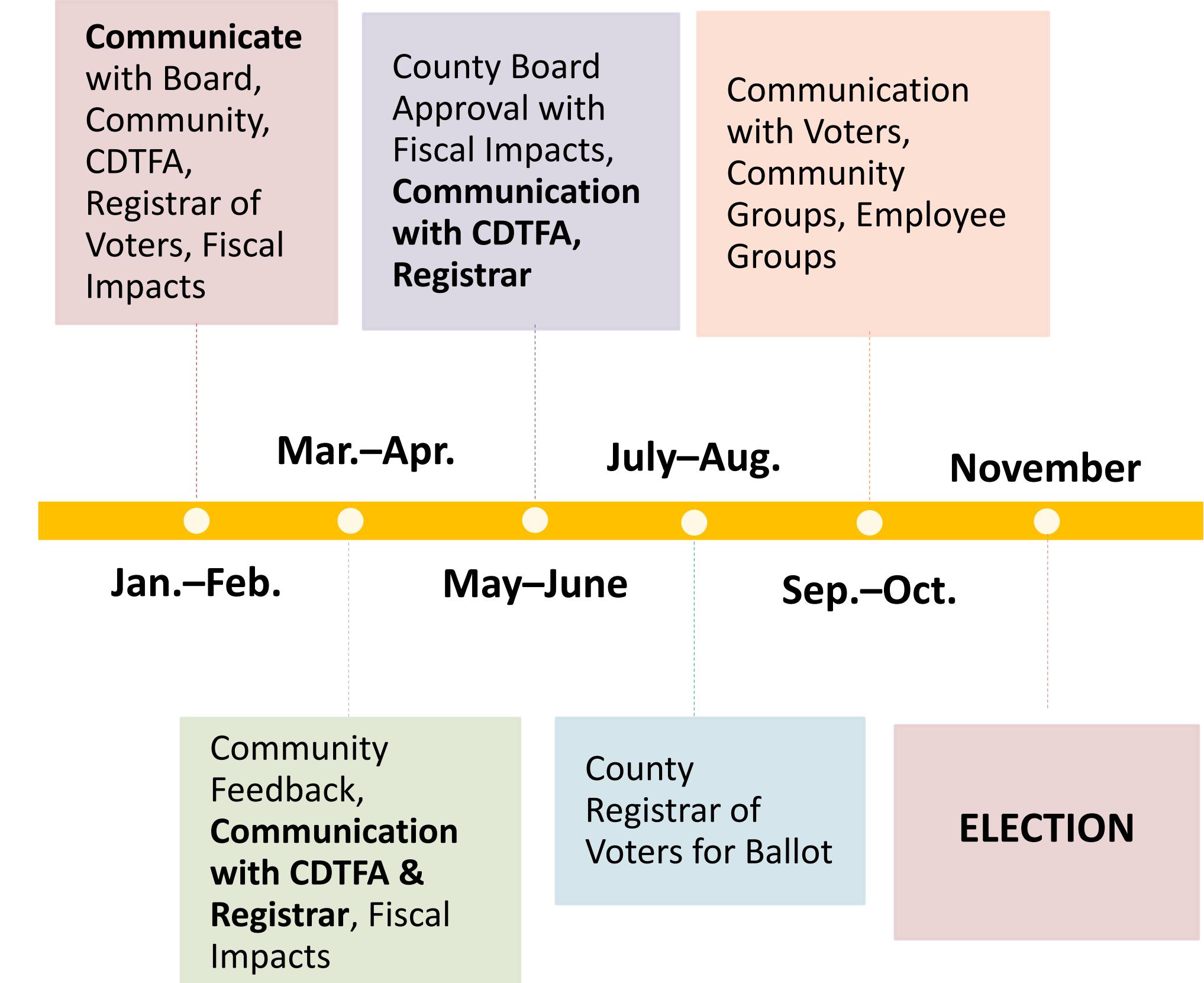
- League of California Cities & CA Local Government Finance Almanac (*Law, Process, Statistics/Data*)
- **HdL** or other Sales Tax Consultants (*Financial Estimate*)

Community Polling/Communication/Outreach

The Lew Edwards Group
Clifford Moss

TBWB Strategies
FM 3

EXAMPLE CALENDAR OF EVENTS





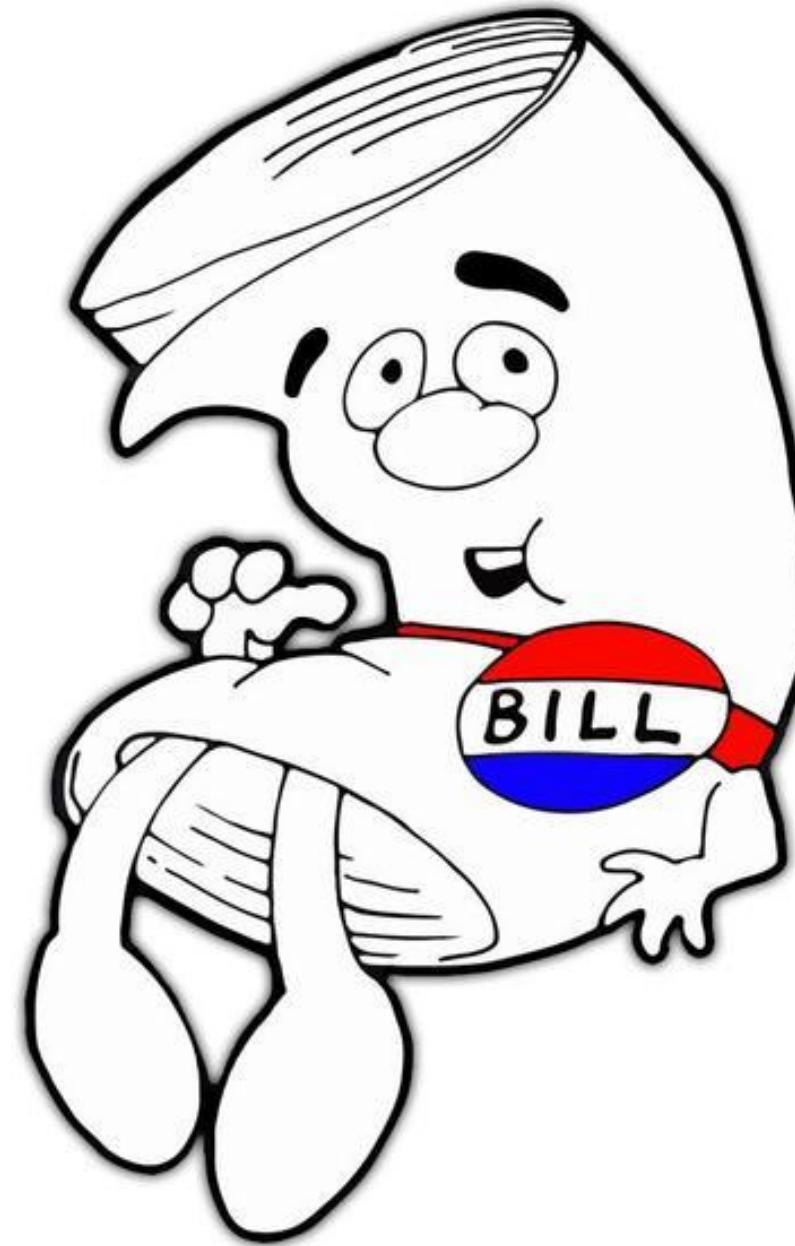
SUCCESS !?!?!

Approved tax measure will go into effect the first calendar quarter 110 days after the adoption of the ordinance

- November 2026 approval
- April 1, 2027 effective date
- First monthly advances begin June 2027 –
first full year FY 27-28



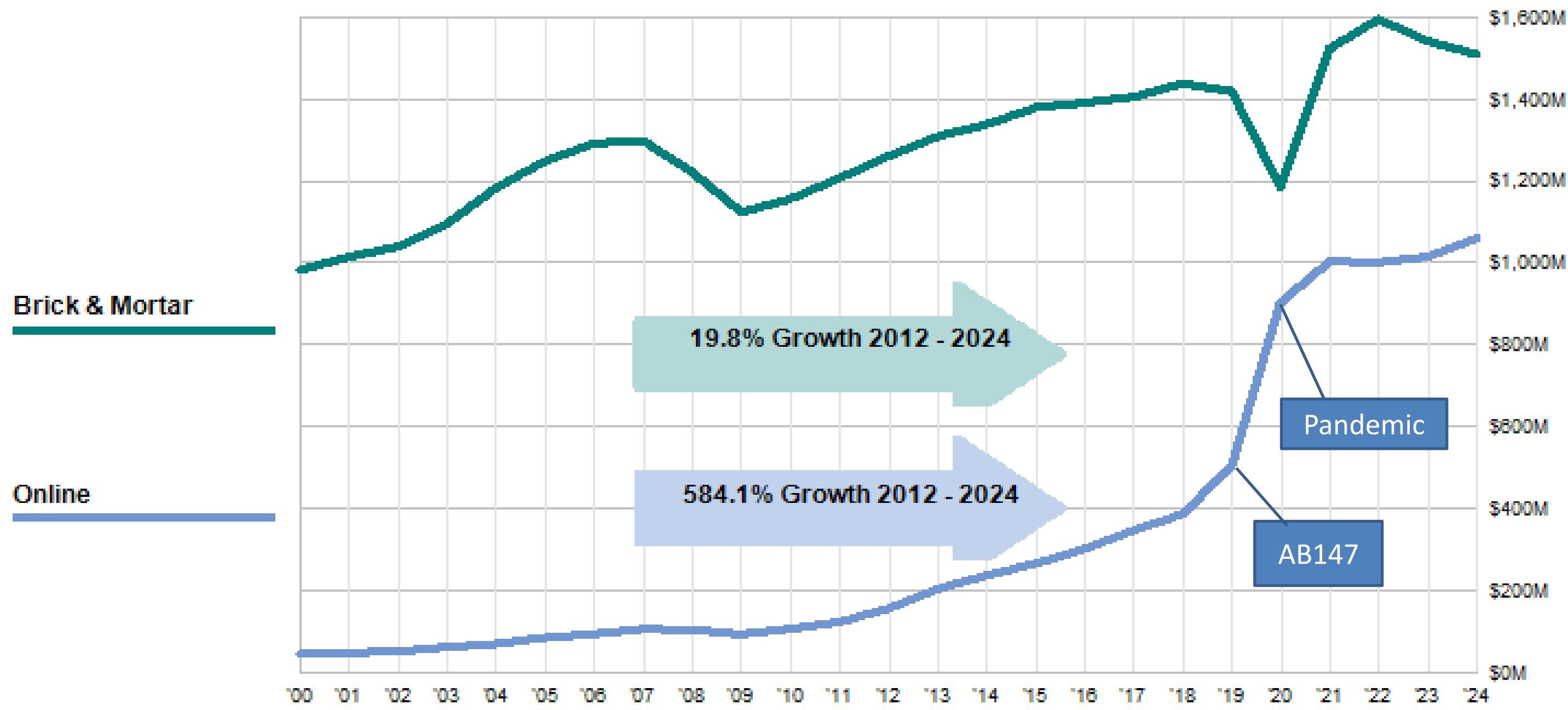
TRENDS





Online vs Brick & Mortar: Trend

Local 1% Sales Tax by Calendar Year



Brick & Mortar - Statewide General Consumer Goods from Place-of-Sale locations

Online - Statewide General Consumer Goods from Fulfillment Centers and County Use-Tax Pool Allocations

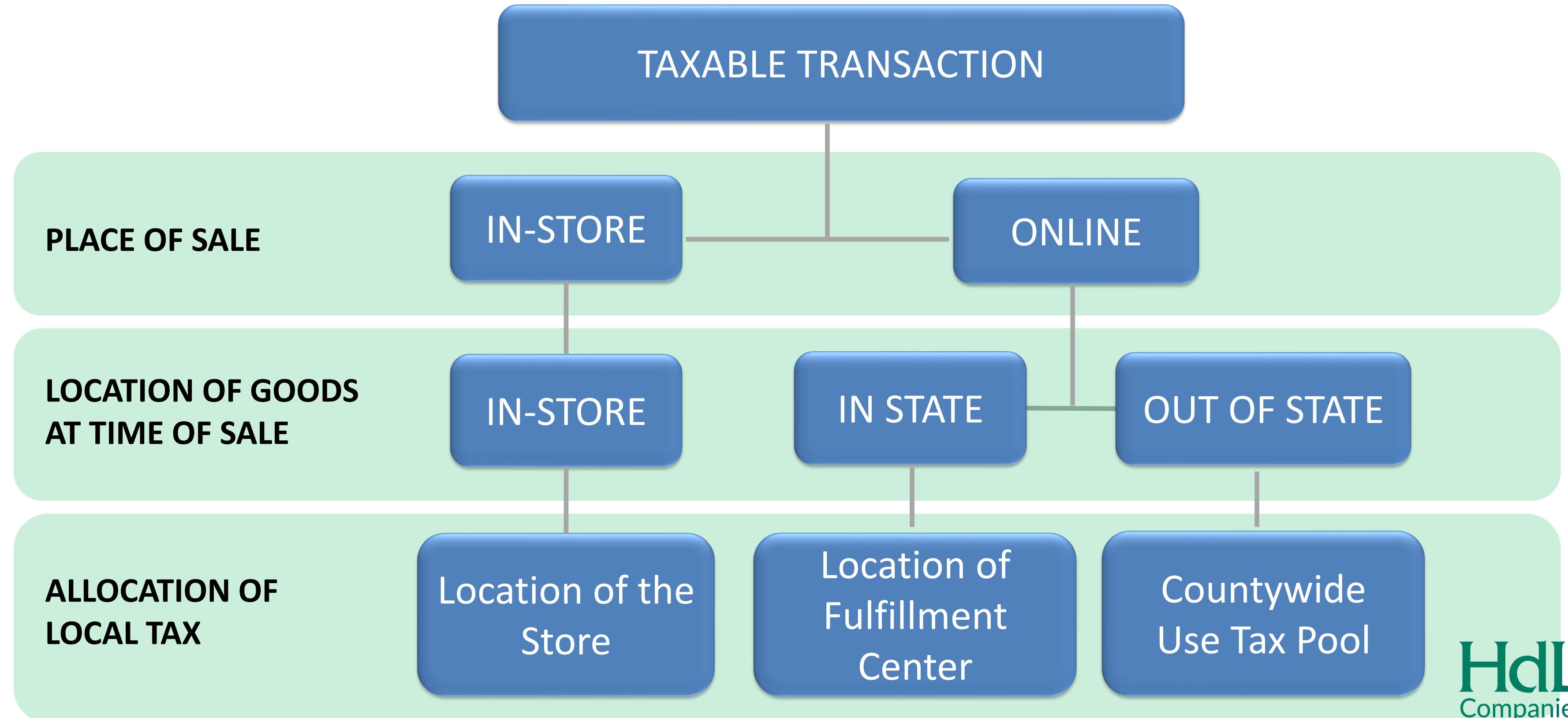


Online Sales... Clarification of terms

1. **Distribution Centers/Warehouses** = location where goods get delivered and held briefly until they are shipped to the next location
2. **Fulfillment Centers** = location where goods are stored and inventoried, orders are processed, goods are taken from inventory then shipped to customer

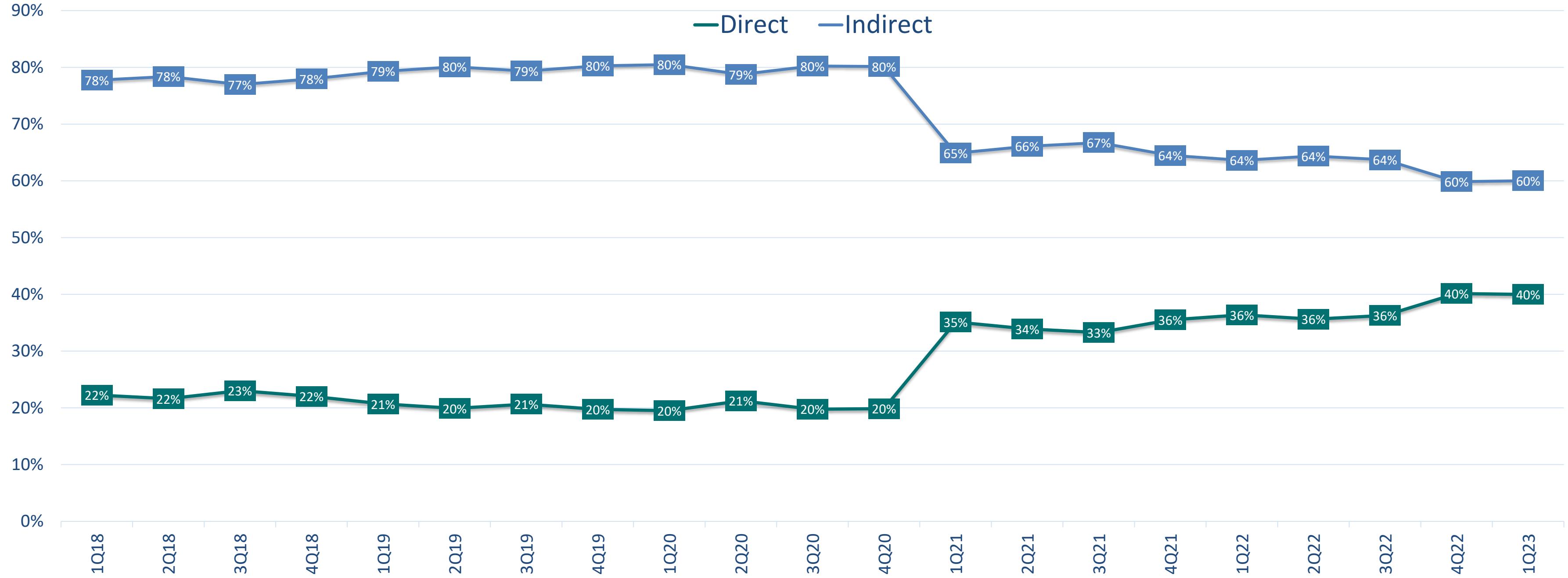


How Online Sales Are Allocated





Online Sales Allocations

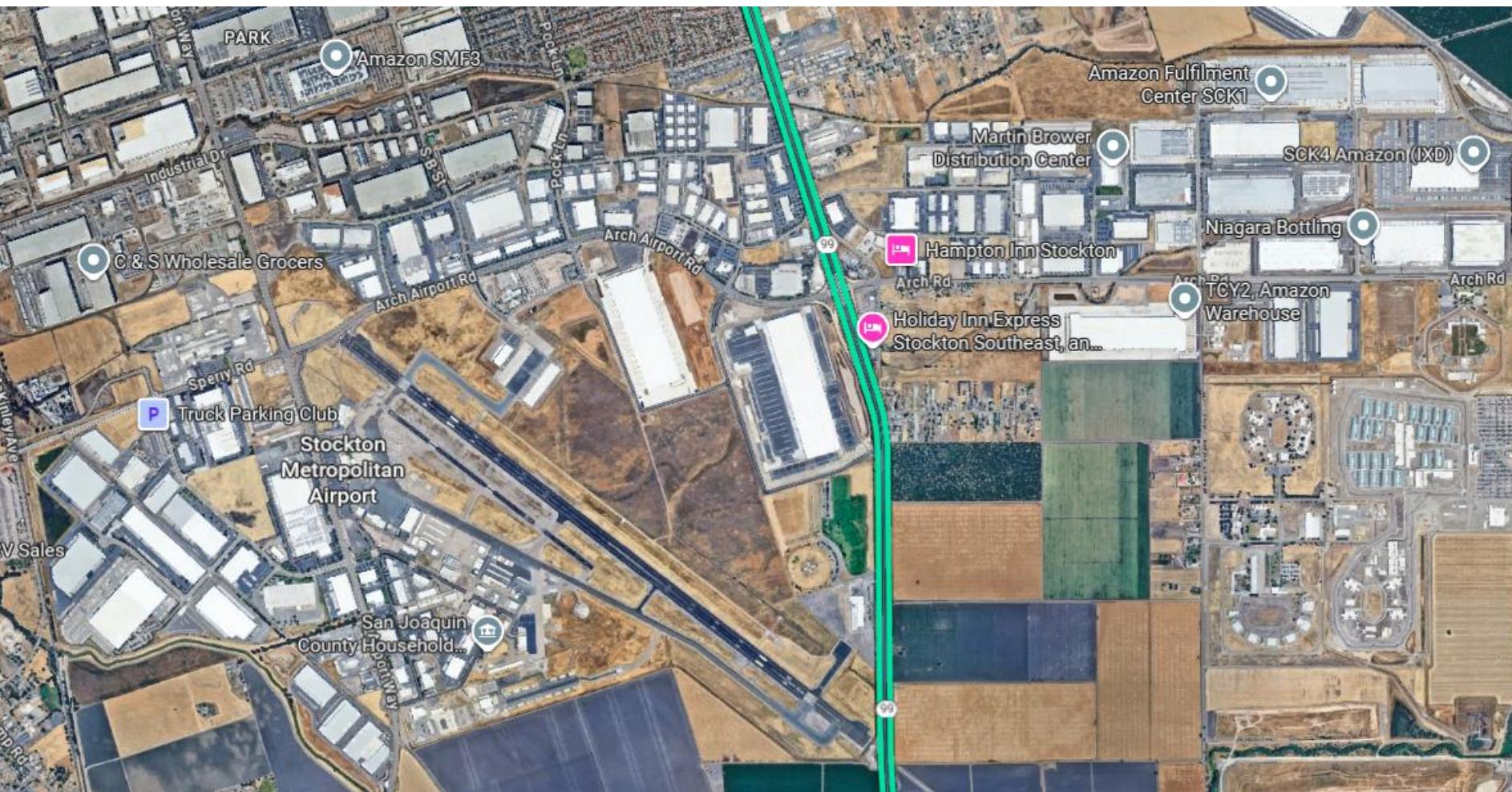


Indirect = Local tax allocations through the County Pools

Direct = Local tax allocations from identified fulfillment centers



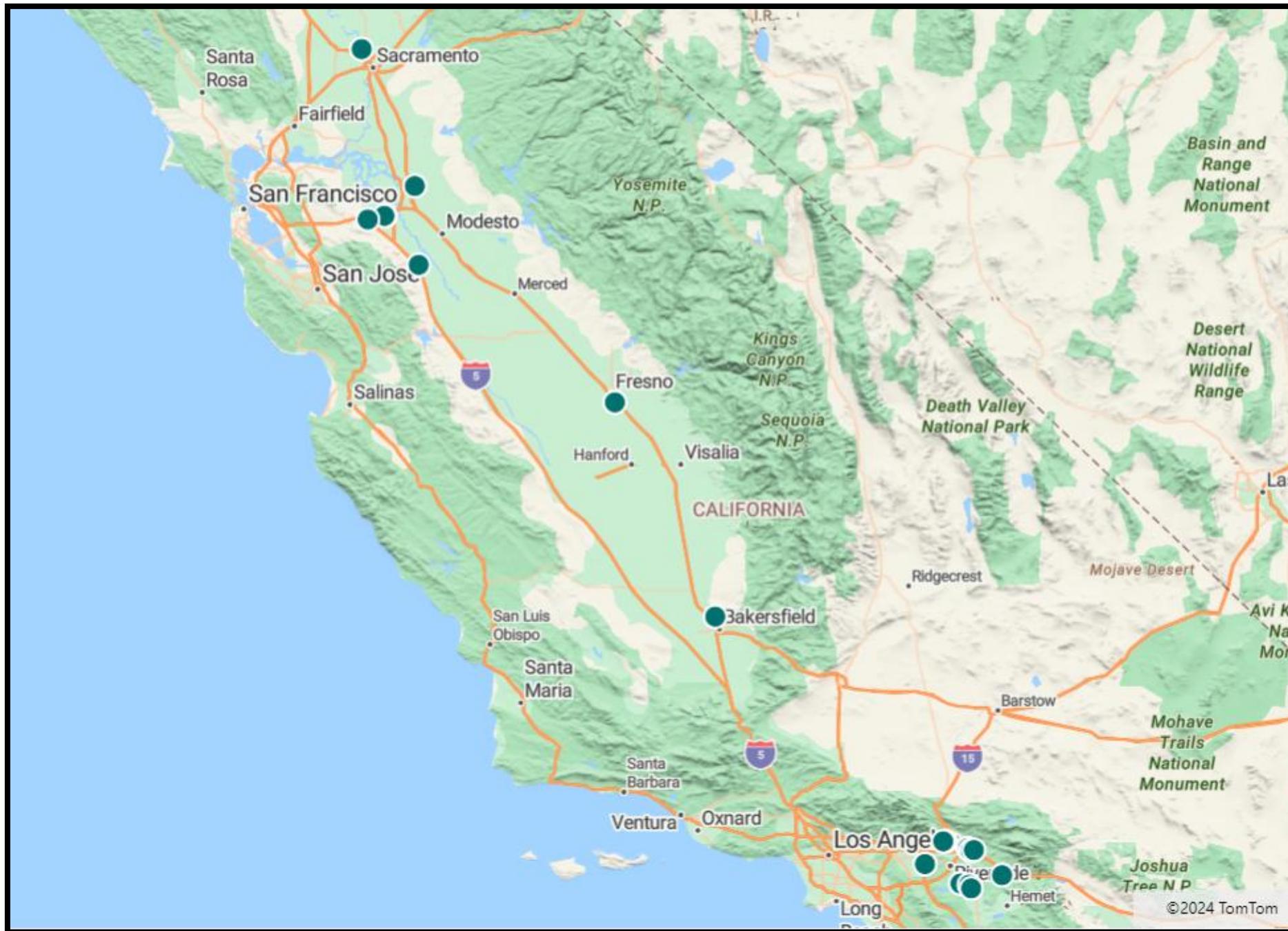
What Fulfillment Centers looks like...



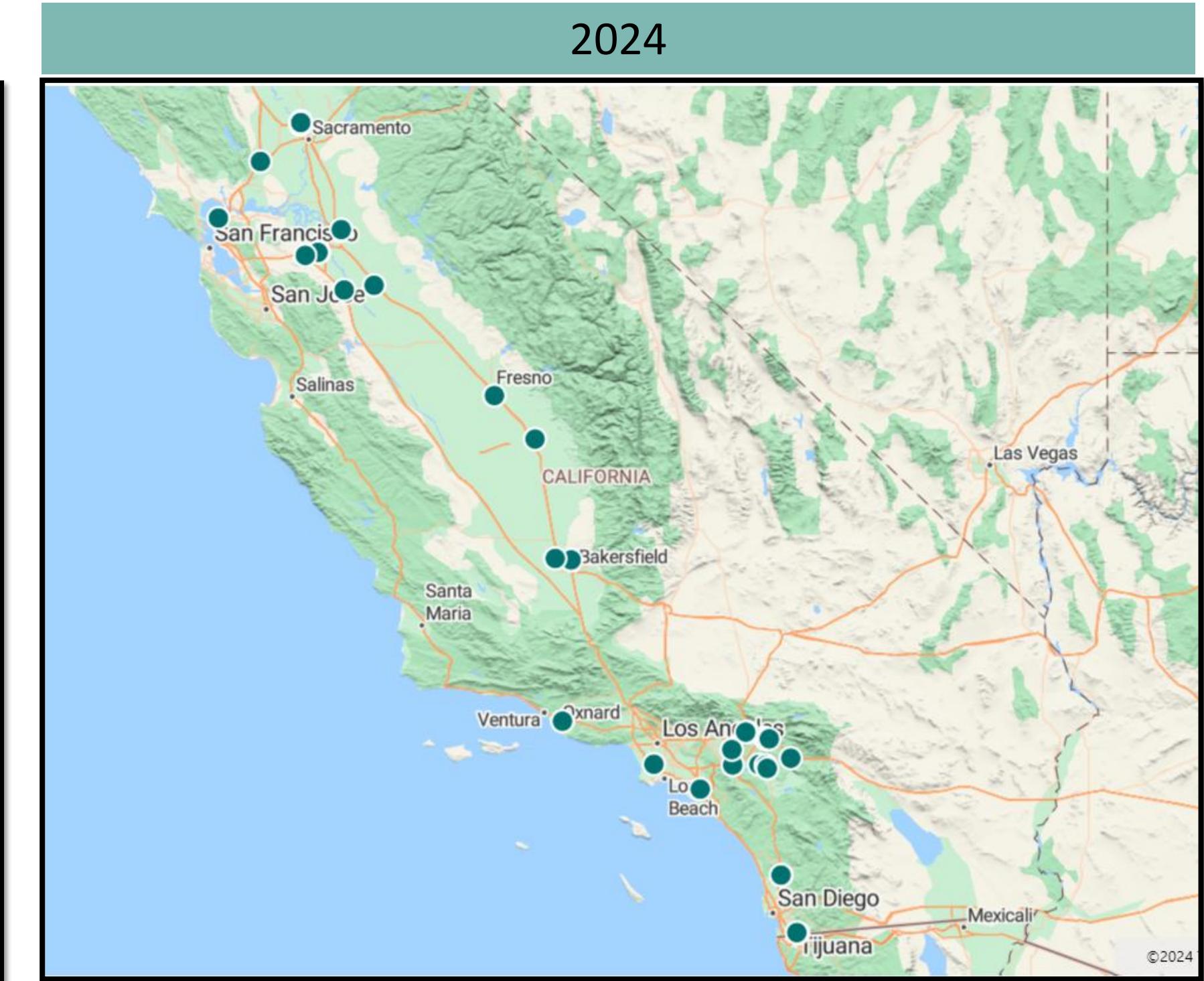


Amazon California Fulfillment Centers

2020



2024



Displays registered fulfillment locations in CA. Size and sales/tax volumes are not considered.

Q&A

When? Why? How?
WHAT?
When? WHO?
WHERE?
Why? Why? HOW?
When? WHERE?
Where? Where?
WHERE?
WHEN? When? What?
HOW? What?
WHERE? When?
When? WHERE?
When? HOW?
WHEN? What?
WHAT? Why?

Thank you!

Bobby Young, Director of Client Services
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HdL[®] Companies



Government Finance and Administration – 2026 GFA Legislative Advocacy Priorities

Speakers:

- Emma Jungwirth, CSAC Senior Legislative Advocate
- Eric Lawyer, CSAC Senior Legislative Advocate



Government Finance and Administration – 2025 Legislative Year In Review

Speakers:

- Emma Jungwirth, CSAC Senior Legislative Advocate
- Eric Lawyer, CSAC Senior Legislative Advocate
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