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Results of polling on sales tax in; Orinda looks to conservative spending measures

By Sora O'Doherty

A majority of Orinda residents approve of extending and/or increasing sales tax, but it might be difficult to get the two-thirds majority required for a tax that is specifically dedicated, according to David Metz, president of FM3 Research, the company that conducted the poll. The current half-cent sales tax has yielded approximately \$1.2 million per year. Given the present state of the economy, it is expected that the sales tax revenue will drop, probably by 10-20%. The one cent tax would generate approximately \$2 million in revenue annually.

The matter was before the city council so that it could receive the results of the poll, but they do not need to decide on the ballot measure until later this year, according to the staff report prepared by Assistant City Manager Larry Theis. The council will take another look at the issue in May, and it is hoped that the Citizens' Infrastructure Oversight Committee will have a chance to consider it prior to the next time it appears on a city council meeting agenda.

The poll included 436 Orinda residents. Not all were asked the same questions as on some issues the poll was split into two separate groups. For example, the poll question on whether or not to renew the existing half-cent sales tax and increase it to one cent was split between groups who were asked either if the increased sales tax should last for 10 years and another group who were asked if the increased tax should last until ended by the voters in another election. The polling on both was favorable, but the 10-year deadline polled higher at 64% who would definitely, probably or who leaned toward voting yes, versus 59% of the total positive for an increase not limited by time.

The city is considering putting some kind of sales tax measure on the November ballot. The current half-cent sales tax, which has been largely used to improve Orinda's roads, will expire in 2022. Owing to the complexity of election rules, however, the city has limited opportunities to put the matter to a vote before the tax expires.

The current sales tax is a general tax, which only requires a simple majority to pass, so both sets of polling numbers seem favorable to the increased one-cent tax. However, Metz explained in response to a question from Council Member Inga Miller that if the city council wished to dedicate the revenue from the sales tax to any particular expenses, it would then require a two-thirds majority to pass. The polling numbers were not so favorable that it was likely that a one cent sales tax on the ballot would attain that level of yes votes. However, the option of retaining the current half-cent sales tax polled at 72% favorable, which would exceed the two-thirds majority required for a specific tax. Metz pointed out that in California it is very difficult to get a two-thirds vote on a revenue measure. In the March election, he said, historically high number of such measures around the state failed.

In addition to the specific sales tax questions, the poll also included questions about the general satisfaction of residents with the city's performance, and tested the idea of the city taking responsibility for private roads and/or drains. Respondents indicated a highly favorable view of the quality of life in Orinda, while the response regarding private roads and/or drains was not highly favorable. By far the most important use for the sales tax revenue, polling at 45%, is that infrastructure needs to be repaired and maintained. A majority of those who opposed the sales tax indicated that taxes are already high and/or they are against additional taxes.

The poll was conducted in early February, before the effects of the novel coronavirus were manifest. The pandemic will affect both the amount of revenue raised by the current tax and the general revenue situation of the city, as well as the economic situation of residents. Owing to this uncertainty, the council asked Metz to conduct a tracking poll to see if the climate changes with regard to the potential tax increase. Council member Miller expressed support for the one-cent tax, and Mayor Darlene Gee said that she is open to pursuing it. Council member Nick Kosla raised some technical points regarding the limits on what sales taxes a city may impose with City Manager Steve Salomon. Salomon agreed that had the transportation tax passed in March, it would have limited what Orinda could put on the ballot. Salomon said that if Measure J had passed Orinda could not have considered full cent unless there was special legislation. Kosla concluded that "it sounds like this is a year we can ask for full cent, but in 2022 we might not be able to." If a one-cent sales tax fails on the 2020 ballot, the city would still be able to seek a renewal of the half-cent sales tax prior to its expiration in 2022.

Reach the reporter at: sora@lamorindaweekly.com

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