

Measure G – Tehama County Sales Tax Frequently Asked Questions

What is Measure G?

Measure G is a county-wide one cent sales tax increase on the March 2020 ballot which would generate approximately \$7.9 million annually for the county general fund. The Tehama County Board of Supervisors voted to place the sales tax on the ballot to close the general fund budget gap to maintain county services and public safety staffing levels.

The decision to place a local tax measure on the ballot follows the county already applying a county-wide 5% budget reduction in all general fund departments, asking the employee bargaining units for concessions, and raising some county fees to create some additional revenue.

What is the general fund budget gap?

In 2019, \$1.5 million was moved into the county general fund from the county’s “reserves”. In 2020, it is estimated there will be a *\$4 million* deficit if current staffing levels and programs are maintained. In 2014, Tehama County was awarded funding to build a jail expansion which will enable 64 additional inmates to stay in jail. To operate the facility it will cost *\$2.7 million annually*. Additionally, each year there are facility maintenance needs that arise and the state burdens counties with additional unfunded mandates.

$$\$4 \text{ million} + \$2.7 \text{ million} = \$6.7 \text{ million}$$

What led to the general fund budget gap?

Contribution factors include a slow recovery in property values and multiple years of relatively stagnant revenues that have not kept pace with expenses. Unfunded state mandates, rising costs of doing business, and providing programs to maintain the quality of life for our community has led to the budget gap. Here are some examples of challenges we have been or will be facing:

Shift of Costs from the State to Tehama County	Tehama County Increases
Minimum Wage Increase	Jail Expansion (64 additional beds to keep criminals off the street)
PERS Unfunded Liability	Code Enforcement (blight and marijuana removal, food and water safety)
AB109 Shift of convicted criminal responsibilities to Tehama County	District Attorney Workload Increases
	Labor Contract Negotiations

How will Measure G funds be spent?

Tax measures are either “specific”, requiring 66.7% of votes or “general”, requiring 50% of votes plus one vote. Because the measure is a *general* vote, the County of Tehama is not permitted by law to state in the measure description how the funding would be used.

The Tehama County Board of Supervisors will authorize where the funds will be spent. Annually, there are budget hearings open to the public where the budget is discussed and explained at

various stages in the budget process. There is a public comment period where citizens can state their feedback regarding the budget.

What if the sales tax does not pass?

The Tehama County Board of Supervisors have stated that if the sales tax does not pass then citizens will have “given them their marching orders” to cut staff and services. It is estimated that approximately +/-50 staff reductions would be made across general fund and public safety departments and the Board would have to decide if the jail expansion should move forward. If the jail expansion moves forward, then an additional \$2.7 million in staffing and service reductions would be made.

What is the current sales tax rate in Tehama County? How will the increase affect me?

The sales tax in Tehama County is 7.25%. However, the City of Corning is 7.75% and City of Red Bluff is 7.50% due to previous voter approved city sales tax measures. A one cent sales tax increase would result in the following sales tax rates:

Tehama County	8.25%
Red Bluff	8.50%
Corning	8.75%

100% of this local tax stays local to be used to meet local priorities, not Sacramento’s. In a typical Tehama County household of \$42,512, it is estimated that the cost of a tax would be an additional \$74/year or \$6.16/ month. See the “Tax Calculator” at the County of Tehama website at <http://www.co.tehama.ca.us> to enter your household income.

What items will be taxed by Measure G?

All qualifying purchases made in the county of Tehama will be subject to the tax such as clothing, cars, household goods and alcohol. Pursuant to CA Revenue and Taxation Code, groceries, prescriptions, certain medical devices, and other “Necessities of Life” are exempt from sales taxes.

Tehama County has some money in “reserves.” Why can’t that money be used to close the funding gap?

The Tehama County Board of Supervisors passed a resolution in 2011 to maintain 8.33% (approximately one month) of the county’s budget expenses in the county’s savings Reserve for Economic Uncertainty account. This is to ensure the solvency of the county and to prevent the county from bankruptcy should unexpected expenses/disasters arise.

In 2019, the Tehama County Board of Supervisors utilized \$1.2 million in Reserve for Economic Uncertainty to balance the budget. There is less than \$500,000 remaining which would not be sufficient to balance the FY 2020-21 budget.

Which departments and services do not rely upon the general fund?

Health Services Agency (Drug and Alcohol, Mental Health, and Public Health), Social Services, Child Support Services receive state and federal funding allocations. The Building Department is self-sustaining through fees.