

**TOWN OF FAIRFAX
STAFF REPORT**

To: Mayor, Members of the Town Council

From: Michael Rock, Town Manager

Date: March 16, 2011

Subject: Discussion/Consideration of a local sales tax in the Town of Fairfax

DISCUSSION

What is a local sales tax?

A local sales tax is a (half-cent) sales tax to purchases made within the Town of Fairfax limits on retail taxable goods. This sales tax hike will put the total sales tax charged on services and goods sold within the city to 9.50%. A typical time frame for a local sales tax will is anywhere from five to ten years. All revenues collected from this local sales tax stays in Fairfax!

Why does Fairfax need a local sales tax?

The Town is facing a \$350,000 budget shortfall. The budget shortfall is a structural deficit that will have to be addressed later this year when the Town Council adopts the fiscal year 2011/12 budget. The causes are steep annual increases in health care and retirement costs for Town employees. Adding to the structural deficit is the fact that property tax revenues have declined for the last three years.

How can a local sales tax be used in Fairfax?

The local sales tax revenue generated could be used for general government services (such as public safety, recreation, youth and senior services and public works maintenance activities) and for specific government services such as public infrastructure improvements and beautification projects. Infrastructure improvements include street maintenance and capital repairs, building maintenance and capital repairs, sidewalk, curb and gutter maintenance and replacement, and Town maintained landscaping.

A simple majority vote is required for approval.

FISCAL IMPACT

A local sales tax measure of one half cent would generate approximately \$150,000 per year for the Town of Fairfax.

ATTACHMENT

Attachment A: Total Sales Taxes paid in Marin County cities
Attachment B: Election Schedule

ATTACHMENT A

California City & County Sales & Use Tax: Data Last Updated: 11/17/2010

Fairfax*	9.000 %	Marin
Belvedere*	9.000 %	Marin
Corte Madera*	9.000 %	Marin
Larkspur*	9.000 %	Marin
Novato*	9.000 %	Marin
Ross*	9.000 %	Marin
San Anselmo*	9.000 %	Marin
San Rafael*	9.500 %	Marin
Sausalito*	9.000 %	Marin
Tiburon*	9.000 %	Marin
Mill Valley*	9.000 %	Marin

* Listed by City

Source: California State Board of Equalization:

Rates <http://www.boe.ca.gov/cgi-bin/rates.cgi?LETTER=M&LIST=CITY>

**BASIC DEADLINES FOR MEASURES
TO BE PLACED ON THE BALLOT
NOVEMBER 8, 2011**

<u>Number of days prior to Election</u>	<u>Deadline For</u>	
E-88	08-12-11	LAST day to submit Resolutions of Consolidation and exact form of the ballot wording to the Board of Supervisors and Registrar of Voters. Must be in our office by 4:30 p.m. Measure letter assignment will be made on 08-15-11. Last day to submit tax rate statement for bond measures.
E-87	08-13-11	Ten (10) day public examination period.
E-78	08-22-11	(El. Code §§13313-13314)
E-83	08-17-11	LAST day to withdraw a measure from the ballot. Written notification must reach this office by 4:30 p.m. on this date or the measure WILL remain on the ballot. (El. Code §§9604, 9605)
E-78	08-22-11	LAST day to submit ballot arguments. These must be in our office by 4:30 p.m. to appear in the sample ballot booklet.
E-77	08-23-11	Ten (10) day public examination period.
E-68	09-01-11	(El. Code §§13313-13314)
E-71	08-29-11	LAST day to submit rebuttal arguments. These must be in our office by 4:30 p.m. to appear in the sample ballot booklet.
E-70	08-30-11	Ten (10) day public examination period.
E-61	09-08-11	(El. Code §§13313-13314)

- NOTE:
- 1) The wording to appear on the ballot page shall not exceed 75 words, including the title of the measure. (El. Code §13247).
 - 2) Arguments and Rebuttals must be accompanied by a verification form.