

## **MEASURE O – IMPARTIAL ANALYSIS**

### **HUMBOLDT COUNTY COUNSEL**

#### **COUNTY OF HUMBOLDT**

#### **TRANSACTIONS AND USE TAX MEASURE**

Measure O is a one percent transactions and use tax proposed by the Humboldt County Board of Supervisors. Commonly referred to as a “sales tax,” a transactions and use tax is a tax on the gross receipts of any retailer for the sale of tangible personal property, and a tax on the consumption and use of tangible personal property purchased for which a transactions tax was not paid, typically for an out-of-state purchase. Measure O would apply throughout the entire county, including both the unincorporated area of the county and within each incorporated city.

If Measure O passes, the sales tax throughout the unincorporated county will be raised to 8.75 percent. In Arcata, Ferndale, Fortuna and Trinidad the sales tax will be 9.5 percent. In Rio Dell and Blue Lake it will be 9.75 percent, while in Eureka it will be 10.25 percent.

Measure O requires the approval of a simple majority of the voters voting in the election to pass. The County estimates the tax will raise \$24,000,000 annually. If the voters approve Measure O, the tax will become operative April 1, 2025, and continue in place perpetually unless repealed by the voters at a subsequent election. The tax would be collected by the state along with other sales taxes and be remitted to the county. The state would take a small fee for its administrative expenses.

The ballot question bears the title “Humboldt County Roads, 911 Emergency Response Measure.” The question lists several specific uses under the umbrella of maintaining 911 response times and preparing for natural disasters, including repairing deteriorating roads, fixing potholes, maintaining evacuation routes, bus services, and becoming eligible for Humboldt’s fair share of state and federal roads funding. These are best considered the County’s stated intentions for the funds. Legally, Measure O is a general tax which may be spent on any general government purposes. This is why the vote threshold is a simple majority, rather than the two-thirds vote required of a special tax, which is legally restricted to specific uses.

Measure O creates a Citizen’s Oversight Committee to conduct annual audits of the expenditures of revenues generated by the tax. This committee may be the County’s existing audit committee, or another committee designated by the Board of Supervisors.