

BEFORE THE BOARD OF SUPERVISORS
OF THE COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA

RESOLUTION NO. _____

On the motion of Supervisor _____
Duly seconded by Supervisor _____

The following resolution is adopted:

**RESOLUTION CALLING FOR AN ELECTION FOR THE PURPOSE OF
SUBMITTING TO THE QUALIFIED ELECTORS OF THE COUNTY OF SANTA CRUZ
A COUNTYWIDE MEASURE TO RAISE THE RETAIL TRANSACTIONS AND USE
TAX (SALES TAX) BY ONE-HALF CENT; DIRECTING THE COUNTY ELECTIONS
OFFICIAL TO CONDUCT THE ELECTION; AND DIRECTING CONSOLIDATION OF
THE ELECTION WITH THE REGULAR ELECTION OF NOVEMBER 3, 2026**

WHEREAS, the County of Santa Cruz administers essential healthcare, mental health and substance abuse, public health, human services, emergency medical, and other safety-net programs that protect the health, safety, and wellbeing of residents throughout the community; and

WHEREAS, over 80,000 Santa Cruz County residents rely on Medi-Cal and over 30,000 residents rely on CalFresh, mental health and substance abuse services, housing assistance, emergency medical services, and other public programs that help people meet basic needs and remain healthy, housed, and independent; and

WHEREAS, local hospitals, emergency departments, ambulance providers, community health centers, mental health and substance abuse providers, food banks, housing providers, and numerous community-based organizations together comprise an interconnected healthcare system and human services safety net that serves residents throughout Santa Cruz County; and

WHEREAS, recent federal actions and related State fiscal impacts reduce funding annually by over \$200 million for local healthcare and safety-net programs while shifting additional administrative responsibilities and costs to counties; and

WHEREAS, these federal actions are expected to increase demand for locally funded healthcare, emergency medical services, mental health and substance abuse services, food assistance, homelessness response, public health, and other essential County services while reducing the financial resources available to support those services; and

WHEREAS, the Board of Supervisors finds that these changes are expected to have significant fiscal impacts on the County and its community partners, including increased costs, reduced revenues, and additional administrative workload, resulting in substantial pressure on the County's General Fund and the long-term sustainability of essential public services; and

WHEREAS, over the next five years, the County estimates that federal actions could result in more than \$150 million in increased costs and reduced revenues; and

WHEREAS, reductions in healthcare coverage are expected to increase uncompensated care, place additional financial pressure on hospitals and emergency departments, increase demand for emergency medical services, and reduce timely access to healthcare throughout Santa Cruz County; and

WHEREAS, reductions in nutrition assistance are expected to increase food insecurity and place additional demand upon local food banks, school nutrition partners, and community organizations that provide food assistance to County residents; and

WHEREAS, reductions in federal and related State funding for housing and homelessness programs are expected to increase demand for homelessness prevention, outreach, shelter, housing stabilization, and other supportive services; and

WHEREAS, Santa Cruz County and its community partners have made meaningful progress in reducing homelessness, strengthening mental health and substance abuse services, improving coordination across the local system of care, and expanding access to healthcare, and the Board of Supervisors desires to protect that progress during a period of fiscal uncertainty; and

WHEREAS, maintaining a strong local healthcare system and human services safety net benefits all County residents by helping preserve emergency medical response, hospital capacity, public health infrastructure, mental health and substance abuse services, food security, housing stability, and other essential community services; and

WHEREAS, counties possess limited local revenue options available to respond to extraordinary reductions in federal and State funding affecting essential public services; and

WHEREAS, Senate Bill 762, currently pending before the California Legislature, would authorize various jurisdictions, including Santa Cruz County, to exceed the existing local transactions and use tax rate limitation by up to one-half of one percent, thereby providing additional local flexibility to address essential public service needs if enacted; and

WHEREAS, the Board of Supervisors finds that it is in the public interest to provide voters the opportunity to consider a temporary, locally controlled revenue measure intended to help stabilize essential County services during this period of fiscal instability via an increase to the County's Retail Transactions and Use Tax; and

WHEREAS, the proposed increase to the Retail Transactions and Use Tax is intended solely to raise revenue for the general governmental purposes of the County, and all proceeds shall be deposited into the County General Fund and appropriated through the County's annual budget process in accordance with applicable law; and

WHEREAS, subdivision (b) of Section 2 of Article XIII C of the California Constitution and Government Code section 53723 require that before the County may impose a general tax, the tax must be submitted to the voters and approved by a majority vote; and

WHEREAS, the proposed increase to the Retail Transactions and Use Tax would be accomplished by a majority of voters approving at an election an ordinance amending Chapter 4.22 of the Santa Cruz County Code to establish a temporary one-half cent (0.5%) transactions and use tax for a period of five years; and

WHEREAS, the Board of Supervisors is in the process of adopting an urgency ordinance to increase the Retail Transactions and Use Tax as set forth above that will be presented to the electorate for approval; and

WHEREAS, subdivision (b) of Section 2 of Article XIII C of the California Constitution further requires that such election be consolidated with a regularly scheduled election for members of the governing body; and

WHEREAS, pursuant to Elections Code section 10400 et seq., the Board of Supervisors may consolidate this election with the statewide general election to be held on November 3, 2026;

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Board of Supervisors as follows:

- 1) A County election is hereby called to be held throughout the County on November 3, 2026, for the purpose of submitting to the qualified electors of the County of Santa Cruz the following measure, via which the qualified electors will be asked to approve the ordinance attached to this Resolution as Attachment A:

Measure _____

TEMPORARY EMERGENCY MEDICAL, HEALTHCARE, FOOD, HOUSING, AND ESSENTIAL SERVICES PROTECTION MEASURE. To keep local hospitals/emergency rooms open, protect ambulance response, sustain access to urgent healthcare, including reproductive and mental health care, support local food/housing assistance and other essential services, and partially restore critical lost federal funding, shall the County of Santa Cruz be authorized to collect a supplemental half-cent (0.5%) general sales tax for 5 years, providing \$27,000,000 annually in locally controlled funds?

YES _____ NO _____

- 2) Said County election shall be held and conducted, the votes received and canvassed, the returns thereof made, and the result thereof ascertained and determined in accordance with the law, including but not limited to the provisions of Section 10418 of the Elections Code.

- 3) Said special County election hereby called shall be and hereby is consolidated with any and all elections also called to be held throughout the County on November 3, 2026, in all respects as required by and pursuant to law, including but not limited to the provisions of Section 10418 of the Elections Code.
- 4) In accordance with the provisions of Section 9160 of the Elections Code, the County Counsel is hereby directed to prepare an impartial analysis of this measure.
- 5) In accordance with the provisions of Section 9160 of the Elections Code, the County Auditor-Controller-Treasurer-Tax Collector is hereby directed to prepare a fiscal impact statement of this measure.
- 6) Arguments for and against this measure may be submitted in conformance with Elections Code Section 9161, et seq.
- 7) The Clerk of the Board of Supervisors shall file a copy of this Resolution with the County Clerk.

BE IT FURTHER RESOLVED AND ORDERED THAT the Santa Cruz County Elections Department is requested to print the ordinance attached hereto as Attachment A in the County Voter Information Guide for the November 3, 2026 election.

PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Cruz, State of California, this ____ day of August 2026, by the following vote:

AYES: SUPERVISORS
NOES: SUPERVISORS
ABSENT: SUPERVISORS
ABSTAIN: SUPERVISORS

MONICA MARTINEZ
Chairperson of the Board of Supervisors

Attest: _____
JULIETTE REZZATO
Clerk of the Board

APPROVED AS TO FORM:

Signed by:

JASON M. HEATH
County Counsel