

IMPARTIAL ANALYSIS BY COUNTY COUNSEL
MEASURE E

FILED

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If approved by the voters, this measure will create a County of Fresno ("County") ordinance imposing a 0.25% transactions and use tax on the gross receipts of any retailer from the sale of all personal property in the County to fund certain programs, scholarships, and improvements to California State University, Fresno ("CSUF") facilities. The tax will not be collected in any jurisdiction of the County if it would cause the combined rate of transactions and use taxes to exceed the statutory limit. The measure contains various exemptions and exclusions.

COUNTY CLERK
DEPUTY

This measure establishes a seven-member Citizens' Oversight Committee ("Committee") appointed by the County Board of Supervisors ("Board"), the California State University, Office of the Chancellor and the CSUF, Office of the University President or their designees. The Committee will ensure the tax proceeds are used in a manner consistent with the measure and provide an annual audit report to the Board. The Committee will authorize all expenditures, payments, repayments, and pay all costs from an account into which the tax proceeds will be placed.

The tax proceeds will be spent in an "improvement zone," defined in the measure as a two-mile radius around the physical boundaries of the CSUF campus and similar boundaries around any additional locations within the County that may be owned or leased by California State University.

The tax proceeds will be spent to expand access in nursing, agriculture, criminology, science, engineering, and other fields; construct, repair/upgrade academic and other campus facilities and infrastructure within the improvement zone, including acquisition or lease of real property; provide scholarships for local students and veterans; and other uses for CSUF.

Two endowments of approximately \$50 million each will be created to fund scholarships and for deferred maintenance and campus program support. The endowment proceeds will not be spent during the 25-year pendency of the measure, and interest accrued will be transferred annually to fund scholarships and for deferred maintenance and campus program support. Up to 1% of the tax proceeds will be appropriated annually to the County for staffing and administrative costs.

The text of the measure comes from an initiative petition signed by the requisite number of voters requiring the Board to place the measure before Countywide voters. The measure requires the County to contract with the California Department of Tax and Fee Administration ("CDFTA") to administer the tax. The CDFTA has not raised any concerns but it is unclear if existing state law permits imposing a transactions and use tax that does not apply in all areas of the County.

The ordinance will become effective only if approved by a majority of voters voting on the measure and can only be amended or repealed by voter approval. If approved by the voters, the transactions and use tax will expire 25 years from the operative date of the ordinance.

Daniel C. Cederborg, County Counsel