OFFICIAL BALLOT

CONSOLIDATED GENERAL ELECTION
COUNTY OF SANTA CRUZ, TUESDAY, NOVEMBER 7, 2006

INSTRUCTIONS TO VOTERS: **To VOTE, CONNECT THE ARROW pointing to your choice, like this:**

To vote for a qualified write-in candidate, write the person's name on the blank line provided and CONNECT THE ARROW:

IMPORTANT: Use only a blue or black ink pen.

If you make a mistake marking your ballot, return it to the Election Official and a replacement ballot will be issued.

STATE

Governor — Vote for One

- **EDWARD C. NOONAN** — Computer Shop Owner — American Independent
- **PHIL ANGELIDES** — Treasurer of the State of California — Democratic
- **ARNOLD SCHWARZENEGGER** — Governor — Republican
- **ART OLIVIER** — Engineer — Libertarian
- **JANICE JORDAN** — Counselor — Peace and Freedom
- **PETER MIGUEL CAMEJO** — Financial Advisor — Green

Lieutenant Governor — Vote for One

- **STEWART A. ALEXANDER** — Automobile Sales Consultant — Peace and Freedom
- **LYNNETTE SHAW** — Caregiver/Musician — Libertarian
- **JIM KING** — Real Estate Broker — American Independent
- **JOHN GARAMENDI** — California State Insurance Commissioner — Democratic
- **TOM MCCLINTOCK** — California State Senator — Republican
- **DONNA J. WARREN** — Financial Manager/Author — Green

STATE

Attorney General — Vote for One

- **KENNETH A. WEISSMAN** — Attorney At Law — Libertarian
- **MICHAEL S. WYMAN** — Attorney-At-Law — Green
- **CHUCK POOCHIGIAN** — California Senator/Attorney — Republican
- **JACK HARRISON** — Attorney/Rent Commissioner — Peace and Freedom
- **JERRY BROWN** — Oakland Mayor/Attorney — Democratic

Insurance Commissioner — Vote for One

- **TOM CONDIT** — Writer — Peace and Freedom
- **LARRY CAFIERO** — Newspaper Editor — Green
- **STEVE POIZNER** — Businessman/Entrepreneur — Republican
- **DALE F. OGDEN** — Actuary/Insurance Consultant — Libertarian
- **JAY EARL BURDEN** — Student — American Independent
- **CRUZ M. BUSTAMANTE** — California Lt. Governor — Democratic

JUDICIAL
Vote Yes or No for Each Office

FOR ASSOCIATE JUSTICE OF THE SUPREME COURT

Shall Associate Justice **JOYCE L. KENNARD** be elected to the office for the term provided by law? — YES / NO

FOR ASSOCIATE JUSTICE OF THE SUPREME COURT

Shall Associate Justice **CAROL A. CORRIGAN** be elected to the office for the term provided by law? — YES / NO

FOR PRESIDING JUSTICE, COURT OF APPEAL 6TH APPELLATE DISTRICT

Shall Presiding Justice **CONRAD L. RUSHING** be elected to the office for the term provided by law? — YES / NO

FOR ASSOCIATE JUSTICE, COURT OF APPEAL 6TH APPELLATE DISTRICT

Shall Associate Justice **NATHAN D. MIHARA** be elected to the office for the term provided by law? — YES / NO

FOR ASSOCIATE JUSTICE, COURT OF APPEAL 6TH APPELLATE DISTRICT

Shall Associate Justice **RICHARD J. MCADAMS** be elected to the office for the term provided by law? — YES / NO

Sample

44-SB79

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Ballot

Secretary of State — Vote for One

- **BRUCE MCPHERSON** — Appointed Secretary of State — Republican
- **GAIL K. LIGHTFOOT** — Retired Nurse — Libertarian
- **MARGIE AKIN** — Archaeologist/Medical Anthropologist — Peace and Freedom
- **FORREST HILL** — Financial Advisor — Green
- **DEBRA BOWEN** — State Senator — Democratic
- **GLENN MCMILLON, JR.** — Small Business Owner — American Independent

Controller — Vote for One

- **LAURA WELLS** — Financial Systems Consultant — Green
- **DONNA TELLO** — Tax Accountant — Libertarian
- **TONY STRICKLAND** — Taxpayer Organization President — Republican
- **ELIZABETH CERVANTES BARRON** — Retired Teacher — Peace and Freedom
- **JOHN CHIANG** — Member, State Board of Equalization — Democratic
- **WARREN MARK CAMPBELL** — Minister — American Independent

Treasurer — Vote for One

- **MEHUL M. THAKKER** — Investment Advisor — Green
- **MARIAN SMITHSON** — City Treasurer/CPA — Libertarian
- **GERALD SANDERS** — Peace and Freedom
- **E. JUSTIN NOONAN** — Computer Technician — American Independent
- **BILL LOCKYER** — California Attorney General — Democratic
- **CLAUDE PARRISH** — Member, State Board of Equalization — Republican

Member, State Board of Equalization, 1st District — Vote for One

- **BETTY T. YEE** — Acting Equalization Boardmember — Democratic
- **DAVID CAMPBELL** — Office Worker — Peace and Freedom
- **DAVID J. NEIGHBORS** — Certified Public Accountant — Republican
- **KENNITA WATSON** — Retired Quality Engineer — Libertarian

UNITED STATES SENATOR

Vote for One

- **TODD CHRETIEN** — Writer — Green
- **MARSHA FEINLAND** — Retired Teacher — Peace and Freedom
- **DIANNE FEINSTEIN** — United States Senator — Democratic
- **DON J. GRUNDMANN** — Doctor of Chiropractic — American Independent
- **RICHARD "DICK" MOUNTJOY** — Immigration Control Consultant — Republican
- **MICHAEL S. METTI** — Parent/Educator/Businessman — Libertarian

UNITED STATES REPRESENTATIVE

17th District — Vote for One

- **SAM FARR** — United States Representative — Democratic
- **ANTHONY R. DE MAIO** — Finance Entrepreneur — Republican

MEMBER OF THE STATE ASSEMBLY

28th District — Vote for One

- **ANNA CABALLERO** — Mayor of Salinas — Democratic
- **IGNACIO VELAZQUEZ** — Business Owner — Republican

FOR ASSOCIATE JUSTICE, COURT OF APPEAL 6TH APPELLATE DISTRICT

Shall Associate Justice **WENDY CLARK DUFFY** be elected to the office for the term provided by law?

- YES
- NO

SCHOOL

County Superintendent of Schools — Vote for One

- **MICHAEL WATKINS** — Educator/School Administrator
- **ROWLAND BAKER** — Assistant County Superintendent

CITY

CITY OF WATSONVILLE

Member of City Council, District 3 — Vote for One

- **ANTONIO RIVAS** — Mayor/School Counselor

MEASURES SUBMITTED TO THE VOTERS

STATE

1A **TRANSPORTATION FUNDING PROTECTION. LEGISLATIVE CONSTITUTIONAL AMENDMENT.**

Protects transportation funding for traffic congestion relief projects, safety improvements, and local streets and roads. Prohibits the state sales tax on motor vehicle fuels from being used for any purpose other than transportation improvements. Authorizes loans of these funds only in the case of severe state fiscal hardship. Requires loans of revenues from states sales tax on motor vehicle fuels to be fully repaid within the three years. Restricts loans to no more than twice in any 10-year period. Fiscal Impact: No revenue effect or cost effects. Increases stability of funding to transportation in 2007 and thereafter.

- YES
- NO

44-SB80

CA44-1-4333-0070

VOTE BOTH SIDES

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Sample

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MEASURES SUBMITTED TO THE VOTERS

STATE

1B HIGHWAY SAFETY, TRAFFIC REDUCTION, AIR QUALITY, AND PORT SECURITY BOND ACT OF 2006. This act makes safety improvements and repairs to state highways, upgrades freeways to reduce congestion, repairs local streets and roads, upgrades highways along major transportation corridors, improves seismic safety of local bridges, expands public transit, helps complete the state's network of car pool lanes, reduces air pollution, and improves anti-terrorism security at shipping ports by providing for a bond issue not to exceed nineteen billion nine hundred twenty-five million dollars ($19,925,000,000). Fiscal Impact: State costs of approximately $38.9 billion over 30 years to repay bonds. Additional unknown state and local operations and maintenance costs.

YES

NO

1C HOUSING AND EMERGENCY SHELTER TRUST FUND ACT OF 2006. For the purpose of providing shelters for battered women and their children, clean and safe housing for low-income senior citizens; homeownership assistance for the disabled, military veterans, and working families; and repairs and accessibility improvements to apartment for families and disabled citizens, the state shall issue bonds totaling two billion eight hundred fifty million dollars ($2,850,000,000) paid from existing state funds at an average annual cost of two hundred and four million dollars ($204,000,000) per year over the 30 year life of the bonds. Requires reporting and publication of annual independent audited reports showing use of funds, and limits administration and overhead costs.

YES

NO

1D KINDERGARTEN-UNIVERSITY PUBLIC EDUCATION FACILITIES BOND ACT OF 2006. This ten billion four hundred sixteen million dollar ($10,416,000,000) bond issue will provide needed funding to relieve public school overcrowding and to repair older schools. It will improve earthquake safety and fund vocational educational facilities in public schools. Bond funds must be spent according to strict accountability measures. Funds will also be used to repair and upgrade existing public college and university buildings and to build new classrooms to accommodate the growing student enrollment in the California Community Colleges, the University of California, and the California State University. Fiscal Impact: State costs of about $20.3 billion to pay off both the principal ($10.4 billion) and interest ($9.9 billion) on the bonds. Payments of about $680 million per year.

YES

NO

MEASURES SUBMITTED TO THE VOTERS

STATE

85 WAITING PERIOD AND PARENTAL NOTIFICATION BEFORE TERMINATION OF MINOR'S PREGNANCY. INITIATIVE CONSTITUTIONAL AMENDMENT. Amends California Constitution prohibiting abortion for unemancipated minor until 48 hours after physician notifies minor's parent/guardian, except in medical emergency or with parental waiver. Mandates reporting requirements. Authorizes monetary damages against physicians for violation. Fiscal Impact: Potential unknown net state costs of several million dollars annually for health and social services programs, court administration, and state health agency administration combined.

YES

NO

86 TAX ON CIGARETTES. INITIATIVE CONSTITUTIONAL AMENDMENT AND STATUTE. Imposes additional $2.60 per pack excise tax on cigarettes and indirectly increases taxes on other tobacco products. Provides funding for various health programs, children's health coverage, and tobacco-related programs. Fiscal Impact: Increase in excise tax revenues of about $2.1 billion annually in 2007-08 spent for the specified purposes outlined above. Other potentially significant costs and savings for state and local governments due to program changes.

YES

NO

87 ALTERNATIVE ENERGY. RESEARCH, PRODUCTION, INCENTIVES. TAX ON CALIFORNIA OIL PRODUCERS. INITIATIVE CONSTITUTIONAL AMENDMENT AND STATUTE. Establishes $4 billion program to reduce petroleum consumption through incentives for alternative energy, education and training. Funded by tax on California oil producers. Fiscal Impact: State oil tax revenues of $225 million to $485 million annually for alternative energy programs totaling $4 billion. State and local revenue reductions up to low tens of millions of dollars annually.

YES

NO

88 EDUCATION FUNDING. REAL PROPERTY PARCEL TAX. INITIATIVE CONSTITUTIONAL AMENDMENT AND STATUTE. Imposes $50 tax on each real property parcel to provide additional public school funding for kindergarten through grade 12. Exempts certain elderly, disabled homeowners from tax. Use of funds restricted to specific educational purposes. Fiscal Impact: State parcel tax revenue of roughly $450 million annually, allocated to school districts for specified education programs.

YES

NO

1E **DISASTER PREPAREDNESS AND FLOOD PREVENTION BOND ACT OF 2006.** This act rebuilds and repairs California's most vulnerable flood control structures to protect homes and prevent loss of life from flood-related disasters, including levee failures, flash floods, and mudslides; it protects California's drinking water supply system by rebuilding delta levees that are vulnerable to earthquakes and storms; by authorizing a $4.09 billion dollar bond act. Fiscal Impact: State costs of approximately $8 billion over 30 years to repay bonds. Reduction in local property tax revenues of potentially up to several million dollars annually. Additional unknown state and local operations and maintenance costs.

YES

NO

83 **SEX OFFENDERS. SEXUALLY VIOLENT PREDATORS. PUNISHMENT, RESIDENCE RESTRICTIONS AND MONITORING. INITIATIVE STATUTE.** Increases penalties for violent and habitual sex offenders and child molesters. Prohibits residence near schools and parks. Requires Global Positioning System monitoring of registered sex offenders. Fiscal Impact: Net state operating costs within ten years of up to a couple hundred million dollars annually; potential one-time state construction costs up to several hundred million dollars; unknown net fiscal impact on local governments.

YES

NO

84 **WATER QUALITY, SAFETY AND SUPPLY. FLOOD CONTROL. NATURAL RESOURCE PROTECTION. PARK IMPROVEMENTS. BONDS. INITIATIVE STATUTE.** Funds water, flood control, natural resources, park and conservation projects by authorizing $5,388,000,000 in general obligation bonds. Emergency drinking water safety provisions. Fiscal Impact: State cost of $10.5 billion over 30 years to repay bonds. Reduced local property tax revenues of several million dollars annually. Unknown state and local operations and maintenance costs, potentially tens of millions of dollars annually.

YES

NO

89 **POLITICAL CAMPAIGNS. PUBLIC FINANCING. CORPORATE TAX INCREASE. CAMPAIGN CONTRIBUTION AND EXPENDITURE LIMITS. INITIATIVE STATUTE.** Provides that eligible candidates for state elective office may receive public campaign funding. Increases tax on corporations and financial institutions by 0.2 percent to fund program. Imposes new campaign contribution/expenditure limits. Fiscal Impact: Increased revenues (primarily from increased taxes on corporations and financial institutions) totaling more than $200 million annually to pay for the public financing of political campaigns.

YES

NO

90 **GOVERNMENT ACQUISITION, REGULATION OF PRIVATE PROPERTY. INITIATIVE CONSTITUTIONAL AMENDMENT.** Bars state/local governments from condemning or damaging private property to promote other private projects, uses. Limits government's authority to adopt certain land use, housing, consumer, environmental, workplace laws/regulations. Fiscal Impact: Increased annual government costs to pay property owners for losses to their property associated with new laws and rules, and for property acquisitions. These costs are unknown, but potentially significant on a statewide basis.

YES

NO

CITY

CITY OF WATSONVILLE

L In order to maintain critical City services such as police, parks, fire and community services, neighborhood crime prevention, building code enforcement, gang prevention programs, road and pothole repair and other services provided by the City of Watsonville, shall the sales tax in Watsonville be increased by one quarter of one percent (0.25%) to be effective if the voters also cap the City's retirement tax collection rate at 7.7 cents per $100.00 of assessed value?

YES

NO

M Shall the City of Watsonville amend Subdivision (b) of Section 1122 of Article XI of the Charter of the City of Watsonville by adding a new Subdivision (3) which caps the retirement tax rate at 7.7 cents per $100.00 of assessed value, to be effective on July 1, 2007, if the voters also approve a one quarter of one percent (0.25%) sales tax increase?

YES

NO

CA44-2-AB1

VOTE BOTH SIDES

Ballot

44-SB216

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VOTER'S PAMPHLET

LOCAL NONPARTISAN CANDIDATES' STATEMENTS OF QUALIFICATIONS

The following pages may not contain a complete list of candidates. A complete list of candidates appears on the Sample Ballot.
Each statement is volunteered by, and (unless otherwise determined by the governing body) is printed at the expense of, the candidate.

Statement of **ROWLAND BAKER**, Candidate for
Superintendent of Schools
Santa Cruz County

Occupation: Santa Cruz County Assistant Superintendent of Schools **Age:** 55

For 33 years I've worked to make Santa Cruz County's schools better. During my 15 years as a classroom teacher, 5 years as a principal, and 13 years at the County Office of Education, I've lead with vision and innovation to address the needs of our students and schools. My years working with the Department of Education in Sacramento have given me the expertise needed to help secure millions of dollars in grants and special funding for local schools. Many key educators and other community leaders support my candidacy. The current County Superintendent of Schools endorses me.

My goals:

- Develop curriculum and programs to ensure the success of all students.
- Recruit, support and retain excellent teachers and staff.
- Maximize state and federal funding while ensuring school district fiscal accountability.
- Streamline and consolidate county services in a way that supports individual school districts.

If elected, I will provide the leadership necessary to represent our county in Sacramento. I will develop programs that improve our schools and address their unique and rapidly changing needs. As a native of our county, a parent and lifelong educator, I'm committed to creating the best possible education for all of our students.

http://www.bakerforsuperintendent.com

3005-002

Declaración de **ROWLAND BAKER**, Candidato para
Superintendente de Escuelas
Condado de Santa Cruz

Ocupación: Asistente al Superintendente de Escuelas del Condado de Santa Cruz **Edad**: 55

Por 33 años, he trabajado para mejorar las escuelas del Condado de Santa Cruz. Durante 15 años como maestro en las aulas, 5 años como director escolar, y 13 años en las Oficinas de Educación del Condado, he liderado con visión y con innovación para hacer frente a las necesidades de nuestros alumnos y de nuestras escuelas. Mis años de trabajo con el Departamento de Educación en Sacramento me han dotado de la pericia necesaria para ayudar a obtener millones de dólares en donaciones y en fondos especiales para las escuelas locales. Mi candidatura cuenta con el respaldo de muchos educadores importantes y de otros dirigentes de la comunidad. El actual Superintendente de Escuelas del Condado me ha dado su aprobación, también.

Éstas son mis metas:

- Establecer planes académicos y programas para garantizar el éxito de todos los alumnos.
- Reclutar, apoyar y retener a excelentes maestros y empleados.
- Aumentar al máximo el financiamiento federal y estatal en tanto que se garantiza la responsabilidad fiscal del distrito escolar.
- Agilizar y consolidar los servicios del condado de una manera que apoye los distritos escolares individuales.

Si soy elegido, ofreceré la dirección necesaria para representar a nuestro condado en Sacramento. Desarrollaré programas que mejoren nuestras escuelas y que enfrenten sus necesidades únicas que cambian tan rápido. Como natural de nuestro condado, como padre y como educador por toda mi vida, estoy comprometido a establecer la mejor educación posible para todos nuestros alumnos.

http://www.bakerforsuperintendent.com

3005-002

Statement of **MICHAEL WATKINS**, Candidate for
Superintendent of Schools
County of Santa Cruz

Occupation: Educator and School Administrator **Age**: 56

I am running for Superintendent because I refuse to accept the declining state of our public schools. New leadership is the answer.

As your Superintendent, I will:

- Put students first
- Empower teachers and include parents in decision making
- Fight to get Santa Cruz County schools every dollar due from state and federal government, make wise use of tax payer dollars, and direct funds to the classroom
- Work with business leaders to prepare students for the demands of the 21st Century workforce
- Promote tolerance and embrace diversity

I have been endorsed by:

- Sandra Nichols and Lupe Rivas (former candidates)
- Teachers (California Teacher's Association)
- Democrats (Democratic Women's Club)
- Classified school employees (Classified School Employees Association 484)
- Working families (AFSCME 3299)
- GLBT Alliance
- Democracy for America

I have 35 years of experience working in every aspect of education including: classroom teaching, school administration and balancing multi-million dollar budgets. I have been honored for, "Visionary Leadership" by the Board of Supervisors and "Positive Change for Youth" by the Watsonville City Council.

The status quo is no longer acceptable. I will welcome the community's input and build new partnerships. I respectfully request your vote. Together, we can make public education the gateway to a better future.

3005-001

Declaración de **MICHAEL WATKINS,** Candidato para
Superintendente de Escuelas
Condado de Santa Cruz

Ocupación: Educador y administrador escolar **Edad:** 56

Me postulo para el puesto de Superintendente porque me niego a aceptar el empeoramiento de nuestras escuelas públicas. La respuesta reside en obtener nueva dirección.

Como su Superintendente, Yo

- Daré prioridad a los alumnos; Concederé poderes a los maestros e incluiré a los padres en la toma de decisiones; Lucharé para que las escuelas del Condado de Santa Cruz puedan obtener todo el dinero que merecen del gobierno estatal y federal, utilizaré prudentemente los fondos del contribuyente y dirigiré los fondos hacia los salones de clases; Trabajaré con los líderes del sector comercial para preparar a los alumnos para las exigencias del mundo laboral del Siglo XXI; Fomentaré la tolerancia y daré la bienvenida a la diversidad

Cuento con el respaldo de:

- Sandra Nichols y Lupe Rivas (ex candidatas); Los maestros (la Asociación de Maestros de California); Los demócratas (el Club de Mujeres Demócratas); Los empleados escolares especializados (la Asociación de Empleados Escolares Especializados 484); Las familias que trabajan (AFSCME – la Federación Americana de Empleados Municipales, Estatales y Federales 3299); La Alianza GLBT (alianza entres gays y lesbianas); Democracia para Estados Unidos

Tengo 35 años de experiencia de trabajar en todos los aspectos de la educación incluyendo: como maestro en las aulas, como administrador escolar y en la reconciliación de presupuestos multimillonarios. Recibí el galardón por "Dirección Visionaria" otorgado por el consejo de supervisores y el galardón por "Cambios Positivos para la Juventud" otorgado por el concejo de la ciudad de Watsonville.

Ya no se puede aceptar el sistema establecido. Invitaré las ideas de la comunidad y formaré nuevas alianzas. Solicito respetuosamente su voto. Juntos podemos hacer de la educación pública el umbral para llegar a un futuro mejor.

3005-001

Statement of **ANTONIO RIVAS**, Candidate for
Member of City Council, District 3
City of Watsonville

Occupation: Mayor/School Counselor **Age:** 59

As your Mayor, I have served as Mayor Pro Tempore and City Council Member.

I am a longtime resident of this community, working as public school counselor and teacher for 30 years.

My wife Mariza is a registered nurse at Watsonville Hospital and raised three wonderful and caring children.

My accountability performances as a public office are:

- Member of the Santa Cruz County Transportation Commission, SCC Arts Board, SCCJustice Board, PVSA Board, PVUSD School Bond Committee and other boards.
- President of the Monterey Bay Division League of Cities.
- Ensure the funding and the construction of the Watsonville Civic Center that includes a new Library and Judicial courts.
- Ensure that the repairs and improvements of Freedom and Watsonville streets/roads.
- Ensure that services for seniors and youth are provided.
- Continue to have safe neighborhoods.
- Continue to maintain Mobile Home rent control and develop more affordable housing.
- Continue to promote business, jobs, and economic development.
- Protect our agricultural land and airport.

I will continue to make local government accountable, efficient, accessible and responsive to your concerns.

Please VOTE for me, and Re-Elect me so I can continue to serve you.

5033-001

Declaración de **ANTONIO RIVAS,** Candidato para
Miembro del Concejo de la Ciudad, Distrito 3
Ciudad de Watsonville

Ocupación: Alcalde/consejero escolar **Edad:** 59

Como su alcalde, he trabajado como alcalde interino y como miembro del concejo de la ciudad.

He sido residente de esta comunidad por mucho tiempo trabajando, por 30 años, como consejero y maestro en las escuelas públicas.

Mi esposa, Mariza es una enfermera titulada en el Hospital de Watsonville y ha criado a tres niños cariñosos y maravillosos.

Mis desempeños en cargos públicos incluyen:

- Miembro de la Comisión de Transporte del Condado de Santa Cruz, el Consejo de las Artes del Condado de Santa Cruz, el Consejo de la Justicia del Condado de Santa Cruz, el Consejo PVSA, el Comité sobre Bonos Escolares del Distrito Escolar Unificado del Valle del Pájaro y otros consejos.
- Presidente de la Alianza de Ciudades de la División de la Bahía de Monterey.
- Garantizar el financiamiento y la construcción del Centro Cívico de Watsonville que incluye una nueva biblioteca y los tribunales de justicia.
- Garantizar las reparaciones y mejoras de las calles de Freedom y de Watsonville.
- Garantizar que se ofrecerán servicios para los jóvenes y para las personas de edad avanzada.
- Continuar a tener vecindarios seguros.
- Continuar preservando el control de alquileres para las casas móviles y construir más viviendas económicas.
- Continuar fomentando los negocios, los empleos y el desarrollo económico.

Proteger nuestra tierra agrícola y el aeropuerto.

Continuaré haciendo que el gobierno local sea responsable, eficiente, accesible y receptivo a sus motivos de preocupación.

Por favor, vote por mí y reelíjame para que pueda seguir sirviéndole.

5033-001

CITY OF WATSONVILLE

L In order to maintain critical City services such as police, parks, fire and community services, neighborhood crime prevention, building code enforcement, gang prevention programs, road and pothole repair and other services provided by the City of Watsonville, shall the sales tax in Watsonville be increased by one quarter of one percent (0.25%) to be effective if the voters also cap the City's retirement tax collection rate at 7.7 cents per $100.00 of assessed value?

FULL TEXT OF BALLOT MEASURE L
CITY OF WATSONVILLE

ORDINANCE NO. (CM)

AN ORDINANCE OF THE OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE ADDING A NEW ARTICLE 10 TO CHAPTER 6 (TAXATION) OF TITLE 3 (FINANCE) OF THE WATSONVILLE MUNICIPAL CODE IMPOSING A TRANSACTIONS AND USE (SALES) TAX TO BE ADMINISTERED BY THE CALIFORNIA STATE BOARD OF EQUALIZATION

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF WATSONVILLE, CALIFORNIA, DO HEREBY ORDAIN AS FOLLOWS:

SECTION 1. ENACTMENT.

Article 10 Transactions and Use Tax Ordinance is hereby added to Chapter 6 (Taxation) of Title 3 (Finance) of the Watsonville Municipal Code to read as follows:

Article 10. Transactions and Use Tax Ordinance

Sec. 3-6.1001 Title.

This ordinance shall be known as the City of Watsonville Transactions and Use Tax Ordinance. The City of Watsonville hereinafter shall be called "City." This ordinance shall be applicable in the incorporated territory of the City of Watsonville.

Sec. 3-6.1002 Operative date.

"Operative Date" shall mean the first day of the first calendar quarter commencing more than 110 days after the adoption of this ordinance, the date of such adoption being as set forth below.

Sec. 3-6.1003 Purpose.

This ordinance is adopted to achieve the following, among other purposes, and directs that the provisions hereof be interpreted in order to accomplish these purposes:

(a) To impose a retail transactions and use tax in accordance with the provisions of Part 1.6 (commencing with Section 7251) and Section 7285.9 of Part 1.7 both in Division 2 of the Revenue and Taxation Code which authorizes the City to adopt this tax ordinance which shall be operative if a majority of the electors voting on the measure vote to approve the imposition of the tax at an election called for that purpose.

(b) To adopt a retail transactions and use tax ordinance that incorporates provisions identical to those of the Sales and Use Tax Law of the State of California insofar as those provisions are not inconsistent with the requirements and limitations contained in Part 1.6 of Division 2 of the Revenue and Taxation Code.

(c) To adopt a retail transactions and use tax ordinance that imposes a tax and provides a measure therefore that can be administered and collected by the State Board of Equalization in a manner that adapts itself as fully as practicable to, and requires the least possible deviation from, the existing statutory and administrative procedures followed by the State Board of Equalization in administering and collecting the California State Sales and Use Taxes.

(d) To adopt a retail transactions and use tax ordinance that can be administered in a manner that will be, to the greatest degree possible, consistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, minimize the cost of collecting the transactions and use taxes, and at the same time, minimize the burden of record keeping upon persons subject to taxation under the provisions of this ordinance.

Sec. 3-6.1004 Contract with State.

Prior to the operative date, the City shall contract with the State Board of Equalization to perform all functions incident to the administration and operation of this transactions and use tax ordinance; provided, that if the City shall not have contracted with the State Board of Equalization prior to the operative date, it shall nevertheless so contract and in such a case the operative date shall be the first day of the first calendar quarter following the execution of such a contract.

Sec. 3-6.1005 Transactions Tax Rate.

For the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all retailers in the incorporated and unincorporated territory of the City at the rate of one quarter of one percent (0.25%) of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in said territory on and after the operative date of this ordinance.

Sec. 3-6.1006 Place of sale.

For the purposes of this ordinance, all retail sales are consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or his agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. The gross receipts from such sales shall include delivery charges, when such charges are subject to the state sales and use tax, regardless of the place to which delivery is made. If a retailer has no permanent place of business in the State or has more than one place of business, the place or places at which the retail sales are consummated shall be determined under rules and regulations to be prescribed and adopted by the State Board of Equalization.

Sec. 3-6.1007 Use tax rate.

An excise tax is hereby imposed on the storage, use or other consumption in the City of tangible personal property purchased from any retailer on and after the operative date of this ordinance for storage, use or other consumption in said territory at the rate of one quarter of one percent (0.25 %) of the sales price of the property. The sales price shall include delivery charges when such charges are subject to state sales or use tax regardless of the place to which delivery is made.

Sec. 3-6.1008 Adoption of provisions of State law.

Except as otherwise provided in this ordinance and except insofar as they are inconsistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, all of the provisions of Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code are hereby adopted and made a part of this ordinance as though fully set forth herein.

Sec. 3-6.1009 Limitations on adoption of State law and collection of use taxes.

In adopting the provisions of Part 1 of Division 2 of the Revenue and Taxation Code:

(a) Wherever the State of California is named or referred to as the taxing agency, the name of this City shall be substituted therefor. However, the substitution shall not be made when:

(1) The word "State" is used as a part of the title of the State Controller, State Treasurer, State Board of Control, State Board of Equalization, State Treasury, or the Constitution of the State of California;

(2) The result of that substitution would require action to be taken by or against this City or any agency, officer, or employee thereof rather than by or against the State Board of Equalization, in performing the functions incident to the administration or operation of this ordinance.

(3) In those sections, including, but not necessarily limited to sections referring to the exterior boundaries of the State of California, where the result of the substitution would be to:

(i) Provide an exemption from this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not otherwise be exempt from this tax while such sales, storage, use or other consumption remain subject to tax by the State under the provisions of Part 1 of Division 2 of the Revenue and Taxation Code, or;

(ii) Impose this tax with respect to certain sales, storage, use, or other consumption of tangible personal property which would not be subject to tax by the State under the said provision of that code.

(4) In Sections 6701, 6702 (except in the last sentence thereof), 6711, 6715, 6737, 6797 or 6828 of the Revenue and Taxation Code.

(b) The word "City" shall be substituted for the word "State" in the phrase "retailer engaged in business in this State" in Section 6203 and in the definition of that phrase in Section 6203.

Sec. 3-6.1010 Permit not required.

If a seller's permit has been issued to a retailer under Section 6067 of the Revenue and Taxation Code, an additional transactor's permit shall not be required by this ordinance.

Sec. 3-6.1011 Exemptions and exclusions.

(a) There shall be excluded from the measure of the transactions tax and the use tax the amount of any sales tax or use tax imposed by the State of California or by any city, city and county, or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or the amount of any state-administered transactions or use tax.

(b) There are exempted from the computation of the amount of transactions tax the gross receipts from:

(1) Sales of tangible personal property, other than fuel or petroleum products, to operators of aircraft to be used or consumed principally outside the county in which the sale is made and directly and exclusively in the use of such aircraft as common carriers of persons or property under the authority of the laws of this State, the United States, or any foreign government.

(2) Sales of property to be used outside the City which is shipped to a point outside the City, pursuant to the contract of sale, by delivery to such point by the retailer or his agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point. For the purposes of this paragraph, delivery to a point outside the City shall be satisfied:

(i) With respect to vehicles (other than commercial vehicles) subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, and undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code by registration to an out-of-City address and by a declaration under penalty of perjury, signed by the buyer, stating that such address is, in fact, his or her principal place of residence; and

(ii) With respect to commercial vehicles, by registration to a place of business out-of-City and declaration under penalty of perjury, signed by the buyer, that the vehicle will be operated from that address.

(3) The sale of tangible personal property if the seller is obligated to furnish the property for a fixed price pursuant to a contract entered into prior to the operative date of this ordinance.

(4) A lease of tangible personal property which is a continuing sale of such property, for any period of time for which the lessor is obligated to lease the property for an amount fixed by the lease prior to the operative date of this ordinance.

(5) For the purposes of subsections (3) and (4) of this section, the sale or lease of tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

(c) There are exempted from the use tax imposed by this ordinance, the storage, use or other consumption in this City of tangible personal property:

(1) The gross receipts from the sale of which have been subject to a transactions tax under any state-administered transactions and use tax ordinance.

(2) Other than fuel or petroleum products purchased by operators of aircraft and used or consumed by such operators directly and exclusively in the use of such aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this State, the United States, or any foreign government. This exemption is in addition to the exemptions provided in Sections 6366 and 6366.1 of the Revenue and Taxation Code of the State of California.

(3) If the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into prior to the operative date of this ordinance.

(4) If the possession of, or the exercise of any right or power over, the tangible personal property arises under a lease which is a continuing purchase of such property for any period of time for which the lessee is obligated to lease the property for an amount fixed by a lease prior to the operative date of this ordinance.

(5) For the purposes of subsections (3) and (4) of this section, storage, use, or other consumption, or possession of, or exercise of any right or power over, tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

(6) Except as provided in subparagraph (7), a retailer engaged in business in the City shall not be required to collect use tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the City or participates within the City in making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the City or through any representative, agent, canvasser, solicitor, subsidiary, or person in the City under the authority of the retailer.

(7) "A retailer engaged in business in the City" shall also include any retailer of any of the following: vehicles subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, or undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code. That retailer shall be required to collect use tax from any purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in the City.

(d) Any person subject to use tax under this ordinance may credit against that tax any transactions tax or reimbursement for transactions tax paid to a district imposing, or retailer liable for a transactions tax pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code with respect to the sale to the person of the property the storage, use or other consumption of which is subject to the use tax.

Sec.3-6.1012 Amendments.

All amendments subsequent to the effective date of this ordinance to Part 1 of Division 2 of the Revenue and Taxation Code relating to sales and use taxes and which are not inconsistent with Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, and all amendments to Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, shall automatically become a part of this ordinance, provided however, that no such amendment shall operate so as to affect the rate of tax imposed by this ordinance.

Sec. 3-6.1013 Enjoining collection forbidden.

No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action or proceeding in any court against the State or the City, or against any officer of the State or the City, to prevent or enjoin the collection under this ordinance, or Part 1.6 of Division 2 of the Revenue and Taxation Code, of any tax or any amount of tax required to be collected.

Sec. 3-6.1014 Severability.

If any provision of this ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the ordinance and the application of such provision to other persons or circumstances shall not be affected thereby.

Sec. 3-6.1015 Effective date.

This ordinance relates to the levying and collecting of the City transactions and use tax and shall take effect immediately.

IMPARTIAL ANALYSIS BY CITY ATTORNEY MEASURE L

If adopted, this Measure would increase the sales tax in Watsonville by one quarter of one percent (¼ %). The sales tax is sometimes referred to as "transactions and use tax". The present sales tax rate in Watsonville is eight percent (8%). This Measure would increase the rate to eight and one quarter percent (8.25%). The proposed increase would be imposed just like the present tax; upon the sale of tangible personal property sold at retail within the City limits and upon the storage, use, or other consumption of tangible personal property purchased from any retailer in the City limits.

All revenue from the proposed tax would go into the City's General Fund and would therefore be used by the City to pay for general City operations and services including police, fire, parks, building code enforcement and street repair and improvements. This Measure is therefore a "general purpose tax" rather than a "special purpose tax" and requires a simple majority vote.

This Measure would be valid and effective if and only if the voters also approve Measure M which amends Subdivision (b) of the City Charter, capping the City retirement tax. This sales tax would replace part of the revenue lost by capping the retirement tax.

s/ Alan J. Smith
City Attorney

FISCAL IMPACT STATEMENT BY CITY FISCAL OFFICER MEASURE L

Measure L and Measure M are co-dependent. That is, both measures must be approved by the voters for either to take effect. Measure L would increase the sales tax rate in the City of Watsonville by ¼%, increasing City revenues by approximately $1.1 million. Measure M would reduce the property tax for the City employees' retirement program by 30% and place a new cap of 7.7 cents per $100 of assessed value on the rate which could be charged. Measure M would decrease City revenues by approximately $1.1 million.

Because Measure L and Measure M would oppositely impact cost flow within the same fiscal year, projections show that the difference between the addition of increased sales tax collections and the reductions in retirement tax collections would be negligible. Therefore, if Measure L and Measure M are approved by the voters the impact on the City budget would be neutral.

The City of Watsonville currently has the lowest municipal sales tax rate in Santa Cruz County at 8%, or 8 cents on every dollar paid for a taxable item. Of this amount, the City of Watsonville receives 1%, or 1 cent on every dollar. These funds are used to pay for general City services such as police, parks, fire, neighborhood crime and gang prevention, community services, road and pothole repair and building code enforcement.

If voters approve Measure L, it would increase the total sales tax rate to 8¼%, and would raise the local portion the City receives to 1¼%. California cities are allowed to adopt increased rates above the 1% base rate as a "local option" based on State legislation.

Actual sales tax collections may vary from year to year depending upon economic conditions. The current sales tax rate generated $5,879,813 for the annual period from July 2004 to June 2005 and is projected to generate $6,513,353 for the annual period from July 2005 to June 2006. Based on projections, this proposed ¼% increase would generate an additional $1,055,000 in General Fund revenue for the fiscal year beginning in July 2007.

Many large sales transactions that occur within the City would not be impacted by this increase and thus would not generate additional sales tax revenue. For example, auto vehicles sold to parties residing outside of the City would not be taxed at the Watsonville sales tax rate nor be allocated to the City of Watsonville. Accordingly, any of these transactions would not be impacted by the proposed ¼% increase.

Sales Tax is currently the number one revenue source for the City's General Fund and is almost 20% of total General Fund revenues. This demonstrates that the City's resources are balanced as many jurisdictions depend on much larger percentages for sales tax or their top revenue source, commonly between 30%-50%.

Many local jurisdictions have recently increased their sales tax rates. Salinas, Sand City and Scotts Valley have increased their rate by ½-cent and Santa Cruz and Capitola by ¼-cent.

s/ Marc A Pimentel, CPA
Administrative Services Director
City of Watsonville

ARGUMENT IN FAVOR OF MEASURE L

As part of the recent election regarding an existing property tax known as the Retirement Tax, the Watsonville City Council committed to the formation of a Blue Ribbon Committee charged with identifying a sustainable resource base for City services including the possibility of eliminating or reducing the Retirement Tax.

This Blue Ribbon Committee included representatives appointed by:

- Business
- Industry
- Real estate
- Labor
- Tax repeal proponents
- Social services and
- Each council district

The committee voted to support a ¼ cent sales tax increase, to be combined with a significant reduction to the property tax known as the Retirement Tax. Measure L will increase the retail sales tax from 8% to 8 ¼%, generating approximately $1.1 million annually to support essential City services. Accompanying Measure M will cap the Retirement Tax to 7.7 cents per $100 of assessed value, which is a reduction of 30% from the current rate. The sales tax increase, Measure L, will only become effective if voters also approve Measure M.

The services that will be maintained by this revenue include:

- Police
- Fire
- Parks & Recreation
- Neighborhood crime prevention
- Building code enforcement
- Gang prevention programs
- Road and pothole repair
- Other services provided by the City

The Blue Ribbon Committee recommends this Measure because:

- It is the fairest tax, as it spreads the burden of funding City services across the entire population. We will all share the burden.
- The sales tax generated will stay in the City of Watsonville, protected from State and Federal government takeaways.
- Approval of this Measure and Measure M will result in lowering property taxes significantly while saving all City services.

Vote YES on Measure L. Lower your taxes while protecting City services!

s/ Todd McFarren
Chair, Blue Ribbon Committee

s/ Terry Medina
Police Chief, Watsonville

s/ Dana M. Sales
County Schools Trustee

s/ Bill Neighbors
Retired Businessman

s/ Lorraine E. Stucki
Retired

NO ARGUMENT AGAINST MEASURE L WAS FILED.

CITY OF WATSONVILLE

M Shall the City of Watsonville amend Subdivision (b) of Section 1122 of Article XI of the Charter of the City of Watsonville by adding a new Subdivision (3) which caps the retirement tax rate at 7.7 cents per $100.00 of assessed value, to be effective on July 1, 2007, if the voters also approve a one quarter of one percent (0.25%) sales tax increase?

FULL TEXT OF BALLOT MEASURE M CITY OF WATSONVILLE

PROPOSED AMENDMENTS TO THE CHARTER OF THE CITY OF WATSONVILLE SPECIAL MUNICIPAL CHARTER AMENDMENT ELECTION NOVEMBER 7, 2006

The Council of the City of Watsonville hereby submits to the registered and qualified electors of the City for their adoption or rejection, the following proposal to amend the Charter of the City of Watsonville by adding a new Subdivision (3) to Subdivision (b) of Section 1122. Tax Limits to read as follows:

"(3) The tax provided for in Subdivision (b)(2) of this section shall not be collected at a rate exceeding 7.7 cents on each One Hundred and no/100th ($100.00) Dollars of assessed value."

IMPARTIAL ANALYSIS BY CITY ATTORNEY MEASURE M

Subparagraph (1) of subdivision (b) of Section 1122 of the Watsonville City Charter, adopted by the voters in 1960, authorized an additional real estate tax in Watsonville to be collected with other real estate taxes. The purpose of this additional real estate tax was to pay all annual City obligations to the State Employees' Retirement System, or other system for the retirement of City employees.

This tax has been collected annually since 1950. The rate in 2004 was 13.4 cents per hundred dollars of assessed value.

This Measure, if approved by the voters, would amend the City Charter by adding new language to Section 1122 prohibiting the City from collecting this retirement tax at a rate exceeding 7.7 cents per hundred dollars of assessed value. This would reduce and cap the retirement tax paid by all owners of Watsonville real estate.

This Measure would become valid and effective only if the voters also approve proposed Measure L which would authorize a citywide ¼ cent sales tax. The City would use the sales tax increase to partially offset this reduction in the retirement tax.

s/ Alan J. Smith
City Attorney

FISCAL IMPACT STATEMENT BY CITY FISCAL OFFICER MEASURE M

Measure L and Measure M are co-dependent. That is, both measures must be approved by the voters for either to take effect. Measure L would increase the sales tax rate in the City of Watsonville by ¼%, increasing City revenues by approximately $1.1 million. Measure M would reduce the property tax for the City employees' retirement program by 30% and place a new cap of 7.7 cents per $100 of assessed value on the rate which could be charged. Measure M would decrease City revenues by approximately $1.1 million.

Because Measure L and Measure M would oppositely impact cost flow within the same fiscal year, projections show that the difference between the addition of increased sales tax collections and the reductions in retirement tax collections would be negligible. Therefore, if Measure L and Measure M are approved by the voters the impact on the City budget would be neutral.

The City of Watsonville voters approved the retirement tax levy that partially funds the City of Watsonville's employee retirement system as part of the City Charter in 1949 and again in 1960. This levy is an ad-valorem tax. That is, the amount is based on the assessed value of the property and is above the 1% standard property tax rate. This tax is also a restricted tax as it can only be used to pay for the City's employee retirement system costs.

Annually, the City Council approves an ordinance setting the following year's retirement tax levy rate and instructs the County of Santa Cruz to levy that rate on all taxable property within the City. The collections are remitted to the City, held in a separate, audited fund and transferred into the General Fund as a cost reimbursement.

If approved by the voters, Measure M would amend the City Charter by placing a rate cap on the retirement tax levy of 7.7 cents per $100 or $77 per $100,000 in assessed value. This would be a reduction of approximately 30% from the rate currently in place, which is 11 cents per $100 in assessed value. This cap would set the maximum rate that could be collected for any annual period after June 30, 2007. In its 57 years of existence, the levy rate was below this proposed cap only once, in 1950, the first year it was established. Over this same period, it has averaged 22.3 cents per $100 or $223 per $100,000 in assessed value.

Based on projections for the fiscal year beginning on July 1, 2007, this cap would limit the possible annual retirement tax collections to approximately $2,400,000. This is $1,103,177 less than the projected collections for the fiscal year beginning on July 1, 2006 which total $3,503,177.

Due to assessed value increases, the City Council reduced the rate for the fiscal year beginning on July 1, 2006 to 11 cents per $100 in assessed value while maintaining the amount required to adopt a balance budget.

s/ Marc A Pimentel, CPA
Administrative Services Director
City of Watsonville

ARGUMENT IN FAVOR OF MEASURE M

The Watsonville City Council is committed to implementing the recommendations made by the Blue Ribbon Committee and this Measure is a reflection of that commitment.

When recently faced with a ballot measure regarding an existing property tax known as the Retirement Tax, the voters agreed to work with the City Council to find an alternate sustainable resource base for City services. Measure M would reduce the Retirement Tax while maintaining City services.

Vote yes on Measure M! This Measure sets a cap of 7.7 cents per $100 of assessed value. Once this cap is in place, only Watsonville voters can change it.

This is your opportunity to reduce the Retirement Tax by 30%. Accompanying Measure L, if approved, will raise sales tax by ¼%. This will spread the tax burden across the entire population, while reducing taxes for property owners.

This proposal is recommended by the Blue Ribbon Committee, which included representatives appointed by:

- Business
- industry
- Real estate
- Labor
- Tax repeal proponents
- Social services and
- Each council district

Vote yes on Measure M! You can reduce your taxes without losing city services. This measure only becomes effective if Measure L is also approved.

s/ Todd McFarren
Chair, Blue Ribbon Committee

s/ Terry Medina
Police Chief, Watsonville

s/ Dana M. Sales
County Schools Trustee

s/ Bill Neighbors
Retired Businessman

s/ Lorraine E. Stucki
Retired

NO ARGUMENT AGAINST MEASURE M WAS FILED.