

**Special Election • Tuesday, July 21, 2009**

Oakland Ballot Measures

# VOTER GUIDE

LEAGUE OF WOMEN VOTERS OF OAKLAND EDUCATION FUND

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*As a part of its Voter Service program, the League of Women Voters publishes an explanation of the propositions on the ballot, and the main arguments for and against each measure. The League does not judge the merits of the arguments, and does not guarantee their validity. Arguments come from many sources, and are not limited to those found in the ballot pamphlet.*

## Measure

### C

## Transient Occupancy Tax (Hotel Tax)

**The way it is now:** People who stay in Oakland hotels for less than 30 days pay an 11% Transient Occupancy Tax (Hotel Tax).

**What Measure C would do:** Starting July 1, 2010, the rate for the Transient Occupancy Tax (Hotel Tax) would be raised from 11% to 14%. Half of the money raised from this tax increase will go to the Oakland Convention & Visitors Bureau; the other half will be split evenly among the Oakland Zoo, Oakland Museum of California, Chabot Space & Science Center, and Cultural Arts Programs and Festivals in Oakland.

**Effect on government spending:** The City Auditor estimates approximately \$2.76 million would be collected in 2009-2010 from the proposed tax increase. Money raised from this tax increase could only be used as specified in Measure C.

#### Arguments for:

Measure C money will be invested in Oakland's tourist attractions and services, which will create good jobs; attract more visitors to Oakland; and increase taxes paid to the City.

Raising the tax will not put us at a disadvantage in the region. Oakland's hotel tax will be no higher than other major cities like San Francisco.

Measure C is not a blank check for city government. It will help pay for some great programs that will benefit all Oakland residents.

#### Arguments against:

No ballot arguments against this measure were submitted.

## Measure

### D

## Amendment to Kids First!

**The Way It Is Now:** Kids First was adopted by the voters in 1996 to require City funding for new programs for children and youth. It was paid for by taking 2.5% of the City's unrestricted General Fund. The unrestricted General Fund also pays for the basic operating expenses of the City, including police and fire services, libraries and parks. The original measure lasted for 12 years—until 2008. In 2008, the City Council voted to extend it for another 12 years.

In November 2008, Oakland voters passed Measure OO, the Kids First 2 initiative, to take effect July 1, 2009. Measure OO changed the required funding amount from 2.5% of unrestricted General Fund revenues to 1.5% (July 2009 - June 2011) and 2.5% (after July 2011) of Oakland's total revenues, with the funding coming solely from the unrestricted General Fund.

Because Oakland's total revenues are about 2.5 times as much as its unrestricted General Fund revenues, the net effect of Measure OO is to increase Kid's First revenues by about 58% the first two years and 184% in the third year (fiscal year 2012).

Kids First 2 also eliminates the every-12-year review required in the original Kids First, so the Kids First funding becomes a permanent part of the City budget.

**What Measure D would do:** Measure D would modify some of Measure OO changes to Kids First. Instead of being a permanent part of the City budget, Kids First would again need to be approved every 12 years. The Kids First funding would be 3% of the General Fund; this is a 20% increase from what it is currently, rather than the 58% increase mandated by Measure OO. Under Measure D, there would be no required increases in Kids First funding after the first year.

#### Effect on government spending:

In the first year, Measure D would cost about \$3.65 million less than under Measure OO. In the third year, Measure D would cost approximately \$13.7 million less than the under Measure OO. This money would be in the City's General Fund and available for uses like police, parks and libraries.

#### Arguments for:

Measure D is supported by the Kids First Coalition that wrote and passed Measure OO last November.

Measure D will help balance the City budget.

Measure D will not increase taxes for anyone.

#### Arguments against:

No ballot arguments against this measure were submitted.

Measure  
**F**

## New Tax for “Cannabis Businesses”

**The Way It Is Now:** Businesses, including cannabis (medical marijuana) businesses, pay a business tax to the City of Oakland. For retail businesses, this tax is \$1.20 per \$1,000 of the business sales.

**What Measure F would do:** Measure F would create a new tax rate for cannabis (medical marijuana) businesses. The new tax rate for these businesses would be \$18 per \$1,000 of business sales.

**Effect on government spending:** This tax would bring in about \$17.5 million in 2010. The money would go into the City’s General Fund. It could be used for any purpose.

**Arguments for:**

Medical marijuana is legal in California. Oakland has created a system of regulations and permits for medical cannabis dispensaries.

This measure provides revenue to balance the budget and help pay for essential City services.

This measure is supported by the owners of the medical cannabis dispensaries, community leaders, the police, and community organizations.

**Arguments against:**

No ballot arguments against this measure were submitted.

Measure  
**H**

## Amendment to Real Property Transfer Tax

**The Way It Is Now:** When a business sells real property (land and buildings) in Oakland, the business pays the Real Property Transfer Tax (RPTT) of 1.5% to the City. However, if the business is transferred (bought or merged) by another business, the RPTT is not paid.

**What Measure H would do:** This measure would change Oakland’s Real Property Transfer Tax (RPTT) to specify that the tax is paid whenever a business is transferred (bought or merged), and the transfer results in a change of ownership of the business real property (land and buildings).

**Effect on government spending:** The City Auditor estimates that, based on historical data, the City revenue could increase up to \$4.4 million per year. This money would go in to the City’s General Fund. It could be used for any purpose.

**Arguments for:**

Measure H does not raise taxes. It closes a loophole to ensure that companies are treated the same as homeowners.

Measure H does not create a new tax and will not increase any tax rate.

This change will help the City balance its budget.

**Arguments against:**

Measure H could stop businesses from wanting to come to Oakland.

This measure doesn’t provide a predictable source of income for the City’s budget.

This isn’t a business-friendly tax.

Last day to register to vote for July 21 election: **July 6**  
Register online: [www.ss.ca.gov/elections/elections\\_vr.htm](http://www.ss.ca.gov/elections/elections_vr.htm)

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