



September 30, 2022

President's Message

Special Message from the President: The pandemic has continued to be challenge for all of us and I hope you have been able to weather the storm. As is usual with November general elections in even-numbered years, this election on November 8th brings numerous state and local tax measures – some reasonable, but many unreasonable. The Board of Directors met and have taken positions on all tax related measures. Below is a voting guide to help you decide how to vote.

Annual MPTA Meeting – Due to COVID we did not hold our annual meeting this March. We look forward to holding the meeting in person after the first of the year. If you have not yet renewed your membership for 2022, please return the enclosed membership envelope.

Voting Guide

MEASURE J – City of Monterey Cannabis Business License Tax

The City is in the process of allowing up to three dispensaries within the City. This measure sets tax rates of 6% and 8% on Cannabis and expects to raise between \$604,000 and \$1.3 Million.

MPTA RECOMMENDS A YES VOTE ON MEASURE J

MEASURE L – City of Sand City Sales Tax Increase

Sales tax increase of 0.5% to fund community improvement measures.

MPTA RECOMMENDS YOU VOTE YOUR CONSCIENCE ON MEASURE L

MEASURE N – City of Pacific Grove Cannabis Business License Tax

This measure sets a tax rate of 6% on Cannabis sales and expects to raise between \$300,000. MPTA has concerns with how funds from previous tax measures have been spent. We have ongoing concerns.

MPTA RECOMMENDS YOU VOTE YOUR CONSCIENCE ON MEASURE N

MEASURE Q – Childcare Initiative

This measure creates a parcel tax of \$49 per parcel per year for 10 years and is expected to raise \$5.5 million to fund childcare initiatives.

The Board recognizes childcare affordability and accessibility as a problem that is negatively affecting the regional economy. The revenue from the local tax will help Monterey County to be eligible for federal and state matching grants.

It is obvious that the people who developed the ballot measure listened to the concerns of fiscal conservatives and responded to those concerns to broaden support. The Board appreciates that the ballot measure contains several provisions to protect taxpayers and ensure public accountability:

- a tax amount that is reasonable compared to other proposed parcel taxes (\$49 per year)
- a ten-year sunset clause
- limitations on expenditures to three categories (plus reasonable administration costs that shall not exceed ten percent of the revenue)
- a Safe, Affordable, Quality Child Care Citizens Oversight Committee with outlined responsibilities
- 15 members (and 15 alternates) on the citizens oversight committee, including a designated member representing a taxpayers' association
- an annual report from the Monterey County Auditor-Controller of receipts and expenditures

MPTA RECOMMENDS A YES VOTE ON MEASURE Q

PROPOSITION 26 – Authorizes New Types of Gambling

Allows federally recognized Native American tribes to operate roulette, dice games, and sports wagering on tribal lands, subject to compact negotiated by the Governor and ratified by the Legislature.

PROPOSITION 27 – Authorizes Online and Mobile Sports Wagering

Legalizes online and mobile sports wagering, which currently is prohibited, for persons 21 years and older. Directs tax and licensing revenues first to regulatory costs, then remainder to: 85% to homelessness programs; 15% to nonparticipating tribes. Specifies licensing, regulatory, consumer-protection, and betting-integrity standards for sports wagering.

Propositions 26 and 27 are dueling measures and we have been bombarded with advertising. Fundamentally we object to tax measures which limited the funds raised to specific programs. They seldom end up helping the issue and generally end up creating a new support industry which sucks in the funds. We don't want to get involved in an internecine battle of Indian tribes.

MPTA RECOMMENDS A NO VOTE ON PROPOSITION 26 and PROPOSITION 27

PROPOSITION 28 – Provides additional funding for arts & music education in public schools

Provides additional funding for arts and music education in all K-12 public schools (including charter schools) by annually allocating from state General Fund an amount equaling 1% of required state and local funding for public schools.

The Board supports arts and music education but objects to ballot measures that impose rigid requirements for expenditures in the state budget. So-called “Ballot Box Budgeting” limits the ability of the state legislature and governor to prioritize expenditures based on current economic and fiscal conditions.

MPTA RECOMMENDS A NO VOTE ON PROPOSITION 28

PROPOSITION 29 – Requires on-site licensed medical professional at kidney dialysis clinics and establishes other state requirements

While this is not a tax measure the Board has concerns about the potential indirect costs of this measure on consumers. In addition, the Board opposes this measure to make a statement against special interest groups putting measures on the ballot every two years in the hope that they can eventually hoodwink voters into finally passing it. This is abuse of direct democracy.

MPTA RECOMMENDS A NO VOTE ON PROPOSITION 29

PROPOSITION 30 – Provides funding for programs to reduce greenhouse gas emissions by increasing tax on personal income over \$2 million

Increases tax on personal income over \$2 million by 1.75% for individuals and married couples and allocates new tax revenues as follows: (1) 45% for rebates and other incentives for zero-emission vehicle purchases and 35% for charging stations for zero-emission vehicles, with at least half of this funding directed to low-income households and communities; and (2) 20% for wildfire prevention and suppression programs.

While we support efforts to reduce greenhouse gas emissions this measure is fundamentally flawed. It earmarks all funds raised from this tax increase to very specific items in perpetuity. Fifteen years from now will we really need to spend 45% on vehicle purchase incentives or 35% on charging stations. Probably not.

MPTA RECOMMENDS A NO VOTE ON PROPOSITION 30

This November will be a low turnout election, your vote counts even more. Please vote, together we can make a difference!

Rick Heuer
President