



Item 10 - Draft Ballot Measure to Fund the PEC

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TO: Public Ethics Commission
FROM: Nicolas Heidorn, Executive Director
DATE: May 9, 2025
RE: PEC Revenue-Generating Ballot Measure – Draft Language

At its March 2025 meeting, the Public Ethics Commission (Commission or PEC) discussed options for a potential 2026 revenue-generating ballot measure to provide stable funding for the Commission and its programs. Following that discussion, staff drafted potential parcel tax language that was reviewed by the Revenue Options Ad Hoc Subcommittee.

The proposed measure would establish the “Oakland Anti-Corruption Act,” which would impose a parcel tax (exact amount to be determined) to fully fund the PEC, including an expanded Enforcement Unit and the Democracy Dollars Program, and would enact new prohibitions on lobbyists providing gifts and campaign contributions to City elected officials.

Staff is seeking Commission and public comment on the proposal. Following the May meeting, staff and the Revenue Subcommittee hope to return with a final proposal for adoption by the Commission at its July meeting.

Background

Under Measure W, the Democracy Dollars Program was supposed to be implemented for the 2024 election cycle. However, due to the City’s fiscal situation, the City Council suspended minimum funding requirements for the Democracy Dollars Program in the FY23-25 Budget, reducing the PEC’s budget by more than 50% compared with what was required under Measure W. As a result, the PEC was forced to postpone Program implementation for 2024.

During the FY 24-25 Midcycle budget process, the City Council further reduced the amount of funding available for Democracy Dollars implementation. As part of that midcycle process, the City Council adopted the following directive to the City Administrator:

[D]evelop alternatives for the City Council to achieve full implementation of a fully funded Democracy Dollars program by 2028. The plan should include recommendations for a sustainable funding mechanism to ensure the program's ongoing success. If the analysis fails to identify a suitable funding formula, the City Administrator should present options to either scale back the Democracy Dollars program or propose an alternative program.

In December 2024, the City Administration proposed a revenue-generating parcel tax for the April 2025 Special Election ballot which would have fully-funded all the City's oversight agencies, including the PEC, City Auditor, and Police Commission. The \$130/parcel tax was expected to generate \$23.2 million per year. Thirty-one percent (or \$7.2 million) was allocated to fully fund the PEC, including the Democracy Dollars Program. The City Council declined to place this proposal on the ballot, however, with then Council President Bas expressing concerns that the proposal might draw votes away from a sales tax measure on the April ballot and that the tax proposal would benefit from more policy development.

At its January 2025 meeting, the PEC established the Revenue Options Ad Hoc Subcommittee (Subcommittee) to review and develop options for a potential revenue-generating ballot measure to fully fund the Democracy Dollars Program, Enforcement Unit, and possibly other PEC services. The past several years demonstrated the PEC's extreme vulnerability from being funded solely out of the General Purpose Fund in difficult fiscal years. The goals of pursuing a revenue-generating ballot measure include:

- Ensuring the PEC has stable and sufficient funding to implement its Charter-mandated core services, including Measure W;
- Providing adequate minimum staffing for the Commission's Enforcement Unit, so that the Commission has the resources to timely investigate and resolve allegations of violations of the City's ethics, campaign finance, and transparency laws; and
- Strengthening the Commission's independence as a watchdog agency.

The Subcommittee has been meeting with staff to discuss ballot measure options and has settled on proposing a parcel tax as the best method to provide a stable funding source. At its March meeting, the PEC discussed three potential options for funding Measure W only, Measure W and an expanded Enforcement Unit, or to fully fund the PEC (including an expanded Enforcement Unit). Staff and the subcommittee are advancing for consideration and comment the option to fully fund the Commission. PEC staff previously estimated it would cost \$34/parcel to fully fund the Commission and its operations; however, this amount has not yet been validated by the Department of Finance.

Proposal

This proposal would fully fund the PEC's Programs, including Democracy Dollars and an expanded enforcement unit, and enact new prohibitions on lobbyist gifts and campaign contributions. **The primary unifying purpose of this proposed ballot measure is to strengthen the Commission's role as an anti-corruption agency**, which is why staff is proposing to call the measure the "Oakland Anti-Corruption Act."

The proposal includes new funding to expand the Commission's Enforcement Unit from three staff (1 Enforcement Chief and 2 Investigators) to five staff (exact positions to be determined by the PEC). As the Commission is well aware and as discussed at great length in Enforcement Chief Ackerman's Complaint Backlog Strategy Report for this meeting, the Commission's Enforcement

Unit is severely understaffed compared with caseload. Increasing staffing will improve the Commission's ability to investigate, prosecute, and deter violations alleging government corruption, including bribery, conflict of interest, misuse of position, and campaign money-laundering. PEC staff estimate the Commission needs a minimum of 1 Enforcement Chief, 3 Investigators, and 1 Staff Attorney to address its ongoing caseload and to make significant progress addressing its case backlog.

The proposal also fully funds the Democracy Dollars Program, which is one of Oakland's most ambitious anti-corruption policies, but which was defunded in the last two-year budget cycle and likely will be defunded again in this upcoming cycle. As described in the staff memo for this meeting analyzing a proposal to increase contribution limits, Oakland candidates are heavily reliant on large \$500+ donors, who provide the majority of candidates' funding. Candidate overreliance on major donors and special interests, can create an environment conducive to corruption, where candidates may trade future policy support for campaign support, or create the appearance thereof. By enabling candidates to fund their campaigns from ordinary Oaklanders submitting vouchers, Democracy Dollars will eliminate candidates' need to rely on major donors and special interests almost entirely.

Finally, the proposal also bans lobbyists from giving gifts, campaign contributions, or bundling campaign contributions to candidates and elected officials. These changes will strengthen Oakland's anti-corruption policies and address the risk or appearance that elected officials may trade policy support for political or personal favors, as has been alleged in recent court filings and in the media. (While the Commission should craft policy to respond to public concerns of corruption, Commissioners should not discuss or prejudge any particular allegation of corruption which may potentially come before the Commission for adjudication in the future.) These restrictions model similar policies enacted in San Francisco in response to its own corruption scandals.

In greater detail, the attached draft language does the following:

- Establishes the "Oakland Anti-Corruption Act"
- States that the purpose of the Act is to:
 - "Prevent corruption or its appearance by prohibiting registered lobbyists from providing gifts to elected officials or contributing to the campaigns of elected officials and by providing reliable, dedicated funding for the Public Ethics Commission (PEC or Commission), including fully funding the Democracy Dollars Program and increasing the size of the Commission's enforcement program, so that the Commission may more effectively prevent, deter, and prosecute violations of Oakland's government ethics, campaign finance, lobbying, and other laws."
- Imposes a 20-year parcel tax of \$ _____ [exact amount to be determined after review by Department of Finance] to "rais[e] revenue to support and/or strengthen the enforcement program, Democracy Dollars Program, and other programs, services, and operations of the Public Ethics Commission."
- Requires that the funds be spent in the following order of priority:
 - To meet the Commission's minimum staffing requirements under the City Charter.

- To increase the size of the Enforcement Unit to five staff.
- To pay for the mandatory appropriations of the Democracy Dollars Program pursuant to Measure W; and
- For any other legitimate government purpose, consistent with the parcel tax's objectives, in the Commission's discretion.
- Requires that tax proceeds be placed in a special fund, with accrued balances remaining within the fund.
- Adjusts the tax rate annually for inflation, rounded up to the nearest \$0.50.
- Provides that the parcel tax will be automatically placed on the ballot for renewal before its expiration.
- Amends the Lobbyist Registration Act (LRA) to prohibit lobbyists from:
 - Giving gifts of any amount to elected officials or their staff;
 - Contributing to the campaign of a candidate for City office; or
 - Bundling campaign contributions to a candidate for City office.

Parcel Tax

The tax provisions of this proposal are modelled on the Oversight Agencies parcel tax the Administration proposed in December 2024. Most of this language is technical and should not be changed by the Commission. However, some policy considerations include how parcel tax funds should be spent, whether spending decisions should be in the Commission's or Council's discretion, and the duration of the parcel tax.

The draft language prioritizes first funding the PEC's charter mandated positions. Charter Section 603(g) requires that the PEC have 11 staff, unless waived by Council upon finding that the City is experiencing an "extreme fiscal necessity." These positions are: Executive Director, Enforcement Chief, 2 Investigators (the 2nd starting on July 1, 2026), and 7 non-Enforcement staff (including 4 additional FTE's to ensure adequate staffing to implement and administer the Democracy Dollars program).

Next, the language would require that the PEC increase its Enforcement Unit by two staff, bringing total staff to five. The language does not specify which staff, to provide the Commission with discretion to staff according to its evolving needs. However, if enacted, PEC Staff currently anticipate hiring an additional 1 Investigator and 1 Staff Attorney (or comparable position).

Finally, the language requires funding the minimum Democracy Dollars Program appropriations required by Measure W, which includes \$4 million for vouchers and \$350,000 in administrative costs.

Remaining funds could be spent in the Commission's discretion in furtherance of the Commission's objectives. However, since the measure is primarily intended to fund the three priorities identified above, there will likely only be modest remaining funds.

The draft language is for a 20-year parcel tax. Of ten parcel tax proposals in Oakland since 2014, the minimum duration has been for 10 years and the maximum duration has been for 30 years,

with 20 years being the most common duration. A few non-parcel taxes have also been indefinite, including the Soda Tax and recent changes to the Real Estate Transfer Tax and Business Tax.

Lobbying Changes

This proposal would also prohibit lobbyists from giving gifts or campaign contributions to elected officials and prohibit lobbyists from bundling campaign contributions. The lobbyist prohibitions language is modelled on the Commission’s previous recommended language to ban lobbyist gifts, as well as similar restrictions in San Francisco. In 2016, San Francisco’s Ethics Commission proposed and voters passed Proposition T (87% in favor), which prohibited lobbyist gifts, campaign contributions, and bundled contributions to elected officials. The goal of these prohibitions is to prevent elected officials from being beholden to lobbyists, to prevent officials’ private interests from interfering with their duty to assess proposals and act in the public interest. The prohibitions are similar to restrictions found at the state level and in other local jurisdictions.

Oakland currently restricts lobbyists gifts to \$50/year, pursuant to Measure OO (2024). The PEC had previously proposed banning such gifts entirely, but this proposal was rejected by the City Council when it placed Measure OO on the ballot. Other jurisdictions are stricter than Oakland as relates to lobbyist gifts. San Francisco, Los Angeles, and Long Beach ban lobbyist gifts entirely, and the State, San Diego, and Sacramento restrict lobbyist gifts to a maximum of \$10/month.

Oakland does not currently restrict campaign contributions by lobbyists or prohibit bundling. The State, Los Angeles, and San Francisco ban lobbyist campaign contributions, and San Francisco further bans bundling pursuant to Measure T.

Next Steps

Following Commission input, in coordination with the Revenue Subcommittee, PEC Staff will revise the proposal and add findings and declarations (“Whereas...” clauses) to the draft language, with the goal of returning a final proposal by its July meeting. The final proposal will need legal review by the City Attorney’s Office and the estimated budget costs and parcel tax amount should be reviewed by the Department of Finance. However, staff has been told by both departments that review prior to budget adoption is unlikely, which may push back our timeline.

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APPROVED AS TO FORM AND LEGALITY

CITY ATTORNEY'S OFFICE

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

RESOLUTION ON THE CITY COUNCIL'S OWN MOTION SUBMITTING TO THE VOTERS AT THE [date] MUNICIPAL ELECTION, AN ORDINANCE TO ADOPT A SPECIAL PARCEL TAX TO FUND THE PUBLIC ETHICS COMMISSION AND TO RESTRICT LOBBYIST GIFTS AND CAMPAIGN CONTRIBUTIONS; REQUESTING CONSOLIDATION OF THE ELECTION WITH THE [DATE] MUNICIPAL ELECTION; AND DIRECTING THE CITY CLERK TO TAKE ANY AND ALL ACTIONS NECESSARY UNDER LAW TO PREPARE FOR AND CONDUCT THE [DATE] MUNICIPAL ELECTION

WHEREAS, the revenues received from the Act will be expended exclusively to fund the operations and programs of the City's Public Ethics Commission (PEC or Commission), which encompasses the Democracy Dollars Program, and related administrative expenses; and now therefore be it

RESOLVED: That the Oakland City Council finds and determines the forgoing recitals are true and correct and hereby adopts and incorporates them into this Resolution; and be it

FURTHER RESOLVED: That the Oakland City Council does hereby submit to the voters, at the [date] Election, an Ordinance that shall read as follows:

The people of the City of Oakland do ordain as follows:

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PART 1. General Provisions

SECTION 1. Title and Purpose.

A. TITLE: This Ordinance may be cited as the “Oakland Anti-Corruption Act,” and may be referred to herein as “the Act,” “this Ordinance” or “Measure.”

B. PURPOSE:

The purposes of this Ordinance are to prevent corruption or its appearance by prohibiting registered lobbyists from providing gifts to elected officials or contributing to the campaigns of elected officials and by providing reliable, dedicated funding for the Public Ethics Commission (PEC or Commission), including fully funding the Democracy Dollars Program and increasing the size of the Commission’s enforcement program, so that the Commission may more effectively prevent, deter, and prosecute violations of Oakland’s government ethics, campaign finance, lobbying, and other laws.

SECTION 2. Findings.

This Ordinance is exempt from the California Environmental Quality Act, Public Resources Code section 21000 *et seq.* (“CEQA”), since in accordance with CEQA Guidelines Section 15061, subd. (b)(3), it can be seen with certainty that there is no possibility that the activity authorized herein may have a significant effect on the environment.

SECTION 3. Savings Clause.

If any provision, sentence, clause, Section or part of this Act is found to be unconstitutional, illegal or invalid, such unconstitutionality, illegality, or invalidity shall affect only such provision, sentence, clause, Section or part of this Act and shall not affect any of the remaining provisions, sentences, clauses, Sections or parts of this ordinance. It is hereby declared to be the intention of the City, that the City would have adopted this Act had such unconstitutional, illegal or invalid provision, sentence, clause Section or part thereof not been included herein.

If any tax or surcharge imposed by this Act is found to be unconstitutional, illegal or invalid, the amounts, services, programs and personnel required to be funded from such taxes and surcharges shall be reduced proportionately by any revenues lost due to such unconstitutionality, illegality or invalidity.

SECTION 4. Severability.

If any provision of this Act, or part of this Act, or the application of any provision or part to any person or circumstances, is for any reason held to be invalid, the remaining provisions, or applications of provisions, shall not be affected, but shall remain in full force and effect, and to this end the provisions of this measure are severable. If a court were to find in a final, unreviewable judgment that the exclusion of one or more entities or activities from the applicability of the Act renders the Act unconstitutional, those exceptions should be severed, and the Act should be made

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applicable to the entities or activities formerly exempt from the Act. It is the intent of the voters that this Act would have been enacted regardless of whether any invalid provision had been included or any invalid application had been made.

SECTION 5. Liberal Construction.

This Act shall be liberally construed to effectuate its purposes.

SECTION 6. Conflicting Initiatives.

- A. In the event that this measure and one or more conflicting measures appear on the same City ballot, the provisions of the measure that receives the greatest number of affirmative votes shall prevail in their entirety, and the other measure or measures shall be null and void.
- B. If this measure is approved by the voters but superseded by law by any other conflicting measure approved by voters at the same election, and the conflicting ballot measure is later held invalid, this measure shall be self-executing and given full force and effect.

PART 2. Lobbying Restrictions

SECTION 1. Purpose.

To prevent corruption or its appearance, and to increase public confidence in the fairness and responsiveness of governmental decision making, it is the purpose and intent of the people of Oakland to prohibit gifts, campaign contributions, and bundled campaign contributions from lobbyists to City officers so that governmental decisions are not, and do not appear to be, influenced by the giving of personal benefits to City officers by lobbyists, or by lobbyists' financial support of City officers' political interests.

SECTION 2. Repeal and Reenactment of Oakland Municipal Code, Section 3.20.180.

Oakland Municipal Code, Section 3.20.180, *Restrictions on payments and expenses benefitting local public officials, candidates for local office, designated employees and immediate families*, is hereby repealed and reenacted as follows with deleted text shown as ~~strikethrough~~ and new text shown as underscored.

3.20.180 - Restrictions on payments and expenses benefiting local public officials, candidates for local office, designated employees and immediate families.

A. No local governmental lobbyist's registered client shall make any payment or incur any expense that directly benefits an elected City officeholder, candidate for elected City office, a designated employee, or a member of the immediate family of one (1) of these individuals, in which the cumulative value of such payments or expenses exceeds two hundred ~~forty~~ fifty dollars (~~\$240.00~~\$250.00) during any calendar year.

B. No local governmental lobbyist shall make any payment or incur any expense that directly benefits a designated employee, or a member of the immediate family of a designated employee, in which the cumulative value of such payments or expenses exceeds two hundred ~~forty~~ fifty dollars (~~\$240.00~~\$250.00) during any calendar year.

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C. No local governmental lobbyist shall make any payment **of any amount** or incur any expense **of any amount** that directly benefits an elected City officeholder, a designated employee who is an employee of an elected City officeholder, a candidate for elected City office, or a member of the immediate family of one (1) of these individuals ~~in which the cumulative value of such payments or expenses exceeds fifty dollars (\$50.00) during any calendar year.~~

D. The payments and expenses specified in subsections (A) through (C) include gifts, honoraria and any other form of compensation but do not include (1) campaign contributions; (2) payments or expenses that, within thirty (30) days after receipt, are returned unused or are reimbursed; (3) food, beverages or occasional lodging provided in the home of an individual local governmental lobbyist or individual local governmental lobbyist's registered client when the individual or member of the individual's family is present; (4) a pass or ticket to a fundraising event for a campaign committee or candidate, or for an organization exempt from taxation under Section 501(c)(3) of the Internal Revenue Code; (5) a pass or ticket given to a public agency and which meets the provisions of 2 Cal. Code of Regs. No. 18944. 1 (a) through (e), inclusive; (6) informational material; and (7) salaries, consulting fees or other payments for services rendered or bargained for. No other exception to, or exclusion from, the definition of gift or honoraria contained in the Political Reform Act of 1974 as amended, and the regulations issued pursuant thereto, shall apply to this Section.

SECTION 3. Addition of Oakland Municipal Code, Section 3.20.185.

Oakland Municipal Code, Section 3.20.185, *Prohibition on providing or bundling campaign contributions to local public officials and candidates for local office*, is hereby enacted as follows.

3.20.185 – Prohibition on providing or bundling campaign contributions to local public officials and candidates for local office.

A. No local governmental lobbyist shall make any campaign contribution to an elected City officeholder or candidate for elected City office.

B. No local governmental lobbyist shall deliver or transmit, or deliver or transmit through a third party, any campaign contribution made by another person to any elected City officeholder or candidate, or any City elective officer's or candidate's controlled committees.

C. For the purposes of this section, a campaign contribution includes a contribution to an elected City officeholder's officeholder expense fund.

PART III. Parcel Tax General Provisions.

SECTION 1. Purpose.

The taxes imposed under this Ordinance are solely for the purpose of raising revenue to support and/or strengthen the enforcement program, Democracy Dollars Program, and other programs, services, and operations of the Public Ethics Commission (Commission).

This parcel tax revenue would ensure the Commission has dedicated, reliable funding to fulfill its legally mandated responsibilities and would also strengthen the Commission's independence by removing the City Council's discretion, as to the funds raised through this parcel tax, to eliminate, reduce, or change the allocation of funding for the Commission's programs or operations, or to determine the Commission's staffing.

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SECTION 2. Use of Proceeds.

A. Objectives. The tax proceeds raised by this special tax may be used only to pay for any costs or expenses of the Commission. The goals of these tax proceeds include the following desired outcomes and objectives:

1. Ensuring the Commission's minimum staffing requirements under Charter Section 603 are met and that the Commission has a sufficient budget to fulfill its functions and duties as set forth in the City Charter and Oakland Municipal Code.
2. Increasing the staffing for the Commission's enforcement program so that it can fairly, effectively, and expeditiously investigate and, where appropriate, prosecute violations of the laws the Commission enforces.
3. Providing predictable and permanent funding of the Democracy Dollars Program.
4. Strengthening the independence of the Commission by providing the Commission with independent funding.
5. Supporting, enhancing, or increasing the programs or services provided by the Commission to better enable it to fulfill its purposes as described in Charter Section 603(a).

B. Allocation.

Except as provided in subsection (D) of this Section and Section 9 of this Part, the City Council shall appropriate the entirety of the proceeds of the special tax as discretionary funding to the Commission during the budget process or by resolution.

C. Uses.

The Commission shall expend the tax revenue collected pursuant to the special taxes imposed herein only for the following purposes, in order of priority:

1. To meet the Commission's minimum staffing requirements in Section 603 of the City Charter.
2. To hire two full time equivalent (FTE) enforcement staff, which shall be in addition to the two (2) Ethics Investigators and one (1) Enforcement Chief mandated under Charter Section 603(g);
3. To pay for the mandatory appropriations of the Democracy Dollars Program itemized in Oakland Municipal Code (OMC) Section 3.15.060(A) and (D), as adjusted for inflation; and
4. To make expenditures for any other legitimate government purpose that is consistent with the objectives in subsection (A). Among other uses, remaining revenue may be used to hire staff or consultants, for operations and maintenance, and to pay for contracts.

The expenditures of the tax proceeds, consistent with these purposes, shall be in the Commission's sole discretion.

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D. Authorized Uses of Tax Revenues. Except as otherwise expressly authorized by this Ordinance, the special tax authorized and collected pursuant to this Ordinance shall be used only for the purposes set forth in this Section.

SECTION 3. Financial Report & Audit

Financial Report. The City shall comply with the reporting requirements set forth in California Government Code sections 50075.1 and 50075.3. At least every four years, the City Auditor shall perform an audit to ensure accountability and proper disbursement of all revenue collected by the City from the special tax imposed by this Ordinance, in accordance with the objectives stated herein and in compliance with provisions of State Law.

SECTION 4. Special Fund.

A. Special Fund. All funds collected by the City from the special tax imposed by this Ordinance shall be deposited into a special fund in the City treasury and appropriated and expended only for the purposes and uses authorized by this Ordinance.

B. Fund Balance. Any fund balance accrued shall remain within the designated fund.

SECTION 5. Term of Tax Imposition.

The parcel tax enacted by this Ordinance shall be imposed and levied for a period of Twenty (20) years. The City shall place delinquencies on subsequent tax bills.

SECTION 6. Regulations.

The City Administrator, with the consent of the Commission, may promulgate appropriate regulations to implement the provisions of this Act, except as to Part 2.

SECTION 7. Tax Increases.

Except as otherwise expressly provided herein, the tax rates set forth herein may not be increased by action of the City Council without the applicable voter approval.

SECTION 8. Challenge to Tax.

Any action to challenge the tax imposed by this ordinance shall be brought pursuant to Government Code section 50077.5 and Code of Civil Procedure section 860 et seq.

SECTION 9. Reimbursement.

At the discretion of the City Council, special tax revenues collected by the City pursuant to this Ordinance may be used to reimburse the City for actual costs incurred in connection with the election seeking voter approval of this Ordinance.

SECTION 10. Effective Date.

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- (A) The tax imposed by this Ordinance shall be effective only if approved by the voters voting thereon and shall go into effect ten (10) days after the vote is declared by the City Council.
- (B) At the last general election prior to the expiration of the taxes enacted by this Ordinance, Parts 1, 3, and 4 of this Act shall be placed on the ballot at that general election for voters to decide whether to renew the tax indefinitely at the applicable inflation-adjusted tax rates. If the tax is renewed, the City Council shall continue to adjust parcel tax rates for inflation as provided for in this Act.

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PART 4. Parcel Tax

SECTION 1. Definitions.

For purposes of this Part 4 only, the following terms shall be defined as set forth below:

- A. "Building" shall mean any structure having a roof supported by columns or by walls and designed for the shelter or housing of any person, chattel, or property of any kind. The word "Building" includes the word "structure."
- B. "City" shall mean the City of Oakland, California.
- C. "Family" shall mean one (1) or more persons related by blood, marriage, domestic partnership, or adoption, legal guardianship, who are living together in a single residential unit and maintaining a common household. Family shall also mean all unrelated persons who live together in a single Residential Unit and maintain a common household.
- D. "Hotel" shall be as defined by Oakland Municipal Code Section 4.24.020.
- E. "Multiple Residential Unit Parcel" shall mean a parcel zoned for a Building, or those portions thereof, that accommodates or is intended to contain two (2) or more residential units, whether or not developed.
- F. "Non-Residential" shall mean all parcels that are not classified by this Act as Single Family Residential or Multiple Residential Unit Parcels, and shall include, but not be limited to, parcels for industrial, commercial and institutional improvements, whether or not developed.
- G. "Occupancy" shall be as defined by Oakland Municipal Code Section 4.24.020.
- H. "Operator" shall be as defined by Oakland Municipal Code Section 4.24.020.
- I. "Owner" shall mean the Person having title to real estate as shown on the most current official assessment role of the Alameda County Assessor.
- J. "Parcel" shall mean a unit of real estate in the City of Oakland as shown on the most current official assessment role of the Alameda County Assessor.
- K. "Person" shall mean an individual, firm, partnership, joint venture, association, social club, fraternal organization, joint stock company, corporation, estate, trust, business trust, receiver, trustee, syndicate, or any other group or combination acting as a unit.
- L. "Possessory Interest" as it applies to property owned by any agency of the government of the United States, the State of California, or any political subdivision thereof, shall mean possession of, claim to, or right to the possession of, land or Improvements and shall include any exclusive right to the use of such land or Improvements.
- M. "Residential Unit" shall mean a Building or portion of a Building designed for or occupied exclusively by one Family.
- N. "Single Family Residential Parcel" shall mean a parcel zoned for single-family residences, whether or not developed.
- O. "Tax" shall mean the parcel tax created by this Act and further described in Part 4, Section 2, below.

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- P. “Transient” shall mean any individual who exercises Occupancy of a Hotel or is entitled to Occupancy by reason of concession, permit, right of access, license or other agreement for a period of thirty (30) consecutive calendar days or less, counting portions of calendar days as full days. Any individual so occupying space in a Hotel shall be deemed to be a Transient until the period of thirty (30) consecutive days has elapsed.

SECTION 2. Imposition of Parcel Tax.

There is hereby imposed a special tax on all Owners of parcels in the City of Oakland for the privilege of using municipal services and the availability of such services. The tax imposed by this Section shall be assessed on the Owner unless the Owner is by law exempt from taxation, in which case, the tax imposed shall be assessed to the holder of any Possessory Interest in such parcel, unless such holder is also by law exempt from taxation. The tax is imposed as of July 1 of each year on the person who owned the parcel on that date. The tax shall be collected at the same time, by the same officials, and pursuant to the same procedures as the one percent imposed pursuant to Article XIII A of the California Constitution.

The tax hereby imposed shall be set as follows subject to adjustment as provided in Section 4 of this Act:

- A. For owners of all Single-Family Residential Parcels, the tax shall be at the annual rate of \$ [redacted] per Parcel.
- B. For owners of all Multiple Residential Unit Parcels, the tax shall be at the annual rate of \$ [redacted] per Residential Unit.
- C. The tax for Non-Residential Parcels is calculated using both frontage and square footage measurements to determine total single-family residential unit equivalents (SFE). A frontage of eighty (80) feet for a commercial institutional parcel, for example, is equal to one (1) single family residential unit equivalent. (See matrix.) An area of six thousand four hundred (6,400) square feet for the commercial institutional parcel is equal to one (1) single family residential unit equivalent. For tall buildings (more than five (5) stories), the single-family residential unit equivalent computation also includes one (1) single family residential unit equivalent for every five thousand (5,000) square feet of net rentable area. The tax is the annual rate of \$ [redacted] multiplied by the total number of single-family residential unit equivalents (determined by the frontage and square footage).

LAND CATEGORY	USE	FRONTAGE	AREA (SF)	BUILDING AREA (SF)
Commercial/Institutional		80	6,400	N/A
Industrial		100	10,000	N/A

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Public Utility	1,000	100,000	N/A
Golf Course	500	100,000	N/A
Quarry	1,000	250,000	N/A
Tall Buildings > 5 stories	80	6,400	5,000

Example: assessment calculation for a Commercial Institutional Parcel with a Frontage of 160 feet and an Area of 12,800 square feet:

Frontage 160 feet + 80 = 2 SFE

Area 12,800 square ÷ feet 6,400 = 2 SFE

2 SFE + 2 SFE = 4 SFE

4 SFE x \$130.00 = \$520.00 tax

D. The tax imposed by this Act shall be imposed on each Hotel within the City as follows:

1. Residential Hotels. Rooms in a Hotel occupied by individuals who were not Transients for eighty percent (80%) or more of the previous fiscal year shall be deemed Residential Units and the parcel on which they are located shall be subject to the Parcel tax imposed on Multiple Residential Unit Parcels. The remainder of the Building shall be subject to the applicable tax computed in accordance with the single-family residential unit equivalent formula set forth in Section 2(c) of this Act.
2. Transient Hotels. Notwithstanding paragraph (1) of this subdivision, if eighty percent (80%) or more of the Operator's gross receipts for the previous Fiscal Year were reported as rent received from Transients on a return filed by the Operator in compliance with Section 4.24.010 of the Oakland Municipal Code (commonly known as the Uniform Transient Occupancy Tax of the City of Oakland), such Hotel shall be deemed a Transient Hotel. The entire Building shall be deemed a Non-Residential Parcel, categorized as commercial/institutional, and shall be subject to the applicable tax computed in accordance with the single-family residential unit equivalent formula set forth in Section 2(c) of this Act, and the parcel tax imposed on Multiple Residential Units shall not apply.

SECTION 3. Exemptions.

- A. Very-Low income household exemption. The following is exempt from this tax: an Owner of a Single-Family Residential Unit (1) who resides in such unit and (2) whose combined family income, from all sources for the previous year, is at or below the income level qualifying as sixty percent (60%) of area median income for a Family of such size under Section 8 of the United States Housing Act of 1937 (42 U.S.C.A. Sections 1437 et. seq.), or successor legislation, for such year. The

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Director of Finance shall set forth procedures for annual applications from Owners for the exemption, which may require information such as federal income tax returns and W-2 forms of owner occupants eligible for the exemption, or procedures for an alternative process.

- B. Senior household exemption. The following is exempt from this tax: an Owner of a single family residential unit (1) who resides in such unit, (2) who is sixty-five (65) years of age or older and (3) whose combined family income, from all sources for the previous year, is at or below the income level qualifying as eighty percent (80%) of area median income for a Family of such size under Section 8 of the United States Housing Act of 1937 (42 U.S.C.A. Sections 1437 et. seq.), or successor legislation, for such year. The Director of Finance shall set forth procedures for annual applications from Owners for the exemption, which may require information such as federal income tax returns and W-2 forms of owner occupants eligible for the exemption, or procedures for an alternative process.
- C. Fifty percent reduction for affordable housing projects. Rental housing owned by nonprofit corporations and nonprofit-controlled partnerships for senior, disabled and low-income households that are exempt from ad valorem property tax pursuant California Revenue and Taxation Code 214(f), (g) and (h) shall be liable for only 50% of the parcel tax. The exemption shall apply in the same proportion that is exempted from ad valorem property tax.
- D. Rebate to tenants in foreclosed single-family homes. The City will provide a rebate of one-half (1/2) of the tax and subsequent increases thereto to tenants in single family homes that have been foreclosed upon who have paid a passed through Parcel Tax. To qualify for this rebate, a tenant must: (1) have lived in the unit before foreclosure proceedings commenced; and (2) be at or below the income level qualifying as sixty percent (60%) of area median income for a Family of such size under Section 8 of the United States Housing Act of 1937 (42 U.S.C.A. Sections 1437 et. seq.), or successor legislation, for such year. The City will provide this rebate for every month that the tax was applied, and the tenant occupied the unit. The City will provide this rebate at the end of each year, or when the tenant vacates the unit, whichever is earlier. The City Administrator will promulgate regulations to effectuate this subdivision.
- E. Real property owned by a religious organization or school that is exempt from property taxes under California law is exempt from this tax. To qualify for this exemption, each religious organization or school seeking such exemption shall submit such information required to determine eligibility for such exemption.

SECTION 4. Reduction in Tax Rate; Rate Adjustment.

- A. Subject to paragraph (B) of this section, the tax rates imposed by this Ordinance are maximum rates and may not be increased by the City Council above such maximum rates.
- B. Beginning for the Fiscal Year 2027-2028, and each year thereafter, the City Council shall increase the special parcel tax imposed by the percentage change in the cost of living in the immediate San Francisco Bay Area, as determined by the twelve-month (12) Annual Percentage Change in the Consumer Price Index (CPI) for all items in the San Francisco Bay Area as published by the U.S. Department of Labor Statistics. The applicable parcel tax

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rate shall be rounded up to the nearest \$0.50 increment.

SECTION 5. Duties of the Director of Finance; Notice of Decisions.

It shall be the duty of the Director of Finance to collect and receive all taxes imposed by this Act. Except for **Part 2**, the Director of Finance is charged with the enforcement of this Act and may adopt rules and regulations relating to such enforcement.

SECTION 6. Examination of Books, Records, Witnesses; Penalties.

The Director of Finance or the Director of Finance's designee is hereby authorized to examine assessment rolls, property tax records, records of the Alameda County Recorder and any other records of the County of Alameda deemed necessary in order to determine ownership of Parcels and computation of the tax imposed by this Act.

The Director of Finance or the Director of Finance's designee is hereby authorized to examine the books, papers and records of any person subject to the tax imposed by this Act, including any person who claims an exemption, for the purpose of verifying the accuracy of any petition, claim or return filed and to ascertain the tax due. The Director of Finance, or the Director of Finance's designee is hereby authorized to examine any person, under oath, for the purpose of verifying the accuracy of any petition, claim or return filed or to ascertain the tax due under this Act and for this purpose may compel the production of books, papers and records, whether as parties or witnesses, whenever the Director of Finance believes such persons have knowledge of such matters. The refusal of such examination by any person subject to the tax shall be deemed a violation of this Act and of the Oakland Municipal Code and subject to any and all remedies specified therein.

SECTION 7. Collection of Tax; Interest and Penalties.

The tax shall be delinquent if the City does not receive it on or before the delinquency date set forth in the notice mailed to the Owner's address as shown on the most current assessment roll of the Alameda County Tax Collector; and the tax shall be collected in such a manner as the City Council may decide. The City may place delinquencies on a subsequent tax bill.

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A one-time penalty at a rate set by the City Council, which in no event shall exceed twenty-five percent (25%) of the tax due per fiscal year, is hereby imposed by this Act on all taxpayers who fail to timely pay the tax provided by this Act. In addition, the City Council may assess interest at the rate of one percent (1%) per month on the unpaid tax and the penalty thereon.

Every penalty imposed and such interest as accrues under the provisions of this Act shall become a part of the tax herein required to be paid.

The City may authorize the County of Alameda to collect the taxes imposed by this Act in conjunction with and at the same time and in the same manner as the County collects property taxes for the City. If the City elects to authorize the County of Alameda to collect the tax, penalties and interest shall be those applicable to the nonpayment of property taxes.

SECTION 8. Collection of Unpaid Taxes.

The amount of any tax, penalty, and interest imposed under the provisions of this Act shall be deemed a debt to the City. Any person owing money under the provisions of this Act shall be liable to an action brought in the name of the City for the recovery for such amount.

SECTION 9. Refund of Tax, Penalty, or Interest Paid More than Once, or Erroneously or Illegally Collected.

Whenever the amount of any tax, penalty, or interest imposed by this Act has been paid more than once or has been erroneously or illegally collected or received by the City it may be refunded provided a verified written claim for refund, stating the specific ground upon which such claim is founded, is received by the Director of Finance within one (1) year of the date of payment. The claim shall be filed by the person who paid the tax or such person's guardian, conservator, or the executor of her or his estate. No representative claim may be filed on behalf of a taxpayers or a class of taxpayers. The claim shall be reviewed by the Director of Finance and shall be made on forms provided by the Director of Finance. If the claim is approved by the Director of Finance, the excess amount collected or paid may be refunded or may be credited against any amounts then due and payable from the person from whom it was collected or by whom paid, and the balance may be refunded to such person, or such person's administrators or executors. Filing a claim shall be a condition precedent to legal action against the City for a refund of the tax; and be it,

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FURTHER RESOLVED: That the City Council of the City of Oakland does hereby request that the Board of Supervisors of Alameda County order the consolidation of all City of Oakland Special Municipal elections to be held on [date]; and be it,

FURTHER RESOLVED: That the consolidated municipal elections shall be held and conducted in the manner required in Section 10418 of the California Elections Code; and be it

FURTHER RESOLVED: That in accordance with applicable law, the City Clerk shall fix and determine a date for submission of arguments for or against said proposed Ordinance, and said date shall be posted in accordance with legal requirements; and be it,

FURTHER RESOLVED: That each ballot used at said election shall have printed therein, in addition to any other matter required by law, the following:

AN ORDINANCE

Measure ____.	Yes	
<p>Shall the ordinance, establishing the Oakland Anti-Corruption Act which would fund the Public Ethics Commission and its programs, add additional enforcement staff to the Commission to investigate allegations of government corruption and campaign finance law violations, and prohibit lobbyists from giving gifts or campaign contributions to elected officials, and which is funded by a \$____ parcel tax for 20 years raising approximately \$____ million annually, with exemptions for low-income households and others, be adopted?</p> <p>[FINAL BALLOT QUESTION SUBJECT TO CITY ATTORNEY APPROVAL]</p>	No	

FURTHER RESOLVED: That the City Council hereby authorizes and directs the City Clerk of the City of Oakland (the “City Clerk”) at least 88 days prior to the special municipal election, to file with the Alameda County Clerk certified copies of this resolution; and be it

FURTHER RESOLVED: That the City Council does hereby request that the Board of Supervisors of Alameda County include on the ballots and sample ballots recitals the measure language to be voted on by the voters of the City of Oakland; and be it

FURTHER RESOLVED: That the City Clerk is hereby directed to cause the posting, publication and printing of notices, pursuant to the requirements of the Charter of the City of Oakland, Chapter 3.08 of the Oakland Municipal Code, and state law; and be it

FURTHER RESOLVED: That the City Attorney, in accord with the City Attorney's powers and duties is hereby authorized to insert the final ballot question into this resolution after adoption by the Council so that the ballot question constitutes a true and impartial synopsis of the

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final proposed measure; and to make any changes to the texts of the measure as described herein to conform to any legal requirements or requirements of the County Registrar; and be it

FURTHER RESOLVED: That the City Council does hereby request that the Registrar of Voters of the County of Alameda perform necessary services in connection with said election; and be it

FURTHER RESOLVED: That the City Clerk and City Administrator are hereby authorized and directed to take any and all actions necessary under law to prepare for and conduct the special municipal election and appropriate all monies necessary for the City Administrator and City Clerk to prepare and conduct the special municipal election.

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

AYES -

NOES –

ABSENT –

ABSTENTION –

ATTEST: _____

ASHA REED

City Clerk and Clerk of the Council of the
City of Oakland, California