

Item 14a - Revenue Options Ad Hoc Subcommittee

Purpose Statement:

Revenue Options Ad Hoc Subcommittee

(ad hoc, created January 29, 2025)

Members: Francis Upton IV (Chair), Ryan Micik, Alea Gage

A) What is the specific goal of the committee?

The subcommittee will review and develop options for a potential revenue-generating ballot measure to fully fund the Democracy Dollars Program and potentially other PEC services.

B) What is the expected deliverable and in what time period?

The final deliverable is policy and legal language for a revenue-generating ballot measure by the May or July meeting of the PEC.

C) What level of staff vs Commissioner work is expected?

Commissioners will provide input to staff as to the content of a potential ballot measure, including what PEC services should be funded and the method. Staff shall provide cost estimates for different services; estimated tax rates to raise sufficient funds to cover those services; and draft ballot measure language that the City Council could place on the June 2026 ballot.

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Minutes

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(ad hoc, created January 29, 2025)

Members: Francis Upton IV (Chair), Ryan Micik, Alea Gage

February 18, 2025 Minutes

Attendees – Members: Commissioners Upton IV, Micik, Gage

Attendees – Staff: Director Nicolas Heidorn

Discussion

The Subcommittee discussed the following questions:

1. **What services should the ballot measure fund?**
 - a. The Subcommittee favored getting the Commission's input on 3 options:
 - i. Fully fund Measure W only
 - ii. Fund Measure W and the PEC's full (and strengthened) Enforcement Unit
 - iii. Fully fund the whole PEC, including Measure W and a strengthened Enforcement Unit
2. **What revenue sources should we consider?**
 - a. The subcommittee favored looking at a parcel tax, which provides a stable funding source and would likely be relatively low to fully fund the PEC.
 - i. The subcommittee favored either a parcel tax that is equal across all parcel unit types (single family, multi-family, and non-residential) or that imposes a higher rate on non-residential units
 - b. Real estate transfer tax, business tax, and hotel tax are volatile, which could lead to program funding issues and also makes estimating the proper tax rate difficult
 - c. Sales tax is already occurring on this April 2025 special election
 - d. PEC fines would be insufficient to fund Measure W or PEC as a whole, and may also create the appearance of a conflict (however, some jurisdictions have fines go towards the public financing funds available to candidates)
3. **What other anti-corruption policies should be considered to go with the measure?**
 - a. Commissioners considered a prohibition on lobbyist gifts and campaign contributions.
 - b. Subcommittee members wanted to consider this and other items further.
4. **Is polling available?**
 - a. Staff indicated the PEC may be able to do its own non-professional polling using the voter file.
 - b. When the Administration proposed a ballot measure to fully fund the City's Oversight Agencies (including PEC), groups like BayPEC said at Council that they would do polling on a potential parcel tax, and may be interested in polling for a narrower proposal