



City of Arcata, California

# Frequently Asked Questions

Measure H - Sales Tax Ballot - November 5, 2024

## **What is Measure H?**

To sustain vital programs and services, the Arcata City Council unanimously voted to place a three-quarter (3/4) cent tax, named Measure H, on the upcoming ballot. Measure H is estimated to generate \$2.6 million annually, to fund programs that Arcata voters have indicated are important such as: emergency and climate change response, services addressing homelessness and its impacts, mental health response to crisis, and sidewalks, bike lanes, transit, roads and trails.

## **Why did the City Council place the $\frac{3}{4}$ of a cent tax on the November 5, 2024, Ballot?**

Like many other local governments, Arcata was able to use American Rescue Plan Act (ARPA) funds and other outside grants to fill gaps in revenue that supported existing City services. ARPA funds also allowed the City to fund new services and programs, like the Safe Parking Program and Street Outreach Programs, requested by Arcata citizens and businesses. Without these one-time funding sources, the City does not have enough revenue to support the new programs and over time will have to reduce spending on other long-term programs. If passed, Measure H will help bridge the funding gap to continue critical city services.

## **Is local funding needed?**

Yes, as one-time county, state and federal funding runs out, the City needs additional funding to continue programs such as the City's Community Ambassador Program, Safe Parking Program, Juvenile Diversion Counselors, Mobile Intervention Services Team (MIST) and Street Outreach Programs, Extreme Weather Shelter, Valley West Neighborhood Community Support and Community Center, electrification of the municipal vehicle and equipment fleet, climate adaptation and mitigation, and building complete streets to provide accessible transportation alternatives.

## **What fiscal accountability is included in the measure?**

Any local funding measure would include: 1) Required public disclosure of all spending; 2) Annual outside audit of expenditures; 3) Citizen Committee Oversight; and 4) Funds must stay local in Arcata and cannot be taken by the state unlike other revenue sources that have been reallocated from cities to the state when the state faced budget deficits.

## **Do visitors to Arcata pay the local sales tax?**

Yes, sales tax is paid by anyone who makes taxable purchases in Arcata. This ensures that visitors, residents, students, and local governmental agencies (including Cal Poly Humboldt) contribute revenue for Arcata services. It is estimated that less than 60% of the existing sales tax revenues are paid by Arcata residents.

### **How would this sales tax measure affect purchases?**

Measure H would increase sales tax by  $\frac{3}{4}$  of cent per dollar taxed or 0.75% of a taxable purchase. This would add an extra 7.5 cents to a \$10 taxable purchase.

### **Are essentials like groceries and medicine subject to the tax?**

No, by law, everyday essential purchases like groceries, prescription medicine, rent, diapers and feminine hygiene products are exempt from the sales tax, which helps ensure the cost is not a burden to those on fixed or limited incomes.



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