

AN ORDINANCE OF THE COUNCIL OF SAN )  
BENITO COUNTY GOVERNMENTS, )  
REGARDING THE TRANSPORTATION )  
EXPENDITURE PLAN AND TRANSACTIONS )  
AND USE TAX )

SECTION 1. TITLE:

**SECTION 2. SUMMARY:**

### SECTION 3. DEFINITIONS:

- A. Authority means the Council of San Benito County Governments, previously created and designated pursuant to Division 19 (commencing with Section 180000) of the California Public Utilities Code, authorized to impose a retail transactions and use tax ordinance, subject to voter approval, in accordance with Chapter 5 (commencing with Section 180200) of Division 19 of the California Public Utilities Code, and with Part 1.6 (commencing with Section 7251) of Division 2 of the California Revenue and Taxation Code.
- B. Board of Supervisors means the San Benito County Board of Supervisors.
- C. County means the County of San Benito, a political subdivision of the State of California.
- D. State means the State of California.
- E. Measure \_\_ means the proposed ballot measure attached to this ordinance and incorporated herein by reference as Exhibit A.
- F. Measure \_\_ Revenue means the revenue generated by the one half of one percent (0.5%) increase in the retail transactions and use tax imposed as collected pursuant to this ordinance.
- G. Retail Transactions and Use Tax is to be identified as specified in Part 1.6 (commencing with section 7251) of Division 2 of the California Revenue and Taxation code.

- H. Operative Date means the first day of the first calendar quarter commencing more than 110 days after the adoption of this ordinance, the date of such adoption being as set forth below.
- I. Expenditure Plan means the Expenditure Plan attached to this ordinance and incorporated herein by reference as Exhibit B.

#### **SECTION 4. PURPOSE:**

This ordinance is adopted to achieve the following, among other purposes, and directs that the provisions hereof be interpreted in order to accomplish those purposes:

- A. To impose a retail transactions and use tax in accordance with the provisions of Division 19 (commencing with Section 180000) of the California Public Utilities Code, and Part 1.6 (commencing with Section 7251) of Division 2 of the California Revenue and Taxation Code, which authorizes the Authority to adopt this tax ordinance which shall be operative if two-thirds (2/3) of the electors voting on the measure vote to approve the imposition of the tax at an election called for that purpose.
- B. To impose and collect a retail transactions and use tax and allocate revenues derived from the tax toward transportation safety and investment projects within the unincorporated County of San Benito and within the incorporated cities of Hollister and San Juan Bautista, consistent with the provisions and priorities of the Expenditure Plan.
- C. To adopt a retail transactions and use tax ordinance that incorporates provisions identical to those of the Sales and Use Tax Law of the State of California insofar as those provisions are not inconsistent with the requirements and limitations contained in Division 19 (commencing with Section 180000) of the California Public Utilities Code, and Part 1.6 (commencing with Section 7251) of Division 2 of the California Revenue and Taxation Code.
- D. To adopt a retail transactions and use tax ordinance that imposes a tax and provides a measure therefor that can be administered and collected by the State Board of Equalization in a manner that adapts itself as fully as practicable to, and requires the least possible deviation from, the existing statutory and administrative procedures followed by the State Board of Equalization in administering and collecting the California State Sales and Use Taxes.
- E. To adopt a retail transactions and use tax ordinance that can be administered in a manner that will be, to the greatest degree possible, consistent with the provisions of Division 19 (commencing with Section 180000) of the California Public Utilities Code, and Part 1.6 (commencing with Section 7251) of Division 2 of the California Revenue and Taxation Code, minimize the cost of collecting the transactions and use taxes, and at the same time, minimize the burden of record keeping upon persons subject to taxation under the provisions of this ordinance.

## **SECTION 5. CONTRACT WITH STATE:**

Prior to the operative date, the Authority shall contract with the State Board of Equalization to perform all functions incident to the administration and operation of this transactions and use tax ordinance; provided, that if the Authority shall not have contracted with the State Board of Equalization prior to the operative date, it shall nevertheless so contract and in such a case the operative date shall be the first day of the first calendar quarter following the execution of such a contract.

## **SECTION 6. TRANSACTIONS TAX RATE:**

For the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all retailers in the incorporated and unincorporated territory of the County at the rate of one half of one percent (0.5%) of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in said territory on and after the operative date of this ordinance.

## **SECTION 7. PLACE OF SALE:**

For the purposes of this ordinance, all retail sales are consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or his agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. The gross receipts from such sales shall include delivery charges, when such charges are subject to the state sales and use tax, regardless of the place to which delivery is made. In the event a retailer has no permanent place of business in the State or has more than one place of business, the place or places at which the retail sales are consummated shall be determined under rules and regulations to be prescribed and adopted by the State Board of Equalization.

## **SECTION 8. USE TAX RATE:**

An excise tax is hereby imposed on the storage, use or other consumption in the County of tangible personal property purchased from any retailer on and after the operative date of this ordinance for storage, use or other consumption in said territory at the rate of one half of one percent (0.5%) of the sales price of the property. The sales price shall include delivery charges when such charges are subject to state sales or use tax regardless of the place to which delivery is made.

## **SECTION 9. ADOPTION OF PROVISIONS OF STATE LAW:**

Except as otherwise provided in this ordinance and except insofar as they are inconsistent with the provisions of Division 19 (commencing with Section 180000) of the California Public Utilities Code and Part 1.6 (commencing with Section 7251) of Division 2 of the California Revenue and Taxation Code, all of the provisions of Part 1 (commencing with Section 6001) of Division 2 of the California Revenue and Taxation Code are hereby adopted and made a part of this ordinance as though fully set forth herein.

## **SECTION 10.        LIMITATIONS ON ADOPTION OF STATE LAW AND COLLECTION OF USE TAXES:**

In adopting the provisions of Part 1 (commencing with Section 6001) of Division 2 of the California Revenue and Taxation Code:

- A.    Wherever the State of California is named or referred to as the taxing agency, the name of the Authority shall be substituted therefor. However, the substitution shall not be made when:
  - 1.    The word "State" is used as a part of the title of the State Controller, State Treasurer, State Board of Control, State Board of Equalization, State Treasury, or the Constitution of the State of California;
  - 2.    The result of that substitution would require action to be taken by or against this County or any agency, officer, or employee thereof rather than by or against the State Board of Equalization, in performing the functions incident to the administration or operation of this ordinance.
  - 3.    In those sections, including, but not necessarily limited to sections referring to the exterior boundaries of the State of California, where the result of the substitution would be to:
    - a.    Provide an exemption from this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not otherwise be exempt from this tax while such sales, storage, use or other consumption remain subject to tax by the State under the provisions of Part 1 (commencing with Section 6001) of Division 2 of the California Revenue and Taxation Code, or;
    - b.    Impose this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not be subject to tax by the State under the said provision of that code.
  - 4.    In Sections 6701, 6702 (except in the last sentence thereof), 6711, 6715, 6737, 6797 or 6828 of the California Revenue and Taxation Code.
- B.    The word "County" shall be substituted for the word "State" in the phrase "retailer engaged in business in this State" in Section 6203 and in the definition of that phrase in Section 6203 of the California Revenue and Taxation Code.

## **SECTION 11.        PERMIT NOT REQUIRED:**

If a seller's permit has been issued to a retailer under Section 6067 of the California Revenue and Taxation Code, an additional transactor's permit shall not be required by this ordinance.

## SECTION 12. EXEMPTIONS AND EXCLUSIONS:

- A. There shall be excluded from the measure of the transactions tax and the use tax the amount of any sales tax or use tax imposed by the State of California or by any city, city and county, or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or the amount of any state-administered transactions or use tax.
- B. There are exempted from the computation of the amount of transactions tax the gross receipts from:
  - 1. Sales of tangible personal property, other than fuel or petroleum products, to operators of aircraft to be used or consumed principally outside the County in which the sale is made and directly and exclusively in the use of such aircraft as common carriers of persons or property under the authority of the laws of this State, the United States, or any foreign government.
  - 2. Sales of property to be used outside the County which is shipped to a point outside the County, pursuant to the contract of sale, by delivery to such point by the retailer or his agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point. For the purposes of this paragraph, delivery to a point outside the County shall be satisfied:
    - a. With respect to vehicles (other than commercial vehicles) subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the California Vehicle Code, aircraft licensed in compliance with Section 21411 of the California Public Utilities Code, and undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the California Vehicle Code by registration to an out-of-County address and by a declaration under penalty of perjury, signed by the buyer, stating that such address is, in fact, his or her principal place of residence; and
    - b. With respect to commercial vehicles, by registration to a place of business out-of-County and declaration under penalty of perjury, signed by the buyer, that the vehicle will be operated from that address.
  - 3. The sale of tangible personal property if the seller is obligated to furnish the property for a fixed price pursuant to a contract entered into prior to the operative date of this ordinance.
  - 4. A lease of tangible personal property which is a continuing sale of such property, for any period of time for which the lessor is obligated to lease the property for an amount fixed by the lease prior to the operative date of this ordinance.
  - 5. For the purposes of subparagraphs (3) and (4) of this section, the sale or lease of tangible personal property shall be deemed not to be obligated

pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

- C. There are exempted from the use tax imposed by this ordinance, the storage, use or other consumption in this County of tangible personal property:
1. The gross receipts from the sale of which have been subject to a transactions tax under any state-administered transactions and use tax ordinance.
  2. Other than fuel or petroleum products purchased by operators of aircraft and used or consumed by such operators directly and exclusively in the use of such aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this State, the United States, or any foreign government. This exemption is in addition to the exemptions provided in Sections 6366 and 6366.1 of the California Revenue and Taxation Code.
  3. If the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into prior to the operative date of this ordinance.
  4. If the possession of, or the exercise of any right or power over, the tangible personal property arises under a lease which is a continuing purchase of such property for any period of time for which the lessee is obligated to lease the property for an amount fixed by a lease prior to the operative date of this ordinance.
  5. For the purposes of subparagraphs (3) and (4) of this section, storage, use, or other consumption, or possession of, or exercise of any right or power over, tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.
  6. Except as provided in subparagraph (7), a retailer engaged in business in the County shall not be required to collect use tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the County or participates within the County in making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the County or through any representative, agent, canvasser, solicitor, subsidiary, or person in the County under the authority of the retailer.
  7. "A retailer engaged in business in the County" shall also include any retailer of any of the following: vehicles subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the California Vehicle Code, aircraft licensed in compliance with Section 21411 of the

California Public Utilities Code, or undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the California Vehicle Code. That retailer shall be required to collect use tax from any purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in the County.

- D. Any person subject to use tax under this ordinance may credit against that tax any transactions tax or reimbursement for transactions tax paid to a County imposing, or retailer liable for a transactions tax pursuant to Division 19 (commencing with Section 180000) of the California Public Utilities Code and Part 1.6 (commencing with Section 7251) of Division 2 of the California Revenue and Taxation Code with respect to the sale to the person of the property the storage, use or other consumption of which is subject to the use tax.

#### **SECTION 13. AMENDMENTS:**

All amendments subsequent to the effective date of this ordinance to Part 1 (commencing with Section 6001) of Division 2 of the California Revenue and Taxation Code relating to sales and use taxes and which are not inconsistent with Part 1.6 (commencing with Section 7251) of Division 2 of the California Revenue and Taxation Code, and all amendments to Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code, shall automatically become a part of this ordinance, provided however, that no such amendment shall operate so as to affect the rate of tax imposed by this ordinance. Other amendments to this ordinance shall require a two-thirds (2/3) vote of the total membership of the Authority, plus the subsequent approval of a two-thirds (2/3) majority of the electors voting on such change submitted for a vote at a special election called for that purpose by the Board of Supervisors, at the request of the Authority, before the amendments become effective.

#### **SECTION 14. ENJOINING COLLECTION FORBIDDEN:**

No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action or proceeding in any court against the State, the County, or the Authority, or against any officer of the State, the County, or the Authority, to prevent or enjoin the collection under this ordinance, or Division 19 (commencing with Section 180000) of the California Public Utilities Code or Part 1.6 (commencing with Section 7251) of Division 2 of the California Revenue and Taxation Code, of any tax or any amount of tax required to be collected.

#### **SECTION 15. BONDING AUTHORITY:**

Upon voter approval of the tax, the Authority shall have the power to sell or issue limited tax bonds in the aggregate principle at any one time in order to carry out the transportation projects described in the Expenditure Plan.

**SECTION 16. MAINTENANCE OF EFFORT:**

The Authority, by the enactment of this ordinance, intends the additional funds provided to local government agencies by Measure \_\_\_ to supplement other existing funds, revenues and other resources being used for street and highway purposes, including but not limited to federal and state funding, the collection of traffic impact mitigation fees, other local impact fees, and dedications of property. The government agencies shall maintain their existing commitment of local transportation-related funds for transportation purposes pursuant to this ordinance, and the Authority shall enforce this Section by appropriate actions.

**SECTION 17. CREATION OF SPECIAL FUND:**

All Measure \_\_\_ Revenue, plus interest, will be deposited in a special fund for Measure \_\_\_ projects. The fund authorized under Measure \_\_\_ will be administered by the Authority pursuant to this ordinance and to the provisions of Division 19 (commencing with Section 180000) of the California Public Utilities Code, and Part 1.6 (commencing with Section 7251) of Division 2 of the California Revenue and Taxation Code. Any interest generated by Measure \_\_\_ Revenue will be treated as Measure \_\_\_ Revenue for the purpose of using the interest for Measure \_\_\_ projects.

**SECTION 18. ADMINISTRATION OF PLANS:**

The Authority shall impose and collect the tax, shall allocate revenues derived from the tax, and shall administer the Expenditure Plan included in this ordinance, consistent with the provisions and priorities of the Expenditure Plan, and consistent with the Authority cited herein.

**SECTION 19. ELECTION:**

The Authority requests the Board of Supervisors to call an election for voter approval of the attached measure (Exhibit A), which election shall be held on June 7, 2016, and consolidated with other elections to be held on that same date. The election shall be called and conducted in the same manner as provided by law for the conduct of elections by a County. The sample ballot to be mailed to the voters shall be the full proposition as set forth in this ordinance, and the voter information handbook shall include the Expenditure Plan. Approval of the attached measure, and imposition of the tax, shall require the vote of a two-thirds (2/3) majority of the electors voting on the attached measure at the election described in this section.

**SECTION 20. EFFECTIVE DATE:**

This ordinance relates to the levying and collecting of the transactions and use taxes and shall go into effect immediately, subject only to the Operative Date set forth in Section 3(H) of this ordinance. The increase in the transactions and use tax, if so approved, shall be imposed and collected for a period of thirty (30) years thereafter.



**SECTION 21. TERMINATION DATE:**

The authority to levy the tax imposed by this ordinance shall expire thirty (30) years from the Operative Date of this ordinance.

**SECTION 22. SEVERABILITY:**

If any provision of this ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the ordinance and the application of such provision to other persons or circumstances shall not be affected thereby.

**SECTION 23. CAPTIONS:**

The titles and headings to the sections set forth in this ordinance are not part of this ordinance and shall have no effect upon the construction or interpretation of any part hereof.

**SECTION 24. PUBLICATION:**

Prior to the effective date of this ordinance, the Clerk of the Council of San Benito County Governments shall cause this ordinance to be published in a newspaper of general circulation within the County of San Benito.

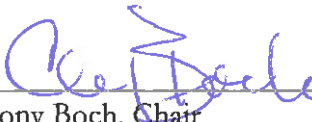
The foregoing Ordinance was passed and adopted by the Council of San Benito County Governments, at an adjourned regular meeting of said Council held on the 26th day of February, 2016, by the following vote:

AYES:

NOES:


ABSTAIN:

ABSENT:

By:   
Tony Boch, Chair


**ATTEST:**

Mary Gilbert, Executive Director

By:   
Date: Feb. 26, 2016

**APPROVED AS TO LEGAL FORM:**

San Benito County Counsel's Office

By:   
Shirley L. Murphy, Deputy County Counsel  
Date: Feb. 24, 2016

## EXHIBIT A – MEASURE \_\_

A ballot measure authorizing the Authority to impose a retail transactions and use tax for implementing a transportation safety and investment plan shall be known as Measure \_\_. Measure \_\_ shall read as follows:

Shall the voters authorize implementing the San Benito County Transportation Safety and Investment Plan to:

- Repair and maintain roads;
- Improve safety and relieve congestion on Highway 25;
- Improve safety and traffic flow on local roads;
- Increase bicycle and pedestrian safety; and
- Improve transit services for youth, seniors, and people with disabilities

by enacting a half cent sales tax, raising approximately \$8 million annually over 30 years, with annual audits by an independent oversight committee?

Exhibit B

COUNCIL OF SAN BENITO COUNTY GOVERNMENTS

EXPENDITURE PLAN FOR MEASURE \_\_

SAN BENITO COUNTY TRANSPORTATION SAFETY AND  
INVESTMENT PLAN

GOALS & OBJECTIVES:

- I. IMPROVE AND MAINTAIN THE QUALITY OF LIFE IN SAN BENITO COUNTY BY SUPPLEMENTING EXISTING FUNDS FOR TRANSPORTATION WITH A NEW LOCAL FUNDING SOURCE.
  - a. Generate new, locally controlled funding for high priority transportation projects in San Benito County
  - b. Enhance the ability of the Council of San Benito County Governments ("Council of Governments"), the County of San Benito, the City of Hollister and the City of San Juan Bautista to secure additional State and Federal funding for transportation projects in San Benito County by offering matching local funds.
  - c. Supplement existing local fund sources to enhance the Council of Governments' and County's ability to deliver high priority transportation projects in San Benito County
- II. PROVIDE FOR EQUITY IN THE DISTRIBUTION OF MEASURE A REVENUES.
  - a. Return funds to the Unincorporated County, City of Hollister, and City of San Juan Bautista based on an equitable formula distribution of funds
  - b. Adopt Improvement Plan proposals which address the unique needs of each of these areas of the County.
  - c. Provide for a reasonable balance between highway, maintenance, local street and road improvements, bicycle and pedestrian facilities and transit improvements for youth, seniors, students, and people with disabilities.
- III. PROVIDE FOR LOCAL CONTROL OF THE IMPROVEMENT PLAN PROGRAM
  - a. Provide for cost-effective, local administration of the program through the existing Council of San Benito County Governments, which previously administered local Measure A funding.
  - b. Delegate appropriate administrative responsibility to cities, the County, and other local agencies for local programs.
- IV. PROVIDE FOR TAXPAYER SAFEGUARDS AND OVERSIGHT
  - a. Ensure annual independent audits
  - b. Establish a Citizen's Oversight Committee

## INTRODUCTION:

This TRANSPORTATION SAFETY AND INVESTMENT PLAN, which shall also act as the Measure \_\_ Expenditure Plan, was prepared by the Council of San Benito County Governments for the proposed one half of one percent (0.5%) local transactions and use tax for transportation to be collected for the next 30 years if approved by the voters on June 7, 2016. This is proposed by the Council of Governments as a means to fill the funding shortfall to implement needed highway, local street and road maintenance, local road improvements, bicycle and pedestrian improvements and transit improvements.

## EXPENDITURE PLAN FOR MEASURE \_\_ PROJECTS:

The Council of Governments shall use Measure \_\_ Revenues for purposes of funding the following projects:

### 1. Highway 25 Improvements (50% or \$120 Million)

The Council of Governments shall allocate 50% of Measure \_\_ Revenues to fund improvements to safety and traffic flow on State Route 25 between San Felipe Road and Santa Clara County. These improvements may be accomplished in several phases and may include intersection improvements, construction of new travel lanes, and other improvements that will be further identified by the Council of Governments in partnership with the State.

### 2. Local Road Improvements (20% or \$48 Million)

The Council of Governments shall allocate 20% of Measure \_\_ Revenues to certain local road projects in San Benito County, the City of Hollister and the City of San Juan Bautista. These projects may include but are not limited to:

- City of Hollister West Gateway Improvement Project
- Interim Fairview Road improvements, prior to a full widening project, to address concerns about speeding and traffic in the area
- City of Hollister Nash/Tres Pinos/Sunnyslope/McCray Street Complete Streets Implementation
- Realignment of Anzar Road, Aromitas & Carr Road
- State Route 156 & the Alameda/Monterey Road Improvements
- Regional transit connections and improved transit services for youth, seniors, and the disabled
- Safe Routes to School Improvements to roadways near schools to improve safety for bicyclists and pedestrians and improve traffic flow for motorists
- Other projects identified by the Council of Governments to improve safety and traffic flow on local roads which meet the objectives identified in this Plan.

3. Local Street and Road Maintenance and Rehabilitation (30% or \$72 Million)

The Council of Governments shall allocate 30% of Measure \_\_\_ Revenues to local street and roadway maintenance and rehabilitation. The revenues shall be allocated to local jurisdictions based on the following formula:

- County of San Benito: 48%
- City of Hollister: 48%
- City of San Juan Bautista: 4%

ADMINISTRATIVE PROVISIONS AND TAXPAYER SAFEGUARDS:

1. Funds will be administered by the Council of San Benito County Governments (Council of Governments)

The revenue raised by Measure \_\_\_ for the purposes described in this Plan will be administered by the Council of Governments and an account shall be created to hold all funds collected pursuant to the Measure. The Council of San Benito County Governments is a Joint Powers Authority created in 1973 for the purpose of forming consensus on regional issues facing San Benito County.

In order to ensure accountability, transparency and public oversight of all funds collected and allocated under this Measure and to comply with state law, all of the following shall apply:

- a. The Council of Governments will commission an independent annual audit of its revenue and expenditures and will also prepare a publicly available annual report on past and upcoming activities and publish an annual financial statement.
- b. Prior to expenditure of any funds collected pursuant to the Measure, the Council of Governments Board shall convene an Expenditure Plan Oversight Committee to provide oversight. The Committee will consist of seven members. Two members recommended by the County Board of Supervisors, two members recommended by the City of Hollister and one recommended by the City of San Juan Bautista. One at large director will be recommended by the business community and one will represent organized labor. The Expenditure Plan Oversight Committee will fairly represent the geographical, social, cultural, and economic diversity of the Council of Governments' jurisdiction to ensure maximum benefit for transportation users.
- c. Members of the Expenditure Plan Oversight Committee shall be appointed by the Council of Governments Board of Directors and shall be residents within the Council of Governments' jurisdiction who are neither elected officials of any government, nor employees from any agency or organization that either oversees or benefits from the proceeds of the sales tax.

- d. Expenditure Plan Oversight Committee meetings will be announced in advance and will be open to the public. The Expenditure Plan Oversight Committee shall meet at least once but no more than four times per year.

The responsibilities of this Committee include:

- Advising the Council of Governments Board.
  - Making recommendations regarding annual expenditure priorities.
  - Reviewing Plan expenditures on an annual basis to ensure they conform to the Plan.
  - Reviewing the annual audit and report prepared by an independent auditor, describing how funds were spent.
  - Produce a publicly available Annual Report of Oversight Activities.
- e. The Oversight Committee members will serve staggered two year terms and can be reappointed.
  - f. All actions, including decisions about selecting projects for funding, will be made by the Council of Governments Board in public meetings, subject to the Brown Act and closed session requirements, with proper advanced notice and with meeting materials available in advance to the public.

## 2. Additional Allocation Criteria and Community Benefits

The Council of Governments shall ensure that the revenue generated by Measure \_\_\_ is spent in the most efficient and effective manner possible, consistent with serving the public interest and in accordance with existing law and this Plan.

- a. The Council of Governments shall give priority to projects within its jurisdiction that meet multiple objectives of the Council of Governments Expenditure Plan document and including one or more of the following objectives :
  - Provide for geographic distribution of projects across the Council of Governments' jurisdiction.
  - Increase impact by leveraging state and federal resources as well as public/private partnerships.
  - Benefit the economy and sustainability of the region by investing in infrastructure and local quality of life.
- b. The Council of Governments Governing Board shall conduct one or more public meetings annually to gain public input on selection of project grants to expend revenues generated by the Measure.
- c. The Council of Governments may accumulate revenue over multiple years so that sufficient funding is available for larger and long-term projects. All interest income shall be used for the purposes identified in this Plan. The Council of Governments can bond against these funds as the laws allow.

- d. Costs of performing or contracting for project-related work shall be paid from the revenues of the measure allocated to the appropriate purpose and project.
- e. An annual independent audit shall be conducted to assure that the revenues expended by the Council of Governments under this section are necessary and reasonable in carrying out its responsibilities under this Expenditure Plan/Ordinance.
- f. Sales tax proceeds are intended to augment annual support for the Council of Governments and do not substitute for individual city or County maintenance obligations. Monies from this program may not go to a city's or the County's "General Fund".
- g. Revenues provided from the sales tax shall not be used to replace private developer or foundation funding which has been or will be committed for any project.
- h. Examples of similar projects eligible for funding under this Measure may be found at [www.sanbenitocog.org](http://www.sanbenitocog.org)

### 3. CEQA Compliance

The approval of this Expenditure Plan does not commit the Council of Governments to funding or approving any specific Project or activity listed herein. Prior to approving or authorizing funding for any specific project or activity identified in this Expenditure Plan, the Council of Governments shall comply with all applicable provisions of the California Environmental Quality Act (CEQA).

### 4. Amendments

**Expenditure Plan Amendments.** The Council of Governments may annually review and propose amendments to the Expenditure Plan to provide for the use of additional Federal, State and local funds, to account for unexpected revenues, or to take into consideration unforeseen circumstances.

The Expenditure Plan for Measure\_\_ funds may only be amended, if required, by the following process set forth in Section 180207 of the Public Utilities Code: (1) Initiation of amendments by the Council of Governments reciting findings of necessity; (2) Provision of notice and a copy of the amendments provided to the Board of Supervisors and the City Councils of the Cities of Hollister and San Juan Bautista; (3) The proposed amendments shall become effective 45 days after notice is given.