

**BOARD OF
SUPERVISORS**

Hilda L. Solis
First District

Holly J. Mitchell
Second District

Lindsey P. Horvath
Third District

Janice Hahn
Fourth District

Kathryn Barger
Fifth District



**Chief
Executive
Office.**

COUNTY OF LOS ANGELES

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, CA 90012
(213) 973-1101 ceo.lacounty.gov

CHIEF EXECUTIVE OFFICER

Joseph M. Nicchitta

"To Enrich Lives Through Effective and Caring Service"

July 07, 2026

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

ADOPT A RESOLUTION AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO EXECUTE AGREEMENTS WITH THE CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION AND EXAMINE THE DEPARTMENT'S TAX RECORDS FOR IMPLEMENTATION OF MEASURE ER, THE ESSENTIAL SERVICES RESTORATION ACT FOR LOS ANGELES COUNTY GENERAL RETAIL TRANSACTIONS AND USE TAX ORDINANCE AND DELEGATE AUTHORITY TO DEPARTMENTS TO EXECUTE AGREEMENTS (ALL DISTRICTS AFFECTED) (3-VOTES)

SUBJECT

Board of Supervisors (Board) approval is recommended to authorize the Chief Executive Officer (CEO), or his designee, to execute agreements with the California Department of Tax and Fee Administration (CDTFA) and examine the CDTFA's tax records to implement Measure ER, the Essential Services Restoration Act for Los Angeles County (County) General Retail Transactions and Use Tax Ordinance. The CEO further recommends that your Board delegate authority to departments administering Measure ER funding to execute agreements or amend existing agreements to use Measure ER funds.

IT IS RECOMMENDED THAT THE BOARD:

1. Adopt the Resolution authorizing the CEO, or his designee, to execute agreements with the CDTFA for implementation of Measure ER, the Essential Services Restoration Act for the County General Retail Transactions and Use Tax Ordinance (Enclosure I).
2. Direct the CEO, or his designee, to execute the Agreement for the Preparation to Administer and Operate the County's Transactions and Use Tax Ordinance and the Agreement for State Administration of County Transactions and Use Taxes (Exhibits A and B, respectively, to

Enclosure I).

3. Adopt the Resolution Authorizing Examination of Sales or Transactions and Use Taxes Records (Enclosure II).

4. Delegate authority to the Director of the Department of Health Services (DHS), the Director of the Department of Public Health, the Director of the Department of Public Social Services, the Chief Executive Office, and department heads of those departments receiving Measure ER funding in the future, or their respective designees, to enter into new contracts, amend or terminate such contracts and/or amend existing contracts, including increasing or decreasing maximum contract amounts, waiving the County standard open competitive solicitation or bidding requirements, waiving the need to comply with the County's Sole Source Policy, and waiving other standard County contracting terms and conditions, and to expedite comparable established processes to carry out the intent of your Board in adopting the Measure ER spending plan on February 10, 2026, provided such contracts are subject to prior review and approval as to form by County Counsel, consistent with your Board's February 10, 2026, actions, with two weeks advance notice, when executing new contracts, to your Board and the Chief Executive Office.

5. Direct the department heads of those departments receiving and/or administering Measure ER funding to submit a report by March 31 of each year with a listing of any contracts or agreements amended or entered into using the delegated authority provided in Recommendation No. 4.

6. Approve and authorize the Director of DHS, or her designee, to allocate Measure ER funds to be used as an Intergovernmental Transfer (IGT) to the California Department of Health Care Services to draw down federal matching dollars for supplemental Medi-Cal payments to eligible providers, as appropriate and if consistent with an adopted Measure ER spending plan.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On February 10, 2026, your Board adopted a resolution placing Measure ER on the June 2, 2026, Countywide ballot to establish a half-cent (0.5 percent) Countywide retail transactions and use tax for a period of five years. Pursuant to a spending plan also adopted by your Board on February 10, 2026 (Enclosure III), proceeds from the tax will be used to preserve and/or restore funding for essential services, including those that have been jeopardized by the passage of H.R. 1, also known as the "One Big Beautiful Bill Act." As a general tax, Measure ER required approval by a simple majority of votes cast (50 percent, plus 1 vote) for passage. The voters of the County approved Measure ER with 50.64 percent of the vote.

Recommendations No. 1 and 2 will authorize the CEO to take the necessary actions to execute contracts with CDTFA to administer the Measure ER half-cent (0.5 percent) transactions and use tax, operative October 1, 2026, for a period of five years. Under existing law, the County is required to contract with the CDTFA to administer the ordinance imposing the transactions and use tax.

Recommendation No. 3 will authorize the CEO, other County officers, and employees designated in writing by the Chief Executive Office to examine CDTFA's transactions and use tax records. Under existing law, only certain duly authorized officers are permitted to examine the records of the CDTFA's collection of taxes. Authorizing the Chief Executive Office to examine the CDTFA's tax records will allow the County to determine compliance with the Measure ER ordinance by businesses required to collect the Measure ER tax and verify the accuracy of CDTFA's distribution of tax revenues to the County.

Recommendation No. 4 will allow departments to expedite the processes to carry out the intent of your Board in adopting the Measure ER spending plan on February 10, 2026. Recommendation No. 5 requires the departments to submit a report on the use of any delegated authority to your Board by March 31 of each year.

Recommendation No. 6 will allow the Director of DHS to submit an IGT to draw down federal matching funds for those portions of Measure ER payments that can be made as Medi-Cal supplemental payments.

Implementation of Strategic Plan Goals

These recommended actions support the County's Strategic Plan North Star 1 - Make Investments that Transform Lives, Focus Area A – Healthy Individuals and Families, and North Star 2 - Foster Vibrant and Resilient Communities, Focus Area A – Public Health.

FISCAL IMPACT/FINANCING

Measure ER is estimated to generate \$808 million in its first effective fiscal year from October 2026 to June 2027, with a full-year estimate of \$1.077 billion. The maximum amount of preparatory costs that will be charged to the County for the programming necessary for the CDTFA to implement and operate Measure ER will be \$175,000. These include costs of developing procedures, programming for data processing, developing and adopting appropriate regulations, developing instructions for the CDTFA's staff and for taxpayers, and other related administrative tasks.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The passage of Measure ER by voter-approval on the June 2, 2026, ballot, resulted in the enactment of Ordinance 2026-0017 amending Title 4, Revenue and Finance of the County Code, to add Chapter 4.70 Essential Services Restoration Act for County General Retail Transactions and Use Tax.

Under California Revenue and Taxation Code Section 7270, the County is required to contract with the CDTFA to administer the ordinance imposing the transactions and use tax. Authorizing the Chief Executive Office to execute the required agreements with CDTFA allows the County to implement Measure ER and begin to receive tax proceeds for a period of five years. For CDTFA to begin collecting the Measure ER tax on October 1, 2026, CDTFA requires the County to submit the required documentation no later than July 13, 2026. The contract must be in place prior to the operative date of the ordinance, October 1, 2026.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Successful implementation of Measure ER will support the County's commitment to providing essential County services such as healthcare for County residents and reducing the risk of service cuts, including the potential closure of the County's four public hospitals and healthcare provider layoffs.

The Honorable Board of Supervisors

7/7/2026

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Respectfully submitted,



Joseph M. Nicchitta

Chief Executive Officer

JMN:JG:MRM

EB:KK:GM:yjf

Enclosures

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller
Health Services
Public Health
Public Social Services

**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES
AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO EXECUTE
AGREEMENTS WITH THE CALIFORNIA DEPARTMENT OF TAX AND FEE
ADMINISTRATION FOR IMPLEMENTATION OF A LOCAL
TRANSACTIONS AND USE TAX**

WHEREAS, on June 2, 2026, Los Angeles County voters approved Ordinance No. 2026-0017, amending the Los Angeles County Code and providing for a local transactions and use tax; and

WHEREAS, the California Department of Tax and Fee Administration (Department) administers and collects the transactions and use taxes for all applicable jurisdictions within the state; and

WHEREAS, the Department will be responsible to administer and collect the transactions and use tax for the County; and

WHEREAS, the Department requires that the County enter into a “Preparatory Agreement” and an “Administrative Agreement” prior to implementation of said taxes, and

WHEREAS, the Department requires that the County Board of Supervisors authorize the agreements;

NOW, THEREFORE BE IT RESOLVED by the Board of Supervisors of the County of Los Angeles that the “Preparatory Agreement” attached as Exhibit A and the “Administrative Agreement” attached as Exhibit B are hereby approved and the Chief Executive Officer is hereby authorized to execute each agreement.

The foregoing resolution was adopted on the _____ day of _____, 2026 by the Board of Supervisors of the County of Los Angeles and *ex officio* the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.

EDWARD YEN, Executive Officer-Clerk of the Board of Supervisors of the County of Los Angeles

By: _____
Deputy

APPROVED AS TO FORM:

DAWYN R. HARRISON
County Counsel

By: _____
Deputy County Counsel

**AGREEMENT FOR PREPARATION TO ADMINISTER AND OPERATE
COUNTY'S TRANSACTIONS AND USE TAX ORDINANCE**

In order to prepare to administer a transactions and use tax ordinance adopted in accordance with the provision of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code, the County of Los Angeles, hereinafter called *County*, and the CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION, hereinafter called *Department*, do agree as follows:

1. The Department agrees to enter into work to prepare to administer and operate a transactions and use tax in conformity with Part 1.6 of Division 2 of the Revenue and Taxation Code which has been approved by a majority of the electors of the County and whose ordinance has been adopted by the County.

2. County agrees to pay to the Department at the times and in the amounts hereinafter specified all of the Department's costs for preparatory work necessary to administer the County's transactions and use tax ordinance. The Department's costs for preparatory work include costs of developing procedures, programming for data processing, developing and adopting appropriate regulations, designing and printing forms, developing instructions for the Department's staff and for taxpayers, and other appropriate and necessary preparatory costs to administer a transactions and use tax ordinance. These costs shall include both direct and indirect costs as specified in Section 11256 of the Government Code.

3. Preparatory costs may be accounted for in a manner which conforms to the internal accounting and personnel records currently maintained by the Department. The billings for costs may be presented in summary form. Detailed records of preparatory costs will be retained for audit and verification by the County.

4. Any dispute as to the amount of preparatory costs incurred by the Department shall be referred to the State Director of Finance for resolution, and the Director's decision shall be final.

5. Preparatory costs incurred by the Department shall be billed by the Department periodically, with the final billing within a reasonable time after the operative date of the ordinance. County shall pay to the Department the amount of such costs on or before the last day of the next succeeding month following the month when the billing is received.

6. The amount to be paid by County for the Department's preparatory costs shall not exceed one hundred seventy-five thousand dollars (\$175,000) (Revenue and Taxation Code Section 7272.)

7. Communications and notices may be sent by first class United States mail or through email at jservices@cdtfa.ca.gov. If and when communications and notices may include confidential information, communications and notices must be sent through encrypted email at jservices@cdtfa.ca.gov or by mail. Communications and notices to be sent to the Department shall be addressed to:

California Department of Tax and Fee Administration
P.O. Box 942879
Sacramento, California 94279-0027

Attention: Administrator
Local Revenue Branch

Communications and notices to be sent to County shall be addressed to:

County of Los Angeles
750 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Attention: Chief Executive Office

8. The date of this agreement is the date on which it is approved by the Department of General Services. This agreement shall continue in effect until the preparatory work necessary to administer County's transactions and use tax ordinance has been completed and the Department has received all payments due from County under the terms of this agreement.

COUNTY OF LOS ANGELES

CALIFORNIA DEPARTMENT OF TAX
AND FEE ADMINISTRATION

By _____
Joseph M. Nicchitta
Chief Executive Officer

By _____
Administrator
Local Revenue Branch

Date: _____

Date: _____

DAWYN R. HARRISON
County Counsel

By _____
Deputy County Counsel

**AGREEMENT FOR STATE ADMINISTRATION
OF COUNTY TRANSACTIONS AND USE TAXES**

The voters of the County of Los Angeles (hereafter called "County" or "District") have approved by the required majority vote, the Essential Services Restoration Act for Los Angeles County General Retail Transactions and Use Tax Ordinance (hereafter called "Ordinance"), a copy of which is attached hereto. To carry out the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code and the Ordinance, the California Department of Tax and Fee Administration, (hereinafter called the "Department") and the County do agree as follows:

**ARTICLE I
DEFINITIONS**

Unless the context requires otherwise, wherever the following terms appear in the Agreement, they shall be interpreted to mean the following:

1. "District taxes" shall mean the transactions and use taxes, penalties, and interest imposed under an ordinance specifically authorized by Revenue and Taxation Code Section 7286.03, and in compliance with Part 1.6, Division 2 of the Revenue and Taxation Code.
2. "County Ordinance" shall mean the County's Transactions and Use Tax Ordinance referred to above and attached hereto, Ordinance No. 2026-0017, as amended from time to time, or as deemed to be amended from time to time pursuant to Revenue and Taxation Code Section 7262.2.

**ARTICLE II
ADMINISTRATION AND COLLECTION
OF COUNTY TAXES**

A. Administration. The Department and County agree that the Department shall perform exclusively all functions incident to the administration and operation of the County Ordinance.

B. Other Applicable Laws. County agrees that all provisions of law applicable to the administration and operation of the State Sales and Use Tax Law which are not inconsistent with Part 1.6 of Division 2 of the Revenue and Taxation Code shall be applicable to the administration and operation of the County Ordinance. County agrees that money collected pursuant to the County Ordinance may be deposited into the State Treasury to the credit of the Retail Sales Tax Fund and may be drawn from that Fund for any authorized purpose, including making refunds, compensating and reimbursing the Department pursuant to Article IV of this Agreement, and transmitting to County the amount to which County is entitled.

C. Transmittal of money.

1. For the period during which the tax is in effect, and except as otherwise provided herein, all district taxes collected under the provisions of the County Ordinance shall be transmitted to County periodically as promptly as feasible, but not less often than twice in each calendar quarter.

2. For periods subsequent to the expiration date of the tax whether by County's self-imposed limits or by final judgment of any court of the State of California holding that the County Ordinance is invalid or void, all district taxes collected under the provisions of the County Ordinance shall be transmitted to County not less than once in each calendar quarter.

3. Transmittals may be made by mail or electronic funds transfer to an account of the County designated and authorized by the County. A statement shall be furnished at least quarterly indicating the amounts withheld pursuant to Article IV of this Agreement.

D. Rules. The Department shall prescribe and adopt such rules and regulations as in its judgment are necessary or desirable for the administration and operation of the County Ordinance and the distribution of the district taxes collected thereunder.

E. Preference. Unless the payor instructs otherwise, and except as otherwise provided in this Agreement, the Department shall give no preference in applying money received for state sales and use taxes, state-administered local sales and use taxes, and district transactions and use taxes owed by a taxpayer, but shall apply moneys collected to the satisfaction of the claims of the State, cities, counties, cities and counties, redevelopment agencies, other districts, and County as their interests appear.

F. Security. The Department agrees that any security which it hereafter requires to be furnished by taxpayers under the State Sales and Use Tax Law will be upon such terms that it also will be available for the payment of the claims of County for district taxes owing to it as its interest appears. The Department shall not be required to change the terms of any security now held by it, and County shall not participate in any security now held by the Department.

G. Records of the Department.

When requested by resolution of the legislative body of the County under section 7056 of the Revenue and Taxation Code, the Department agrees to permit authorized personnel of the County to examine the records of the Department, including the name, address, and account number of each seller holding a seller's permit with a registered business location in the County, pertaining to the ascertainment of transactions and use taxes collected for the County. Information obtained by the County from examination of the Department's records shall be used by the County only for purposes related to the collection of transactions and use taxes by the Department pursuant to this Agreement.

H. Annexation. County agrees that the Department shall not be required to give effect to an annexation, for the purpose of collecting, allocating, and distributing District transactions and use taxes, earlier than the first day of the calendar quarter which commences not less than two months after notice to the Department. The notice shall include the name of the county or counties annexed to the extended County boundary. In the event the County shall annex an area, the boundaries of which are not coterminous with a county or counties, the notice shall include a description of the area annexed and two maps of the County showing the area annexed and the location address of the property nearest to the extended County boundary on each side of every street or road crossing the boundary.

ARTICLE III

ALLOCATION OF TAX

A. Allocation. In the administration of the Department's contracts with all districts that impose transactions and use taxes imposed under ordinances, which comply with Part 1.6 of Division 2 of the Revenue and Taxation Code:

1. Any payment not identified as being in payment of liability owing to a designated district or districts may be apportioned among the districts as their interest appear, or, in the discretion

of the Department, to all districts with which the Department has contracted using ratios reflected by the distribution of district taxes collected from all taxpayers.

2. All district taxes collected as a result of determinations or billings made by the Department, and all amounts refunded or credited may be distributed or charged to the respective districts in the same ratio as the taxpayer's self-declared district taxes for the period for which the determination, billing, refund or credit applies.

B. Vehicles, Vessels, and Aircraft. For the purpose of allocating use tax with respect to vehicles, vessels, or aircraft, the address of the registered owner appearing on the application for registration or on the certificate of ownership may be used by the Department in determining the place of use.

ARTICLE IV COMPENSATION

The County agrees to pay to the Department as the Department's cost of administering the County Ordinance such amount as is provided for by law. Such amounts shall be deducted from the taxes collected by the Department for the County.

ARTICLE V MISCELLANEOUS PROVISIONS

A. Communications. Communications and notices may be sent by first class United States mail to the addresses listed below, or to such other addresses as the parties may from time to time designate or through email at jservices@cdtfa.ca.gov. If and when communications and notices may include confidential information, communications and notices must be sent through encrypted email at jservices@cdtfa.ca.gov or by mail.

Communications and notices to be sent to the Department shall be addressed to:

California Department of Tax and Fee Administration

P.O. Box 942879

Sacramento, California 94279-0027

Attention: Administrator

Local Revenue Branch

Communications and notices to be sent to the County shall be addressed to:

County of Los Angeles

750 Kenneth Hahn Hall of Administration

500 West Temple Street

Los Angeles, California 90012

Attention: Chief Executive Office

Unless otherwise directed, transmittals of payment of District transactions and use taxes will be sent to the address above.

B. Term. The date of this Agreement is the date on which it is approved by the Department of General Services. The Agreement shall take effect on October 1, 2026. This Agreement shall continue until December 31 next following the expiration date of the County Ordinance, and shall thereafter be renewed automatically from year to year until the Department completes all work necessary to the administration of the County Ordinance and has received and disbursed all payments due under that Ordinance.

C. Notice of Repeal of Ordinance. County shall give the Department written notice of the repeal of the County Ordinance not less than 110 days prior to the operative date of the repeal.

ARTICLE VI
ADMINISTRATION OF TAXES IF THE
ORDINANCE IS CHALLENGED AS BEING INVALID

A. Impoundment of funds.

1. When a legal action is begun challenging the validity of the imposition of the tax, the County shall deposit in an interest-bearing escrow account, any proceeds transmitted to it under Article II. C., until a court of competent jurisdiction renders a final and non-appealable judgment that the tax is valid.

2. If the tax is determined to be unconstitutional or otherwise invalid, the County shall transmit to the Department the moneys retained in escrow, including any accumulated interest, within ten days of the judgment of the trial court in the litigation awarding costs and fees becoming final and non-appealable.

B. Costs of administration. Should a final judgment be entered in any court of the State of California, holding that County's Ordinance is invalid or void, and requiring a rebate or refund to taxpayers of any taxes collected under the terms of this Agreement, the parties mutually agree that:

1. Department may retain all payments made by County to Department to prepare to administer the County Ordinance.

2. County will pay to Department and allow Department to retain Department's cost of administering the County Ordinance in the amounts set forth in Article IV of this Agreement.

3. County will pay to Department or to the State of California the amount of any taxes plus interest and penalties, if any, that Department or the State of California may be required to rebate or refund to taxpayers.

4. County will pay to Department its costs for rebating or refunding such taxes, interest, or penalties. Department's costs shall include its additional cost for developing procedures for processing

the rebates or refunds, its costs of actually making these refunds, designing and printing forms, and developing instructions for Department's staff for use in making these rebates or refunds and any other costs incurred by Department which are reasonably appropriate or necessary to make those rebates or refunds. These costs shall include Department's direct and indirect costs as specified by Section 11256 of the Government Code.

5. Costs may be accounted for in a manner that conforms to the internal accounting, and personnel records currently maintained by the Department. The billings for such costs may be presented in summary form. Detailed records will be retained for audit and verification by County.

6. Any dispute as to the amount of costs incurred by Department in refunding taxes shall be referred to the State Director of Finance for resolution and the Director's decision shall be final.

7. Costs incurred by Department in connection with such refunds shall be billed by Department on or before the 25th day of the second month following the month in which the judgment of a court of the State of California holding County's Ordinance invalid or void becomes final. Thereafter Department shall bill County on or before the 25th of each month for all costs incurred by Department for the preceding calendar month. County shall pay to Department the amount of such costs on or before the last day of the succeeding month and shall pay to Department the total amount of taxes, interest, and penalties refunded or paid to taxpayers, together with Department costs incurred in making those refunds.

COUNTY OF LOS ANGELES

CALIFORNIA DEPARTMENT OF TAX
AND FEE ADMINISTRATION

By _____
Joseph M. Nicchitta
Chief Executive Officer

By _____
Administrator
Local Revenue Branch

Date: _____

Date: _____

DAWYN R. HARRISON
County Counsel

By _____
Deputy County Counsel

**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES
AUTHORIZING EXAMINATION OF SALES OR TRANSACTIONS AND USE TAXES
RECORDS**

WHEREAS, pursuant to Ordinance Number 2026-0017 of the County of Los Angeles (County), and Revenue and Taxation Code section 7270, the County entered into a contract with the California Department of Tax and Fee Administration (Department) to perform all functions incident to the administration and collection of transactions and use taxes; and

WHEREAS, the Board of Supervisors of the County of Los Angeles deems it desirable and necessary for authorized officers, employees and representatives of the County to examine confidential sales or transactions and use tax records of the Department pertaining to transactions and use taxes collected by the Department for the County pursuant to that contract; and

WHEREAS, Section 7056 of the California Revenue and Taxation Code sets forth certain requirements and conditions for the disclosure of Department records, and Section 7056.5 of the California Revenue and Taxation Code establishes criminal penalties for the unlawful disclosure of information contained in, or derived from, the sales or transactions and use tax records of the Department;

NOW, THEREFORE, THE BOARD OF THE COUNTY OF LOS ANGELES HEREBY RESOLVES AS FOLLOWS:

Section 1. The County's Chief Executive Officer or other officer or employee of the County designated in writing by the Chief Executive Officer to the Department is hereby appointed to represent the County with authority to examine sales or transactions and use tax records of the Department pertaining to transactions and use taxes collected for the County by the Department pursuant to the contract between the County and the Department.

Section 2. The information obtained by examination of Department records shall be used only for purposes related to the collection of County transactions and use taxes by the Department pursuant to that contract.

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ENCLOSURE II

The foregoing resolution was adopted on the _____ day of _____, 2026 by the Board of Supervisors of the County of Los Angeles and *ex officio* the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.

EDWARD YEN, Executive Officer-Clerk of the
Board of Supervisors of the County of Los Angeles

By: _____
Deputy

APPROVED AS TO FORM:

DAWYN R. HARRISON,
County Counsel

By: _____
Deputy County Counsel



**STATEMENT OF PROCEEDINGS FOR THE
REGULAR MEETING OF THE BOARD OF SUPERVISORS
OF THE COUNTY OF LOS ANGELES HELD IN ROOM 381B
OF THE KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, LOS ANGELES, CALIFORNIA 90012**

Tuesday, February 10, 2026

9:30 AM

15. Securing Funding to Preserve Critical County Services Cut by H.R.1

Recommendation as submitted by Supervisors Mitchell and Solis: Adopt a resolution ordering, calling, and giving notice of a special election to implement a Countywide general retail transactions and use sales tax measure to be placed on the June 2, 2026 Statewide Direct Primary Election to be held in the County on June 2, 2026. Approve a general sales tax ordinance, which, subject to majority approval by the voters, would, impose a 0.5% general sales tax until October 1, 2031, establish a nine-member citizens' oversight committee to provide transparency and ensure fiscal accountability as to any revenues raised by the measure by reviewing the receipt and expenditures of the revenue from the sales tax, including the County's annual independent audit, making recommendations to the Board on how to allocate the general fund revenue generated by the sales tax, producing an annual oral or written report which shall be considered by the Board at a public meeting, and the committee's responsibilities shall not include decision-making on spending priorities, financing plans or tax rate projections or assumptions and the committee shall have no authority to direct, nor shall it direct, County staff or officials. The Board shall give special consideration to organizational representatives most impacted by H.R.1 in making appointments to the citizens' oversight committee. Committee members must either reside or work in County. Citizens' oversight committee members shall serve a three-year term and are eligible to be reappointed by the Board, at its discretion. Instruct the Auditor-Controller to cause a report to be prepared by an independent auditor and filed with the Board no later than March 31st of each year until all funds are expended, stating the amount of general sales tax proceeds collected and expended in such year; and the status of any projects or description of any services or programs funded from proceeds of the general sales tax. Take the following actions: (Relates to Agenda No. 64)

Instruct the Acting Chief Executive Officer through its Legislative Affairs

and Intergovernmental Relations Branch, to support any legislative or administrative relief necessary to immediately implement the measure upon passage, including any needed exemptions from sales tax caps.

Adopt a spending plan expressing the Board's intent to allocate new general fund revenues generated by the general sales tax, if approved by the voters, in the following manner subject to the County's annual budgeting process:

Up to 47% of revenue generated shall be used by the Department of Health Services (DHS) to fund a program under which a limited network of non-profit partner providers, licensed under Section 1204(a) of the California Health and Safety Code, shall furnish no-cost or reduced cost care to low-income residents of the County who do not have health insurance. In addition, to the extent appropriate, the network may include a limited number of partner pharmacies, specialists, or ancillary service providers for services not available through the network health centers. Services available through the program shall include, to the extent funding is available, outpatient medical, specialty, dental, mild-to-moderate behavioral health, diagnostic, pharmaceuticals, nutrition, and medical supplies.

5% shall be used for school-based health needs and programs as determined by the governing board of L.A. Care Health Plan.

10% shall be allocated to the Department of Public Health to support core public health functions and the awarding of grants to support health equity.

5% shall be allocated to the Department of Public Social Services to support Medicaid outreach and enrollment activities as well as work and volunteer programs.

2.5% shall be allocated to support Correctional Health Services.

22% shall provide financial support to DHS to safeguard its public hospital and clinic services.

5% shall be allocated to support non-profit safety net hospitals in the County, as determined by meeting one of the following criteria:

A critical access hospital in the County; or non-profit hospitals that meet all of the following criteria:

At least 40% of the local population within a 5-mile radius around the hospital is living below 200% of the Federal Poverty Level.

The hospital's location is listed under County's Concentrated Disadvantage Index.

The hospital's service area is listed in the highest two tiers of County's COVID-19 Vulnerability and Recovery Index.

The hospital's service area is listed in the highest need quartile of the California Healthy Places Index compiled by the Public Health Alliance.

The hospital's service area is listed in the highest need quartile of the Centers for Disease Control and Prevention's Social Vulnerability Index.

The hospital provides at least 75,000 emergency room visits per year to Medi-Cal and uninsured, Medi-Cal patients make up at least 70% of its total patients each year, and the hospital is not affiliated with a larger hospital or health care system.

The hospital's service area is federally designated as a Health Professional Shortage Area.

2.5% for In-Home Supportive Services (IHSS) for the elderly and those living with disabilities with a priority on enhancing wages and benefits for IHSS providers.

1% to provide financial support to the City of Pasadena Public Health Department and the City of Long Beach Department of Health and Human Services to safeguard their public services, to be divided between the cities proportionately based on what each city spent on core public health services over the past five fiscal years.

Unless otherwise specified, all non-County hospital funds shall be distributed in a needs-based manner that is primarily based on Medicaid Emergency Department volume.

Jim Mangia, Rex Richardson, Yvonne Wheeler, Bukola Olusanya, Orenca Ramirez, Yasmini Iglesias, Jonathan Weedman, Cristina Guzman, Marvin Espinoza, Robert Taylor, Byron Jose, Leilani Reed, Lesly Ayala, Loretta Lorraine, Commander Madden, and other interested

persons addressed the Board. Interested person(s) also submitted written testimony.

Joseph M. Nicchitta, Acting Chief Executive Officer, Dawyn Harrison, County Counsel, Thomas J. Faughnan, Chief Deputy, County Counsel, Peter Bollinger, Assistant County Counsel, Dean Logan, Registrar-Recorder/County Clerk, Dr. Barbara Ferrer, Director of Public Health, Dr. Christina Ghaly, Director of Health Services, and Richard Tadeo, Emergency Medical Services Director, Department of Health Services, responded to questions posed by the Board.

Supervisor Horvath made a motion to amend Supervisors Mitchell and Solis' joint motion, as detailed below:

... Adopt a spending plan expressing the Board's intent to allocate new general fund revenues generated by the general sales tax, if approved by the voters, in the following manner subject to the County's annual budgeting process:

Up to ~~47%~~ **45%** of revenue generated shall be used by the Department of Health Services (DHS) to fund a program under which a limited network of non-profit partner providers, licensed under Section 1204(a) of the California Health and Safety Code, shall furnish no-cost or reduced cost care to low-income residents of the County who do not have health insurance. In addition, to the extent appropriate, the network may include a limited number of partner pharmacies, specialists, or ancillary service providers for services not available through the network health centers. Services available through the program shall include, to the extent funding is available, outpatient medical, specialty, dental, mild-to-moderate behavioral health, diagnostic, pharmaceuticals, nutrition, and medical supplies.

5% shall be allocated proportionately based on patient visits to nonprofit health agencies in the County serving low income and underserved populations, primarily furnishing family planning and reproductive health services, and in FY 2023 received Federal and State Medicaid payments totaling more than \$800,000 statewide.

~~5%~~ **4%** shall be used for school-based health needs and programs as determined by the governing board of L.A. Care

Health Plan.

10% shall be allocated to the Department of Public Health to support core public health functions and the awarding of grants to support health equity.

5% ~~3%~~ shall be allocated to the Department of Public Social Services to support Medicaid outreach and enrollment activities as well as work and volunteer programs...

The nine-member citizens' oversight committee established in the Ordinance, shall be comprised of the following members: One committee member shall be appointed by Service Employees International Union (SEIU) 721 representing health care workers working at health care facilities owned and operated by Los Angeles County. One committee member shall be the Director of the Los Angeles County Department of Public Health. One committee member shall be the Director of the Los Angeles County Department of Health Services. One committee member shall be appointed by SEIU 2015, representing in-home healthcare workers. One committee member shall be appointed by each member of the Los Angeles County Board of Supervisors, for a total of five committee members, each appointee shall represent community health clinics, public agencies, non-profit organizations, and/or reproductive health agencies.

Supervisor Mitchell did not accept Supervisor Horvath's amendment.

On motion of Supervisor Horvath, seconded by Supervisor Barger, the Board accepted the motion by Supervisor Horvath. (26-0870)

Ayes: 3 - Supervisor Horvath, Supervisor Hahn and Supervisor Barger

Noes: 2 - Supervisor Mitchell and Supervisor Solis

After discussion, on motion of Supervisor Mitchell, seconded by Supervisor Solis, the Board approved the spending plan and composition of the citizens' oversight committee as amended.

Ayes: 4 - Supervisor Mitchell, Supervisor Horvath, Supervisor Hahn and Supervisor Solis

Abstentions: 1 - Supervisor Barger

After discussion, on motion of Supervisor Mitchell, seconded by Supervisor Solis, the Board approved the resolution and ordinance placing the general sales tax measure on the June 2026 ballot.

Ayes: 4 - Supervisor Mitchell, Supervisor Horvath, Supervisor Hahn and Supervisor Solis

Noes: 1 - Supervisor Barger

- Attachments:**
- [Motion by Supervisor Mitchell](#)
 - [Motion by Supervisors Mitchell and Solis \(Updates Following Cluster\)](#)
 - [Motion by Supervisor Horvath](#)
 - [Public Comment/Correspondence](#)
 - [Audio](#)

The foregoing is a fair statement of the proceedings of the regular meeting held February 10, 2026, by the Board of Supervisors of the County of Los Angeles and ex officio the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.

Edward Yen, Executive Officer
Executive Officer-Clerk
of the Board of Supervisors

By 

Edward Yen
Executive Officer

