



What is the Essential Services Restoration Act for Los Angeles County General Sales Tax Measure?

The Essential Services Restoration Act for Los Angeles County General Sales Tax Measure is a proposed ½-percent general sales tax. The County estimates that the tax, if the measure is passed, would generate approximately \$1 billion annually. The measure would also establish a nine-member advisory citizens’ oversight committee to recommend and review expenditures from the sales tax and provide annual reporting to the public.

Why was the general sales tax measure placed on the ballot?

H.R. 1, the One Big Beautiful Bill Act, passed by Congress July 4, 2025, includes changes to federal eligibility, enrollment and work requirements to qualify for and maintain access to Medicaid (Medi-Cal in California) and Supplemental Nutrition Assistance Program (SNAP, known as CalFresh in California). Many County residents will lose their Medi-Cal benefits because of these changes. Our public County hospitals, as well as other hospitals and clinics outside the County system, rely on Medi-Cal funding to pay for patient care. Hospitals and clinics losing those Medi-Cal payments means less money to keep services running. Although residents will lose coverage, their need for health care will remain. This puts extra pressure on the County health care system to serve more patients without enough resources, making it difficult to keep hospitals and clinics open and emergency medical services running. The general fund revenues generated by the sales tax measure may be used to address these gaps and support other essential services for County residents that are at risk due to federal funding reductions. In the [February 10, 2026 motion, amendment](#) and [resolution](#) related to the measure, the Los Angeles County Board of Supervisors adopted a spending plan which allocates these general tax revenues to help fund healthcare, public health, food benefits and other human services in Los Angeles County.

How will the measure appear on the ballot?

Essential Services Restoration Act for Los Angeles County General Sales Tax Measure	
Shall the measure to help our community address severe federal cuts enacted by the President and Congress; reduce the loss of essential services, including healthcare for County residents; reduce the risk of closing the County’s four public hospitals and numerous clinics, and significant healthcare provider layoffs and other service cuts by enacting a 1/2 percent (0.5%) general sales tax for 5 years, generating approximately \$1 billion annually, with independent audits, be adopted?	Yes
	No

What jurisdictions would be subject to the general sales tax?

The measure, if approved, would impose a ½-percent tax on retail transactions countywide, including unincorporated areas and cities in the County of Los Angeles.

When will residents vote on the measure?

The measure will appear on the ballot for the June 2, 2026 primary election.

What is the threshold for passage?

A simple majority of voters voting on the measure would be needed to pass the measure.

Who would decide how the money would be spent?

Revenues generated by the sales tax would be placed in the County's general fund and used for purposes consistent with general fund expenditures. The Board of Supervisors ultimately decides how general fund dollars are allocated. An advisory citizens' oversight committee would be established to review the receipt and expenditure of the revenue from the tax, including the County's annual independent audit, and make recommendations to the Board on how to allocate the revenue generated by this sales tax. The review would be completed in conjunction with the County's budget process.

The Board adopted a spending plan that allocates these tax revenues, as follows, subject to the County's annual budgeting process:

- **45%** for the Department of Health Services 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 Los Angeles County who do not have health insurance. 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%** would be allocated proportionately based on patient visits to nonprofit health agencies in Los Angeles 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;
- **4%** for school-based health needs and programs as determined by the governing board of L.A. Care Health Plan.

- **10%** for the Department of Public Health to support core public health functions and awarding grants to support health equity.
- **3%** for the Department of Public Social Services to support Medicaid outreach and enrollment activities, and work and volunteer programs.
- **2.5%** to support Correctional Health Services.
- **22%** for financial support to the Department of Health Services to safeguard its public hospital and clinic services.
- **5%** to support non-profit safety net hospitals in Los Angeles County, as determined by meeting one of the following criteria:
 - A critical access hospital in Los Angeles 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 (FPL);
 - The hospital's location is listed under Los Angeles County's Concentrated Disadvantage Index;
 - The hospital's service area is listed in the highest two tiers of Los Angeles 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 (HPI) 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; and
 - The hospital's service area is federally designated as a Health Professional Shortage Area (HPSA)
- **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.

When would the general sales tax take effect?

If approved by a majority of voters on June 2, 2026 and approved by the State legislature¹ the tax would take effect on October 1, 2026.

How long will the general sales tax be in effect?

For five years, until October 1, 2031.

What would the role of the oversight committee be?

Members of the oversight committee would include the directors of the Department of Public Health and Department of Health Services, with one additional member to be appointed by each of the members of the Board of Supervisors, SEIU 721 and SEIU 2015. The members appointed by the Board of Supervisors shall represent community health clinics, public agencies, non-profit organizations, and/or reproductive health agencies.

Oversight committee members would serve a three-year term and must either reside or work in Los Angeles County.

The nine-member oversight committee would be responsible for:

- Reviewing the receipt and expenditures of the sales tax revenue, including the County's annual independent audit
 - Making recommendations to the Board of Supervisors on how to allocate the sales tax revenue
 - Producing an annual report to be considered by the Board of Supervisors at a public meeting
 - The committee's responsibilities would 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.

Besides the citizens' oversight committee, who would track the money?

LA County's Auditor-Controller would have an independent auditor prepare a report to be filed with the Board of Supervisors by March 31 each year.

The report by the independent auditor will include:

- The amount of tax proceeds collected and expended in the prior year.
- Provide the status of any projects or description of any services or programs funded from proceeds of the tax.

¹ Because this tax would cause the combined tax rate for all sales and transactions and use taxes collected in certain cities of Los Angeles County to exceed 2%, the State legislature will also need to approve the increase in order for it to take effect.

What budget cuts are impacting LA County?

On July 4, 2025, H.R. 1, also known as the One Big Beautiful Bill Act, was signed into federal law. This law imposes, among other cuts to public services, extensive reductions in federal support for Medicaid (Medi-Cal in California) and the Supplemental Nutrition Assistance Program (SNAP or CalFresh in California). The cumulative fiscal impact of federal laws and policies imposed since January 20, 2025, including H.R. 1, Executive Orders on grant oversight, and new federal terms and conditions restrictions, has led the County's most impacted departments (including Public Social Services, Public Health and Health Services) to project revenue losses totaling \$2.4 billion over the next three years.

The Department of Health Services is projecting federal revenue loss exceeding \$700 million per year by 2028-29 as a result of the federal impact of H.R. 1 and potential waiver non-renewal. The Department of Public Health is forecasting a minimum \$42 million deficit in fiscal year 2025-26 and anticipates losing \$200-300 million from H.R. 1 cuts, or potential funding freezes and other actions by the Administration in the next 3 years.

For more information:

- [Board Motion](#)
- [Amendment to the Motion](#)
- [Resolution](#)
- [Ordinance](#)
- [Statement of Proceedings for February 10, 2026](#)