ROCKLIN
CALIFORNIA

City Council Staff Report

Subject: Placement of a General Transactions and Use Tax Measure on the November 3, 2026 General Election Ballot

Date: May 26, 2026

Submitted By: Andrew Keys, Assistant City Manager
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Department: City Manager's Office

Recommendation:
Introduce, Waive the Full Reading and Read by Title Only, an Ordinance of the City of Rocklin Amending Rocklin Municipal Code Title 3 – Revenue and Finance By Adding Chapter 3.25 "2026 Transactions and Use Tax" By Imposing a One-Half Percent (0.50%) General Transactions and Use (Sales) Tax Until Repealed By Voters, To Be Collected and Administered by the California Department of Tax and Fee Administration, Subject to Voter Approval.

Background:

The City of Rocklin is known for its high quality of life with excellent parks and public services, a low crime rate and fast 911 medical response times, and a longstanding history of prudent financial management, long-range planning, and accountability. The City is not currently in a dire financial position. However, current financial forecasts show structural deficits beginning in the next budget cycle and growing in future years if no corrective action is taken.

In response, the City has taken a proactive approach to evaluating long-term fiscal sustainability before future service reductions become necessary. Over the past several months, the City has conducted substantial public outreach to better understand community priorities, service expectations, and perspectives regarding the City's long-term fiscal outlook, including possible future funding options. These efforts included a resident survey mailed in September 2025 to all residential households in Rocklin which generated 2,886 responses and 900 independent comments, including 127 public questions that each received a response from City leadership. The City also prepared a community presentation, met with 18 community groups and more than 30 individual community leaders, and in March 2026 conducted four town halls.

The City's outreach and research also showed a strong foundation of public confidence in the community and in City leadership. Specifically, 64% of residents indicated Rocklin is on the right track while only 14% indicated Rocklin is on the wrong track. At the same time 95% of

residents think Rocklin is a great place to live. These results are consistent with the broader outreach findings showing that residents generally support the City of Rocklin and find that City services are a key part of Rocklin's high quality of life.

These efforts were undertaken in part to help inform the City Council's consideration of whether to move forward with a 2026 ballot measure. The outreach demonstrated that residents value Rocklin's quality of life and identified public safety, parks and open space, recreation opportunities, infrastructure maintenance, and fiscal accountability and transparency as important community priorities. With this background in mind, at this time the City Council is considering placing a one-half cent tax on the November 2026 General Election ballot.

DISCUSSION

1. The proposed measure is a proactive response to emerging fiscal pressures

The proposed measure is not being brought forward in response to an immediate fiscal crisis. Rather, it reflects a proactive effort to address forecasted structural deficits before they materially affect service levels, infrastructure maintenance, or the quality of life residents expect. By acting now, the City Council can allow Rocklin voters to decide whether to provide an additional locally controlled revenue source to help maintain and preserve services and maintain fiscal stability over the long term.

2. The measure is community-informed and supported by extensive outreach

Staff's recommendation is informed by the extensive outreach completed to date. The outreach process described in this and prior reports was designed to gather meaningful public input before any final City Council direction, and it demonstrated consistent community interest in protecting Rocklin's quality of life and planning ahead for future fiscal challenges. Residents love Rocklin, love living here, value the city services they receive and have a strong desire to maintain those services.

Community outreach specifically indicates residents value public safety and financial stability, maintaining core public services, rapid 911 emergency/medical response, police/fire protection, keeping public areas and parks healthy/safe/clean, preserving open space, and preventing wildfires. The proposed measure reflects those community priorities and the City's continued commitment to provide high quality services while focusing on financial transparency and accountability to residents.

3. The Measure is structured as a general transactions and use tax

The proposed ordinance would place before Rocklin voters a general transactions and use tax at the rate of 0.50%. The ordinance is drafted to conform to the California Transactions and Use Tax Law and to be administered by the California Department of Tax and Fee Administration. The earliest intended operative date is April 1, 2027.

As proposed the measure would continue until ended by voters. Because the measure is structured as a general tax, revenues would be deposited into the City's General Fund and could be used for any lawful municipal purpose. As a general tax, the measure does not

include a detailed spending plan, however, the substantial outreach conducted to date has given the City substantial insight into the service priorities of Rocklin residents. Those priorities are public safety and financial stability, maintaining core public services, rapid 911 emergency/medical response, police/fire protection, keeping public areas and parks healthy/safe/clean, preserving open space, and preventing wildfires.

4. Strict accountability provisions are included in the Ordinance

The City of Rocklin maintains a AAA bond rating and consistently achieves recognition from state and national organizations for preparation of financial plans and annual audits of City revenues and expenditures. Should voters approve this measure, the same annual budget process and independent audit of revenues received from this measure will occur.

5. Election requirements

If the City Council approves the proposed ordinance and related election resolutions, the 2026 Transactions and Use Tax Ordinance Measure will be placed before Rocklin voters at the 2026 General Municipal Election in accordance with applicable election requirements.

As a general transactions and use tax measure, placement of the measure on the ballot requires approval by at least two-thirds of the City Council, and the measure would become effective only if approved by a majority of Rocklin voters voting on the measure.

PUBLIC NOTICE / OUTREACH

The City has already completed substantial outreach regarding community priorities, City services, and the City's long-term fiscal outlook. That work included a citywide resident survey, responses to public questions, community presentations, meetings with community groups and individual leaders, and four town halls. If the City Council places the measure on the ballot, the City will continue to provide factual, fair, and impartial public information regarding the measure, the City's fiscal outlook and core City services.

Fiscal Impact:

Approval of the recommended action will result in election-related and administrative costs associated with ballot preparation, legal review, election services, and related public information activities. Those costs will be paid from existing appropriations and/or budgeted election and professional services funds.

If approved by the voters, the measure would provide an additional ongoing locally controlled general revenue source to support City services and long-term fiscal stability.

Based on current taxable sales projections, the measure is estimated to generate approximately eight million dollars ($8,000,000) annually to maintain core City services and Rocklin’s high quality of life.

ATTACHMENTS:

1. Ordinance