

ORDINANCE NO. _____

**AN ORDINANCE OF THE COUNTY OF SONOMA IMPOSING A
TRANSACTIONS AND USE TAX TO BE ADMINISTERED BY THE
CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION
FOR PROTECTING THE PUBLIC WITH IMPROVED EMERGENCY
ALERTS, VEGETATION MANAGEMENT AND WILDFIRE
PREVENTION; AND INCREASING THE APPROPRIATIONS LIMIT
FOR THE COUNTY TO ALLOW EXPENDITURE OF THE PROCEEDS
OF THE PROPOSED TAX**

Section 1. TITLE. This Ordinance shall be known as the Sonoma County Wildfire Prevention, Emergency Alert and Response Transactions and Use Tax Ordinance. The County of Sonoma hereinafter shall be called "County." This Ordinance shall be applicable in the incorporated and unincorporated territory of the County.

Section 2. SUMMARY. If approved by the voters, this Ordinance will impose a one half of one percent (1/2%) transactions and use tax to be used exclusively to supplement existing funding for disaster alerts, vegetation management, fire suppression and fire-fighting services and wildfire prevention provided by the County of Sonoma and thirty-eight fire suppression services agencies, included in Attachment A throughout the incorporated and unincorporated territory of the County.

Section 3. EFFECTIVE DATE; OPERATIVE DATE. This Ordinance shall become effective upon its approval by a two-thirds majority of the electors of the County voting on the measure, at an election called for that purpose, and the date of such approval hereafter shall be called the "Effective Date." "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.

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 Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Section 7285.5 of Part 1.7 of Division 2 which authorizes the County to adopt this tax Ordinance which shall be operative if a (2/3) majority of the electors voting on the measure vote to approve the imposition of the tax at an election called for that purpose.

B. 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 Part 1.6 of Division 2 of the Revenue and Taxation Code.

C. 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 California Department of Tax and Fee Administration 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 California Department of Tax and Fee Administration in administering and collecting the California State Sales and Use Taxes.

D. 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 Part 1.6 of Division 2 of the 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.

E. To establish a local funding source for emergency alerts, vegetation management, fire suppression and fire-fighting services and wildfire prevention provided by the County of Sonoma and the fire suppression services agencies throughout the incorporated and unincorporated territory of the County as set out in detail in the expenditure plan ("Expenditure Plan") adopted as part of this Ordinance.

F. To increase the appropriations limit for the following fire suppression agencies included in Attachment A of the Expenditure Plan.

G. To authorize issuance of limited tax bonds to finance projects in accordance with the Expenditure Plan.

Section 5. CONTRACT WITH STATE. Prior to the Operative Date, the County shall contract with the California Department of Tax and Fee Administration to perform all functions incident to the administration and operation of this transactions and use tax Ordinance; provided, that if the County shall not have contracted with the California Department of Tax and Fee Administration 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 (1/2%) 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 California Department of Tax and Fee Administration.

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 (1/2%) 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 Part 1.6 of Division 2 of the Revenue and Taxation Code, all of the provisions of Part 1 (commencing with Section 6001) of Division 2 of the 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 of Division 2 of the Revenue and Taxation Code:

A. Wherever the State of California is named or referred to as the taxing agency, the name of this County 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 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 California Department of Tax and Fee Administration, 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 of Division 2 of the 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 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.

1. "A retailer engaged in business in the County" shall also include any retailer that, in the preceding calendar year or the current calendar year, has total combined sales of tangible personal property in this State or for delivery in the State by the retailer and all persons related to the retailer that exceeds five hundred thousand dollars (\$500,000). For purposes of this section, a person is related to another person if both persons are related to each other pursuant to Section 267(b) of Title 26 of the United States Code and the regulations thereunder.

Section 11. PERMIT NOT REQUIRED. If a seller's permit has been issued to a retailer under Section 6067 of the 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 District 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 Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, and undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the 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 Revenue and Taxation Code of the State of California.

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 Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, or undocumented vessels registered under Division 3.5

(commencing with Section 9840) of the 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 district imposing, or retailer liable for a transactions tax pursuant to Part 1.6 of Division 2 of the 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 of Division 2 of the Revenue and Taxation Code relating to sales and use taxes and which are not inconsistent with Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, and all amendments to Part 1.6 and Part 1.7 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.

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 or the County, or against any officer of the State or the County, to prevent or enjoin the collection under this Ordinance, or Part 1.6 of Division 2 of the Revenue and Taxation Code, of any tax or any amount of tax required to be collected.

Section 15. 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. The County declares that it would have adopted each part of this Ordinance irrespective of the validity of any other part.

Section 16. INCREASE IN APPROPRIATIONS LIMIT. The appropriations limit of the agencies, included in Attachment A of the Expenditure Plan shall be increased by the anticipated amount of revenue generated by the tax to allow spending of the tax for the period allowed by law.

Section 17. ADOPTION OF EXPENDITURE PLAN AND ACCOUNTABILITY FOR EXPENDITURE OF PROCEEDS OF THE TAX. The Board of Supervisors hereby adopts the Expenditure Plan attached hereto and incorporated into this ordinance by reference. Proceeds of the tax imposed by this Ordinance shall be allocated to each of the Fire Suppression Agencies and the County of Sonoma, and shall be spent only to implement the projects set forth in the Expenditure Plan, including planning, engineering, environmental review, administrative costs and construction of such projects.

Section 18. ESTABLISHMENT OF BONDING AUTHORITY. The County, cities and fire suppression agencies are authorized to issue bonds for the purposes of advancing the commencement of or expediting the delivery of programs or projects in accordance with the Expenditure Plan. Pursuant to Government Code Sections 55800 et seq., or any successor statute, the County, cities and fire suppression agencies may issue limited tax bonds, from time to time, secured by and payable from all or any portion of the transactions and use tax imposed by this Ordinance to finance any program or project in the Expenditure Plan. The maximum bonded

indebtedness, including issuance costs, interest, reserve requirements, and bond insurance, if any, shall not exceed the total amount of the proceeds anticipated to be collected by the imposition of this transactions and use tax. All costs associated with the issuance of such bonds shall be accounted for within the program category in which the bond proceeds are used. The bonds may be issued any time throughout the duration of this tax. Nothing herein shall limit or restrict in any way the power and authority of the County, the cities or any fire suppression agency to issue bonds, notes or other obligations, to enter into loan agreements, leases, reimbursement agreements, standby bond purchase agreements or derivative contracts or to engage in any other transaction under the Government Code or any other law.

Section 19. COMPLIANCE WITH CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA). Pursuant to the State CEQA Guidelines section 15378(b)(4), adoption of this transaction and use tax ordinance and Expenditure Plan is not a project subject to the requirements of CEQA. Prior to commencement of any project included in the Expenditure Plan, any necessary environmental review required by CEQA shall be completed. Estimated costs in the Expenditure Plan include the cost of such environmental review.

Section 20. ACCOUNTABILITY REQUIREMENTS.

(a) Independent Citizens' Oversight Committee. The Board of Supervisors shall establish a seven-member Citizens' Oversight Committee to provide transparency and ensure fiscal accountability. The Committee shall review the receipt and expenditures of the revenue from the transactions and use tax, including the independent audit of each agency's use of the tax. The Board shall adopt a resolution regarding the appointment of seven Committee members, and any additional duties of the Committee. The Board of Supervisors shall appoint two members of the Board of Supervisors to sit on the Oversight Committee. Two of the Committee members will be selected from a list of names submitted by the Mayors of Sonoma County Cities. The Sonoma County Fire Chiefs Association will appoint three members, at least one of which is a representative of an independent fire district. Committee Members will serve a three-year term and are eligible to be reappointed by their appointing body. To preserve the integrity and independence of the oversight process, 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 or fire suppression agency staff or officials.

(b) Performance Audit. Every three years, the County shall require that an independent performance audit be conducted of each agency's use of the proceeds. The audit shall be conducted by an independent certified public accountancy firm retained by the County and shall ensure that the tax proceeds have been expended in full compliance with the voter-approved expenditure plan.

Section 21. APPROPRIATIONS LIMIT. The appropriations limit for the County shall be increased for the maximum period permitted by law (four years) to allow for the use of all proceeds raised by the special tax imposed by this Ordinance.

PASSED AND ADOPTED by the _____,
State of California, on _____, by the following vote:

AYES: NOES: ABSENT:

Chairperson

EXPENDITURE PLAN

SONOMA COUNTY WILDFIRE PREVENTION, EMERGENCY ALERT AND RESPONSE MEASURE

Statement of Principles

The fundamental principle guiding this Expenditure Plan is to provide more efficient, effective, and sustainable fire response, emergency alert, and wildfire prevention capabilities that protect the health and safety of the public in Sonoma County. To achieve this goal, the Sonoma County Board of Supervisors sought the guidance of Fire Agencies in Sonoma County to develop a plan that looks beyond established boundaries to protect the public's safety. The ensuing Deployment Plan, which is the basis of this Expenditure Plan, was informed by an analysis of population density, call volumes, station coverage response times, special hazard areas, and local knowledge and was developed to provide a long-term framework for planning, funding, and implementing enhanced fire, emergency alert services, and wildfire capabilities within Sonoma County. The goals of this Expenditure Plan embody the lessons learned from the October 2017 fires and the more than 296 years of experience of the chiefs, firefighters, and emergency managers that informed this Expenditure Plan.

Introduction

The expenditure plan for the Sonoma County Fire and Emergency Alert and Wildfire Prevention Measure ("Expenditure Plan") provides for investment into five program categories. Each program category will receive a percentage share of the sales tax revenue, currently estimated at \$51 million per year. The tax proceeds must be spent for the purposes authorized in this Expenditure Plan and may not be used for other purposes. The revenues collected from the tax shall be used only to supplement existing services and shall not be used to pay for existing operations. Refer to Exhibit A for the percentage of tax being distributed to each Agency.

Fire Agencies shall receive the funds allocated in this Expenditure Plan if those agencies work towards regional consolidation in order to achieve efficient, effective, and sustainable services in the County. The requirement to work towards consolidation does not apply to the cities who provide municipal fire suppression services; however, cities are free to participate in consolidation. The Board of Supervisors, in conjunction with Sonoma County Local Agency Formation Commission ("Sonoma County LAFCO") will conduct a review of the agencies that provide fire suppression services, excluding cities with municipal firefighting services, once every three (3) years to determine if the agencies are taking appropriate steps toward consolidation in order to provide efficient, cost effective and reliable delivery of fire services.

1. **Alert, Warnings, and Sirens.** The sales tax will fund approximately 200 additional firefighters throughout Sonoma County, which will provide much needed resources to keep communities safe in the event of future fires and/or disasters. In addition, the funding will be used to provide hi low sirens on emergency vehicles. The addition of these capabilities throughout the County will greatly improve the ability of local Fire Agencies to assist with community alerts, including direct in person alerting and facilitating neighborhood evacuations. The additional firefighters will also be available to staff pre-positioned trucks and apparatus when necessary for red flag warning events and other disaster events. The local agency may use the staffing funds to pay for reasonable one-time start-up costs associated directly with the 200 additional firefighters. Such one-time startup costs may include the equipment, and apparatuses to support additional firefighters and paramedics. Under no circumstances, shall any of

the equipment and facilities proceeds be used for startup costs after December 31, 2022. In addition, a portion of the sales tax will be provided to the Department of Emergency Management to construct, operate and maintain networks of sirens (where appropriate) for alerting residents and visitors of emergency wildfire threats and other disasters; enhance use of the Wireless Emergency Alert system, SoCo Alert, and Nixel notifications; and other alert and warning services. In addition, as new fire stations are constructed or remodeled, local fire suppression agencies will install sirens at the stations.

2. **Vegetation Management, and Wildfire Prevention, Preparedness, and Response.** The additional 200 firefighters, along with seven new fire inspectors supported by the tax will provide enhanced vegetation management fire prevention services throughout the county. Local Fire Agencies' staff shall provide vegetation management services in their jurisdictions, including parcel inspections to ensure that property owners are complying with minimum vegetation management standards. The tax will support local Fire Agencies to remediate non-compliant parcels, including, conducting hearings and pursuing recovery of administrative costs associated with managing and enforcing the County of Sonoma's Abatement of Hazardous Vegetation and Combustible Material ordinance or relevant ordinance (that meets the minimum standards established by the County) within an agency's jurisdiction. Agencies shall inspect every property subject to the County of Sonoma's Abatement of Hazardous Vegetation and Combustible Material ordinance or relevant ordinance within an agency's jurisdictions located within the Wildland Urban Interface and along all evacuation routes once every three (3) years. An Agency may satisfy this requirement by performing vegetation management fire prevention services itself or by contracting with another local or regional agency. Additionally, the sales tax shall fund a regional crew to perform vegetation management fire prevention services that will directly mitigate hazards, reduce fuels, reinforce evacuation routes, and construct fuel breaks. The agency hosting the regional crew shall report annually the following: size and location of fuel breaks created, evacuation routes improved, and total estimated tons of fuel reduced or removed. The Board of Supervisors shall enter into a contract with a Fire Agency performing services within Sonoma County for services provided by a regional vegetation management crew and shall use the funds identified in Exhibit A to pay for such services. This report shall be attached to the annual report provided to the oversight committee covering the expenditures of staffing, alert/warning and capital improvement.

3. **Recruitment and Retention of Firefighters.** As described above, the sales tax will provide support for approximately 200 additional firefighters throughout the county to protect the public's health and safety. The enhanced level of service will fund qualified firefighters and paramedics to provide fire suppression, alert and warning, emergency response, and vegetation management fire prevention services. In addition, 5.5% of the sales tax will go to certain Fire Agencies that have specific challenges recruiting and retaining full-time firefighters. Refer to Exhibit B for percentage of tax being distributed to those Agencies for recruitment and retention purposes.

4. **Incentivize Consolidation and Address Other Fire Response and Prevention Needs.** One and one-quarter percent (1.25%) of the sales tax will provide funding for the Board of Supervisors to use to incentivize consolidation, enhance regional vegetation management efforts, and improve alert and warning systems.

5. **Equipment and Facilities.** The County Board of Supervisors will allocate proceeds of the tax measure to agencies based on the facility improvement distribution plan included as Exhibit C. These sales tax proceeds shall not be utilized for operations by the local agencies who receive these funds. The County of Sonoma and the agency to receive funds for equipment and facilities will agree upon the terms and conditions for receipt of these proceeds, including but not limited to timelines for completion of construction or acquisition, requirements to provide funding to complete the construction or

acquisition if there is a funding shortfall, etc. The agencies that provide fire suppression services are authorized upon the approval of their respective legislative bodies, to use their allocation of Equipment and Facilities tax proceeds to bond for the purpose of improving and/or replacing fire facilities, equipment and/or apparatuses to increase the capacity of their respective fire suppression agencies to respond to the fire suppression, emergency alert, and fire prevention needs of their respective communities including equipment and facilities upgrades, construction and/or acquisition. An agency with municipal fire suppression services may issue limited tax bonds, from time to time, to finance any program or project in accordance with this Expenditure Plan as allowed by applicable law and as approved by their respective legislative body, and the maximum bonded indebtedness shall not exceed the projected 30-year distribution of their annual allocation. All costs associated with the issuance of bonds, including debt service payments, issuance costs, interest, reserve requirements, and insurance shall be accounted for within this program category. Such bonds will be payable solely from the allocation of the retail transactions and use tax of the agency issuing the bonds and may be issued any time before expiration of the tax. Refer to Exhibit C for the facility improvement distribution plan.

Independent Oversight Committee and Performance Audit

The Board of Supervisors shall establish an Oversight Committee to provide transparency and ensure fiscal accountability. The Committee shall review the receipt and expenditures of the revenue from the transactions and use tax, including an audit of each Agency's use of the tax, which is to be conducted every three years by an independent certified public accountant retained by the County. Any written report shall be a public record. The Board shall adopt a resolution regarding the appointment of seven Committee members, and any additional duties of the Committee. The Sonoma County Board of Supervisors shall appoint two members of the Board of Supervisors to sit on the Oversight Committee. Two of the Committee members will be selected from a list of names submitted by the Mayors of Sonoma County Cities. The Sonoma County Fire Chiefs Association will appoint three members at least one of which is a representative of an independent fire district. Committee Members will serve a three-year term and are eligible to be reappointed by their appointing body.

The funds collected from the Fire and Emergency Alert and Wildfire Prevention Measure shall be received and distributed by the County Auditor-Controller-Treasurer-Tax Collector. The amount generated by this revenue source and how it was distributed shall be included in the annual audit completed by an independent certified public accountant, which the Committee shall review.

To preserve the integrity and independence of the oversight process, 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 or fire suppression agency staff or officials.

Annual Report

All agencies receiving funding from the Fire and Emergency Alert and Wildfire Prevention Measure, including the County of Sonoma, shall prepare a report that will be submitted to the Oversight Committee (Committee) no later than the last day of the sixth month following the end of the fiscal year. Each agency's Annual Report shall include the following information:

1. A detail of the prior fiscal year's activities related to the Transaction and Use Tax by providing a budget to actual report, balance sheet, and fund balance report.
2. A summary of the positions and start up, equipment and facilities that were funded with the Transaction and Use Tax.
3. The specific activities that support each of the following activities: (a) alert and warning, (b) vegetation management, and (c) fire prevention activities.

4. The efforts undertaken to cooperate with LAFCO to facilitate consolidation efforts.
5. Update on the status of facility improvements that are funded with the Transaction and Use Tax.
6. Demonstration of compliance with the requirements of this plan that the funds shall be used to pay for additional personnel and not existing operations (except as allowed by Exhibit B).
7. Any material changes in the service needs within their jurisdiction.

The Committee shall submit their findings to the Sonoma County Board of Supervisors and the Sonoma County LAFCO regarding the utilization of funding towards the priorities identified in this Expenditure Plan.

Oversight and Administration

The implementation of the Sonoma County Fire and Emergency Alert and Wildfire Prevention Measure will be the responsibility of the Sonoma County Administrator, who reports directly to the Sonoma County Board of Supervisors. The County is charged with a fiduciary duty in administering the tax proceeds in accordance with applicable laws and this Sonoma County Fire and Emergency Alert and Wildfire Prevention Measure. Receipt of tax proceeds may be subject to appropriate terms and conditions as determined by the County in its reasonable discretion, including, but not limited to, the right to require recipients to execute funding agreements and the right to audit recipient's use of the tax proceeds. Environmental reporting, review and approval procedures as provided for under the National Environmental Policy Act, and/or California Environmental Quality Act, or other applicable laws will be adhered to as a prerequisite to the implementation of any project. Actual tax proceeds may be higher or lower than estimated over the duration of this Measure. Funding agreements shall be required before any tax proceeds are distributed. Each funding agreement shall establish existing revenues used to fund existing personnel in order to establish the baseline for measuring compliance with the requirement that sales tax proceeds shall only be used to pay for additional personnel (except as set forth in Exhibit B).

California Department of Tax and Fee Administration Costs

Payment for the costs of contracting with the California Department of Tax and Fee Administration for administration of the tax shall be the responsibility of the County. If the election is successful, the County shall be reimbursed for any fee charged by the California Department of Tax and Fee Administration from the proceeds of the tax.

Election and Administration Costs

Payment for the costs of the election shall be the responsibility of the County. If the election is successful, the County shall be reimbursed for the cost of the election from the proceeds of the tax. The annual administrative cost borne by the County's Auditor and County Administrator staff, the Oversight Committee administrative costs and the California Department of Tax and Fee Administration will be deducted from the annual proceeds from the tax before quarterly distribution to the fire suppression agencies and other agencies listed below.

Maintenance of Effort Requirement

The proceeds from this measure shall not be used to supplant an agency's historical general fund(s) contribution originating from ad valorem property taxes or parcel taxes in support of the operating (non-capital project) cost for providing its fire related services.

Reallocation

Actual tax proceeds will be programmed annually in accordance with the percentage distributions, or the reallocated percentages as authorized in this Expenditure Plan. The ability to fully fund or complete all programs or projects in the Expenditure Plan may be impacted by changing circumstances over the duration of the tax. Tax proceeds originally allocated may become available for reallocation due to any of the following reasons:

1. A listed project is completed under budget;
2. A listed project is partially or fully funded by funding sources other than tax proceeds;
3. A project sponsor and implementing agency request deletion of a listed project;
4. A listed project cannot be completed due to an infeasible design, construction limitation or substantial failure to meet specified implementation milestones.
5. Fire Agencies shall receive the funds allocated in this Expenditure Plan if those agencies work towards regional consolidation in order to achieve efficient, effective and sustainable services in the County. The cities who provide municipal fire suppression services are not subject to this requirement of working towards consolidation, but are free to join in consolidation efforts. The Board of Supervisors, in conjunction with Sonoma County LAFCO will conduct a review of the agencies that provide fire suppression services, excluding cities with municipal firefighting services, once every three (3) years to determine if the agencies are taking appropriate steps toward consolidation. If both LAFCO and Board of Supervisors each determine by a 4/5ths vote that an agency has not made appropriate steps toward consolidation, that agency's share of tax revenue shall, at the sole discretion of the Board of Supervisors, be held in trust, or redistributed to other Fire Agencies listed in Exhibit A within the same region, or a neighboring region, as the non-compliant agency, until such time as the Sonoma County Board of Supervisors and Sonoma County LAFCO each determine by majority vote that the agency is acting in accordance with this Expenditure Plan's consolidation requirements. Upon such a determination, the funds will be released from trust or reallocated as provided in Exhibit A, respectively.
6. Upon consolidation, the tax share going to the local fire suppression agency that is annexed into another Fire Agency shall be transferred to the annexing Fire Agency, provided, however, that the annexing Fire Agency ensures LAFCO that service levels within the former local fire suppression agency shall not degrade as a result of the annexation.
7. Upon a material change in service delivery needs due to the passage of time, technological advances, an act of God or other significant event, an agency may request a change to the tax allocation. The requesting agency shall first seek the approval of the Fire Chiefs Association (or its successor agency) and if the Chiefs Association is supportive of the request the requesting agency can bring it forward to the Board of Supervisors for consideration. The Board may approve the request by legislative action which is affirmed by a unanimous vote at a regular scheduled board meeting.

The following Agencies will receive a percentage of Tax Allocated from the Expenditure Plan's Category Descriptions: **Alert, Warnings, and Sirens; Vegetation Management and Wildfire Prevention and Preparedness, and Response.**

Agency	Percentage of Tax
City of Healdsburg	1.28%
City of Petaluma	3.08%
City of Rohnert Park	4.18%
City of Santa Rosa	8.55%
City of Sebastopol	1.82%
City of Sonoma	1.11%
Bodega Bay Fire Protection District	1.22%
Cazadero Community Services District	1.82%
Cloverdale Fire Protection District	1.37%
Forestville Fire Protection District	2.00%
Geyserville Fire Protection District	4.13%
Glen Ellen Fire Protection District	0.76%
Gold Ridge Fire Protection District	2.60%
Graton Fire Protection District	2.70%
Kenwood Fire Protection District	1.39%
Monte Rio Fire Protection District	5.55%
North Sonoma Coast Fire Protection District	1.71%
Occidental Fire Protection District	2.78%
Rancho Adobe Fire Protection District	0.42%
Russian River Fire Protection District	0.76%
Schell-Vista Fire Protection District	0.76%
Sonoma County Fire District	4.41%
Timber Cove Fire Protection District	0.22%
Valley of the Moon Fire Protection District	3.20%
Community Service Area 40 (Bloomfield)	2.70%
Community Service Area 40 (Bodega)	3.01%
Community Service Area 40 (Camp Meeker)	0.31%
Community Service Area 40 (Fort Ross)	0.31%
Community Service Area 40 (Lakeville)	3.08%
Community Service Area 40 (Mayacamas)	0.31%
Community Service Area 40 (San Antonio)	0.00%
Community Service Area 40 (Two Rock)	0.31%
Community Service Area 40 (Valley Ford)	0.31%
Community Service Area 40 (Wilmar)	3.08%
County of Sonoma Regional Vegetation Management	3.74%
County of Sonoma Department of Emergency Management	5.00%
Total	80.0%

The following Agencies will receive a percentage of Tax Allocated from Expenditure Plan's Project Description: **Recruitment and Retention of Firefighters**

Agency	Percentage of Tax
Kenwood Fire Protection District	0.28%
Schell-Vista Fire Protection District	0.42%
North Sonoma Coast Fire Protection District	0.42%
Forestville Fire Protection District	0.42%
Cloverdale Fire Protection District	0.43%
Geyserville Fire Protection District	0.43%
Bodega Bay Fire Protection District	0.88%
Gold Ridge Fire Protection District	1.03%
Sebastopol Fire Protection District	0.06%
Rancho Adobe Fire Protection District	1.14%
Total	5.5%

The following Agencies will receive a percentage of Tax Allocated from Expenditure Plan's Project Description: **Equipment and Facilities**

Agency	Percentage of Tax	Equipment and Facilities Description
City of Healdsburg	0.26%	New Station
City of Petaluma	0.75%	New Station
City of Rohnert Park	0.75%	New Station
City of Santa Rosa	2.25%	New Station; Relocate Station
Cazadero Community Services District	0.37%	Relocate Station
Glen Ellen Fire Protection District	0.37%	Station Improvement
Gold Ridge Fire Protection District	0.37%	Station Improvements
Kenwood Fire Protection District	0.37%	Station Improvement
Monte Rio Fire Protection District	0.93%	Relocate Station; Station Improvements
North Sonoma Coast Fire Protection District	0.19%	Station Improvements
Geyserville Fire Protection District	0.79%	New Station; Station Improvements
Russian River Fire Protection District	0.75%	Relocate Station
Sonoma County Fire District	3.19%	Two New Stations; Relocate Station
Timber Cove Fire Protection District	0.04%	Station Improvements
Bloomfield Fire Protection District	0.56%	Relocate Station
Fort Ross Fire Protection District	0.37%	Relocate Station
Lakeville Fire Protection District	0.56%	Relocate Station
Wilmar Fire Protection District	0.37%	Station Improvements
Total	13.25%	