

RESOLUTION NO. 26-10

1 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LA VERNE,
2 CALIFORNIA, OPPOSING THE LOS ANGELES COUNTY "HEALTHCARE
3 FUNDING RESTORATION ACT" COUNTYWIDE SALES TAX MEASURE.

4 WHEREAS, Los Angeles County has proposed placing a one-half cent
5 ($\frac{1}{2}\%$) countywide general sales tax measure, known as the *Healthcare Funding*
6 *Restoration Act*, on the June 2026 Primary Election ballot; and,

7 WHEREAS, the City of La Verne recognizes the importance of
8 healthcare and public health services while also acknowledging the need to
9 maintain local fiscal sustainability and economic stability for residents and
10 businesses; and,

11 WHEREAS, the proposed measure would increase the overall sales tax
12 burden on residents and businesses and may impact local economic activity
13 and the ability of cities to secure voter support for locally controlled funding
14 measures; and,

15 WHEREAS, the structure of the proposed measure does not guarantee
16 proportional return of revenues to the communities from which they are
17 generated and relies on centralized County allocation decisions; and

18 WHEREAS, the County has immediately jumped to the imposition of a
19 sales tax increase instead of conducting the necessary reviews of the its system
20 to ensure efficient and effective health care service delivery; and

21 WHEREAS, the City has expressed concerns regarding accountability,
22 transparency, and long-term local benefit associated with the proposed
23 measure; and

24 WHEREAS, the County has developed a spending plan for sales tax
25 proceeds that would direct such a general sales tax if passed, but cannot
26 guarantee that such funding be actually delivered and provide for a sustained
27 health care system; and

28 WHEREAS, the City previously communicated its opposition to the Los
Angeles County Board of Supervisors through formal correspondence from the
Mayor dated February 4, 2026.

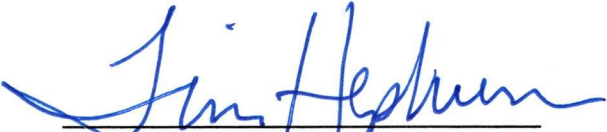
NOW, THEREFORE, BE IT RESOLVED by the City Council of the City
of La Verne as follows:

1 **Section 1.** The City Council formally expresses its opposition to the
2 proposed Los Angeles County *Healthcare Funding Restoration Act* countywide
3 general sales tax measure.

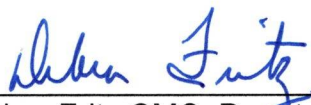
4 **Section 2.** The Deputy City Clerk is directed to transmit a copy of this
5 Resolution to the Los Angeles County Board of Supervisors, the County Chief
6 Executive Officer, local legislative representatives, and other appropriate
7 agencies.

8 **Section 3.** That the Mayor shall sign and the Deputy City Clerk shall
9 certify to the passage and adoption of this Resolution and thereupon the same
10 shall take effect and be in force.

11 **PASSED, APPROVED AND ADOPTED this 2nd day of March, 2026.**

12 
13 _____
14 Mayor Tim Hepburn

15 ATTEST:

16 
17 _____
18 Debra Fritz CMC, Deputy City Clerk

19 **CERTIFICATION**

20 I hereby certify that the foregoing **Resolution No. 26-10** was duly and
21 regularly adopted by the City Council of the City of La Verne at a meeting
22 thereof held on the **2nd day of March 2026**, by the following vote:

23 AYES: Lau, Crosby, Johnson, and Hepburn.
24 NOES: None.
25 ABSENT: Kashifalghita.
26 ABSTAIN: None.

27 
28 _____
29 Debra Fritz CMC, Deputy City Clerk

City of La Verne, City Council Agenda Report



**Approved on 3/2/26 at
the regular meeting of
the La Verne City Council**

DATE: March 2, 2026
TO: Honorable Mayor and City Council
FROM: Ken Domer, City Manager
SUBJECT: **CONSIDERATION OF A RESOLUTION OPPOSING THE LOS ANGELES COUNTY HEALTHCARE FUNDING RESTORATION ACT AND SALES TAX INCREASE.**

SUMMARY

Los Angeles County has placed a proposed ½-cent general sales tax measure on the June Primary ballot to support healthcare services, and the City of La Verne sent a letter of opposition to the measure, signed by the Mayor, listing concerns about increased tax burdens on residents and businesses, reduced local fiscal flexibility, lack of guaranteed proportional return of funds, potential economic impacts, and questions regarding transparency and oversight.

RECOMMENDATION

That the City Council approve a Resolution titled, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LA VERNE, CALIFORNIA, OPPOSING THE LOS ANGELES COUNTY "HEALTHCARE FUNDING RESTORATION ACT" COUNTYWIDE SALES TAX MEASURE."

DISCUSSION

Background Information

Cuts from House Resolution 1 law, otherwise known as the "Big Beautiful Bill," approved in July 2025 will reduce the county healthcare funding by \$2.4 billion over the next three years, removing hundreds of thousands of low-income residents from federal healthcare coverage, while stripping funds from county Department of Health Services and Department of Public Health for medical services provided by 24 clinics, numerous county hospitals and also prevention services such as vaccines and ocean water testing.

In response, at the start of the year, Los Angeles County proposed a temporary ½ cent general sales tax to cover the reduction in federal healthcare funds. On February 10, 2026, the Los Angeles County Board of Supervisors voted to place the sales tax measure on the June primary ballot after a lengthy discussion and public testimony from dozens of residents and civic leaders, including Mayor Tim Hepburn. The board voted 4-1, with Fifth District Supervisor Kathryn Barger opposing.

City Concerns

On February 4, 2026, the City submitted a letter from Mayor Hepburn, on behalf of the City, to the County Board of Supervisors in opposition to the Healthcare Funding Restoration Act. The

proposed Healthcare Funding Restoration Act would impose a countywide sales tax increase that raises several policy and fiscal concerns for the City of La Verne. While the County faces documented healthcare funding challenges, the measure would further compound the cumulative tax burden on La Verne residents and businesses and constrain the City's long-term fiscal flexibility. Additional countywide taxation may also diminish voter support for locally controlled revenue measures needed to sustain essential municipal services, including public safety, infrastructure maintenance, and community programs, and could compete with other pending local initiatives.

The structure of the proposed measure does not provide a mechanism to ensure that revenues generated within La Verne would be returned to the community in proportion to its contribution. Instead, funds would be allocated through centralized county programs, limiting the likelihood of direct, measurable local benefit. The City is also concerned about potential economic impacts, as higher sales tax rates may reduce consumer spending and place small, independently owned businesses at a competitive disadvantage. Finally, recent challenges associated with the administration and restructuring of countywide programs raise questions regarding transparency, accountability, and the County's ability to efficiently implement and manage additional revenues in a manner that it is publicly stating in its advocacy for the sales tax measure. Published reports state the County will "lose" \$2.4 billion over three years, yet the proposed tax will generate \$1 billion per year for five years.

In addition to the concerns outlined in the letter, the City is further concerned that the proposed measure is structured as a general tax, rather than a special tax. While the County has presented a spending plan describing how revenues are intended to be used, a general tax allows the Los Angeles County Board of Supervisors broad discretion over the ultimate allocation of funds through the annual budget process. Unlike a special tax, which legally restricts revenues to clearly defined purposes and requires a two-thirds voter approval threshold, a general tax requires only a simple majority to pass and does not permanently bind future Boards to a specific expenditure framework. The City is concerned that the choice to pursue a general tax structure appears designed to lower the voter approval threshold and increase the likelihood of passage, rather than to ensure legally dedicated funding for specific healthcare purposes.

Although the measure proposes the formation of an oversight committee, such bodies typically provide advisory review and reporting functions rather than enforceable spending authority. As a result, revenues generated from La Verne residents and businesses would not be guaranteed to remain dedicated to the specific uses described, nor assured to provide measurable local benefit. For a proposal of this magnitude, the City believes a special tax structure with legally restricted uses would better ensure accountability, transparency, and adherence to voter intent over time.

As an update to the County's effort to place a ½-cent sales tax measure on the June Primary Election ballot, the City received a response letter from Supervisor Holly Mitchell (attached), along with proposed County Counsel language for related state legislation. City staff also participated in a webinar hosted by Board of Supervisors staff and County medical officials to better understand the intent and implementation of the proposal; however, the presentation provided limited clarity regarding the structure, enforceability, and oversight mechanisms

governing the expenditure of funds.

Taking Action & Looking Forward

Cities across the County have submitted their letters in opposition as well as associations such as the California Contract Cities Association. While La Verne has already voiced its opposition in a letter submitted by the Mayor as allowed by our Legislative Platform, approving the resolution would further reinforce the City's stance against this measure.

FISCAL ANALYSIS

Not applicable.

ENVIRONMENTAL ANALYSIS

Not applicable.

LEGAL REVIEW

Pursuant to the City Council's general legislative authority under Article XI of the California Constitution and applicable provisions of the Government Code, the City Council may adopt a resolution expressing support for or opposition to a local government ballot measure, including a proposed sales tax initiative. Additionally, as general guidance for City Councils, the California Institute for Local Government states a City Council taking a position on a ballot measure in an open and public meeting where all perspectives may be shared is permissible. While not entirely applicable to this situation, California's Elections Code allows agencies to inform the public of its opinion on a measure by submitting written arguments in favor or against ballot measures. (*Vargas v. City of Salinas*, 46 Cal. 4th 1, 35-37 (2009)) The City Attorney has reviewed and approved this agenda report.

ATTACHMENTS

1. Healthcare Funding Restoration Act City of La Verne Opposition Letter
2. Supervisor Mitchell Response Letter
3. Resolution Opposing County Sales Tax Measure

Report Prepared By:
Andrea Blockinger, Management Analyst



CITY OF LA VERNE CITY HALL

3660 "D" Street, La Verne, California 91750-3599
www.cityoflaverne.org

February 4, 2026

Honorable Kathryn Barger
Chair, Los Angeles County Board of Supervisors
500 W Temple Street, Room 381B
Los Angeles, CA 90012

RE: Opposition to Proposed Countywide Sales Tax Increase – Healthcare Funding Restoration Act

Dear Chair Barger and Members of the Board:

On behalf of the City of La Verne, I write to formally oppose the proposed countywide sales tax increase described as the Healthcare Funding Restoration Act.

The City acknowledges the fiscal challenges confronting healthcare and public health services across Los Angeles County. At the same time, cities have faced a steady erosion of local revenue authority alongside growing expectations to deliver services without adequate funding. These pressures reflect the combined impact of federal, state, and county actions that redirect local revenues and impose additional responsibilities on cities without providing sufficient financial support.

The imposition of a countywide sales tax compounds the cumulative tax burden on residents and constrains local fiscal flexibility. When additional County taxes are layered onto residents and local businesses, cities face greater difficulty securing voter support for locally controlled funding measures needed to plan for, fund, and sustain essential municipal services such as public safety, street and infrastructure maintenance, and community programs. This dynamic also has the potential to undermine other locally driven ballot measures, including current efforts by the Bonita Unified School District to seek voter approval for a school bond to modernize aging classrooms and facilities. Competing countywide measures risk diminishing voter support for critical local investments, weakening community priorities that directly benefit residents.


While La Verne residents and businesses would bear the financial burden of this countywide sales tax, the structure of the measure provides no mechanism to ensure that funds are returned to communities in proportion to their contribution. The measure's prescriptive, countywide allocation model prioritizes centralized programs and select service areas, limiting the likelihood that La Verne residents would experience meaningful or measurable local benefit. At the same time, the proposed sales tax increase would have direct economic consequences for La Verne's local economy. Higher sales taxes reduce the amount residents are able to spend on everyday purchases and place small, independently owned retailers and restaurants at a competitive disadvantage compared to neighboring jurisdictions,

undermining efforts to support local businesses and sustain economic vitality. Taken together, these impacts would result in La Verne residents and businesses bearing a disproportionate share of the tax burden without receiving corresponding, tangible benefits within the community.

The City is also concerned about the County's ability to effectively administer and implement additional revenues through centralized County programs. Recent challenges associated with the restructuring and transition of County homelessness programming, including the Department of Homeless Services and Housing, underscore the risks inherent in large-scale, county-administered funding models. These experiences raise serious questions regarding transparency, continuity of service delivery, and whether new revenues would result in timely, measurable outcomes for the communities generating the tax.

Funds raised within cities should primarily remain within those cities and be used to directly benefit the communities from which they are generated. The proposed measure does not meet that standard. For these reasons, the City of La Verne does not support the proposed countywide sales tax increase and urges the County to refrain from advancing this proposal.

Sincerely,

A handwritten signature in black ink that reads "Tim Hepburn". The signature is written in a cursive, flowing style.

Tim Hepburn
Mayor

CC: La Verne City Council
Honorable Los Angeles County Board of Supervisors
Honorable Assemblymember John Harabedian
Honorable Senator Susan Rubio



BOARD OF SUPERVISORS COUNTY OF LOS ANGELES

Kenneth Hahn Hall of Administration
500 W. Temple Street, Ste. 866, Los Angeles, California 90012
Phone: 213-974-2222 | Fax: 213-680-3283

HOLLY J. MITCHELL

SUPERVISOR, SECOND DISTRICT

February 6, 2026

The Honorable Tim Hepburn
Mayor, City of La Verne
La Verne City Hall
3660 "D" Street
La Verne, CA 91750

**RE: Response Letter to City of La Verne on Concerns Regarding Supervisor Mitchell's
Motion, Securing Funding to Preserve Critical County Services Cut by H.R.1**

Dear Mayor Hepburn:

I am writing to address concerns raised in your letter regarding the proposal to give Los Angeles County (County) voters a choice to temporarily pay an additional 0.5% General Sales Tax, for up to five years, in order to preserve critical County services. I am introducing a motion with co-author Supervisor Solis for a temporary ½ percent (0.5 %) general sales (for up to five years) to the Board of Supervisors (Board) to help preserve critical health services that would otherwise face cuts due to H.R. 1. The Board will vote on February 10, 2026 on whether to place this measure on the June 2nd ballot. We would greatly appreciate your support and are happy to answer questions. The proposed County tax would not reduce or affect the taxing powers of the City of La Verne or count against its caps. (Please see the attached Legislative Counsel language).

This proposed County tax would not reduce or affect the cities' taxing powers. The County is pursuing legislation that exempts this tax from any taxing caps. So, it would not count against the City of La Verne's caps and would not affect your power to pursue any municipal taxes.

The County is trying to respond to the hard reality that H.R. 1 will result in devastating cuts to federal Medicaid (Medi-Cal) funding. Among other things, these cuts will cause the County's Department of Health Services (DHS) and Department of Public Health (DPH) to lose more than \$1 billion from their combined annual budgets. If the County's public hospitals close, residents will need to turn to private hospital emergency rooms for care, driving up waits and costs for all. The County needs to take steps to ensure public health is preserved.

Delaying care drives up costs for everyone. When people can't afford routine care, they end up relying on emergency rooms and hospitals increasing public spending, medical debts and worsening health outcomes. Community clinics provide high-quality primary care at a much lower cost, making prevention a smarter investment. Keeping healthcare accessible also helps people stay at work, supporting local businesses and the workforce. Working families contribute to this County every day and deserve healthcare they can afford. In accordance with State law, this sales tax would not apply to all goods and services. It would exclude certain items, including most groceries and basic cold foods, prescription medicine, certain medical devices, and all items

Mayor Tim Hepburn
February 6, 2026
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purchased through the Supplemental Nutritional Assistance or Women, Infants and Children programs.

The County's DHS operates the second-largest public health system in the nation, providing care to residents from every city in the County. It directly operates four public hospitals, including Los Angeles General Medical Center, that serve as the backbone of emergency and trauma care for the entire region. The services provided by the County's health departments are foundational to the County's and cities' efforts for the well-being of our communities. The County's DPH has maintained public health contracts with 85 cities, providing essential services at no cost to your municipal budgets. These services include communicable disease surveillance, environmental health and sanitation, and emergency preparedness operations that protected our communities during public health emergencies and outbreaks – such as COVID-19, Ebola, Zika, Hepatitis A, Measles – and continue to respond to emerging health threats. No other viable and timely alternatives exist to restore essential health and wellness services that H.R. 1 and federal policies cut, other than temporarily raising local taxes.

Additionally, my office is hosting a Lunch and Learn discussion on Monday, February 9, 2026 to hear from our Department of Health Services Director, Dr. Christina Ghaly, and Director of Public Health, Dr. Barbara Ferrer, on the state of healthcare services across the County – we invite you to join us from 12:00 PM – 1:00 PM.

Join Zoom Meeting

<https://us06web.zoom.us/j/88063514310?pwd=KsAuoXqMcO94QESPdXYkuVH06Rxiyn.1>

Meeting ID: 880 6351 4310 Passcode: 812110

One tap mobile

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Thank you for your consideration, and if you should have further questions, please feel free to contact my Senior Deputy for Health and Wellness, Yolanda Vera, at YVera@bos.lacounty.gov or (213) 974-2222.

Sincerely,



Holly J. Mitchell
Supervisor, Second District
Los Angeles County Board of Supervisors

(YV:sw)

Enclosure/Attachment