

November 2022 Municipal Election: Frequently Asked Questions

Q: When is the City of Palo Alto Municipal Election this fall?

A: Election Day is Tuesday, November 8, 2022. Polls are open on Election Day from 7:00 a.m. until 8:00 p.m.

Q: Have changes been made to the voting process in California?

A: Yes! Every registered voter in Palo Alto will receive a vote-by-mail ballot from the Santa Clara County Registrar of Voters in the mail. Ballots will be sent no later than October 10. All vote-by-mail ballots come with a pre-paid postage return envelope. If your ballot is postmarked on or before Election Day and received no later than seven (7) days following the election, county officials will process and count it. The last day to register to vote is October 24. Same Day Voter Registration, known as Conditional Voter Registration, permits eligible citizens to register or re-register to vote on Election Day at the Santa Clara County Registrar of Voters, any polling place, or vote center. Secure Ballot Drop Boxes will be located throughout Palo Alto and open 24 hours a day, 7 days a week starting October 10th until polls close at 8:00 p.m. Election Day. To learn more about vote-by-mail, early voting, and secure Ballot Drop Boxes, visit: www.cityofpaloalto.org/elections

Q: What is on the Palo Alto Municipal Election ballot this fall?

A: Three (3) of the seven (7) City Council seats are up for election in 2022. Two measures will also appear on the ballot: one to establish a new business tax (Measure K) and the other to affirm the decades old practice of annually transferring a percentage of revenues from the natural gas utility to the City's general fund (Measure L). The measures, if approved by voters, would generate approximately \$16.6 million in revenue annually.

Q: What is Measure K?

A: Measure K would amend the City's Municipal Code to establish a tax on businesses operating in the City of Palo Alto. Businesses would pay a tax of seven and one-half cents (\$0.075) per month for each square foot of space occupied by businesses larger than 10,000 square feet. Certain businesses, such as grocery stores and small businesses occupying less than 10,000 square feet, would be exempt. Learn more at www.cityofpaloalto.org/elections

Q: What is Measures L?

A: Measure L would re-affirm the City's decades old practice of transferring funds each year from the City's natural gas utility to the General Fund to help pay for general City services.

Q: How did Measures K and L get on the ballot?

A: The City Council placed Measures K and L on the ballot after many months of public discussion, community engagement, and business outreach on the City's fiscal sustainability. After taking other measures to promote fiscal sustainability, such as proactively addressing pension costs and reducing services to balance the City's budget, the Council decided to seek voter approval of two revenue measures. If approved by voters, Measure K and L would generate approximately \$16.6 million in revenue annually for core City services and emerging community needs. For the City Council meeting video recording from August 10, 2022, go [here](#). For the Staff report on placement of Measure K and L on the ballot, go [here](#).

Q: What were the policy reasons for placing Measures K and L on the ballot?

A: Unlike most communities in California, Palo Alto does not currently require local businesses to contribute to city services through a local business tax. To address increasing local needs, the City Council approved Measure K to tax mid-sized and large businesses operating in the City to raise funds for general city services, including public safety, affordable housing, transportation and train crossing safety, and homeless services. If re-affirmed, Measure L will amend the Municipal Code to allow the City to continue funding the transfer – first adopted by voters in 1950 – through natural gas rates to pay for general City services. Approval of this measure will not increase customers' gas bills because the City's current natural gas rates already include the cost of the transfer. The measures, if approved by voters, would generate approximately \$16.6 million in revenue annually. For more on the policy reasons and other background, go to www.cityofpaloalto.org/fiscalsustainability

Q: How can we be sure Measures K and L will be spent on local services?

A: By law, Measures K and L are required to be spent on local needs. No money can be taken by the county, state, or federal governments. Locally controlled funding from the measures would be subject to annual financial reporting and audits, and annual budget adoption by the City Council. Specifically, Measure K receipts and spending will be separately reported as part of the City's financial planning as per the City Council adopted [Advisory Spending Guidelines](#).

Q: Where can I get more information on this fall's Municipal Election?

A: For more election information, please contact the Palo Alto City Clerk at (650) 329-2571 or visit: <https://www.cityofpaloalto.org/elections>

Q: Did Palo Alto consider cutting expenditures in addition to revenue measures?

A: Yes. In Fiscal Year 2021, the Council reduced expenditures to address an approximately \$40 million deficit to balance the City's budget. These reductions included impacts to library, recreation and public safety programs. In 2022, the Council restored a portion of the previously-reduced services using one-time funds that will be exhausted in 2024. Approval of Measure L will provide long term sustainable funding for these services that are valued by the community.

Q: How will Measure K change what I currently pay as a business?

A: Currently, Palo Alto does not require local businesses to pay any amount of business tax. Under Measure K, the amount of tax a business pays will depend on a number of factors. Small businesses (under 10,000 square feet) and grocery stores will not pay any tax. Mid-sized and large businesses will be taxed at a rate of seven and one-half cents (\$0.075) per month for each square foot of space occupied above 10,000 square feet. Measure K allows for tax reductions when a business has vacant space and when a business pays Transient Occupancy Tax (hotel tax) or, in some circumstances, sales and use tax. To read the full measure, go to www.cityofpaloalto.org/2022ballotmeasures.

Q: Did Palo Alto consider other revenue measures?

A: Yes. The City Council considered several different types of revenue measures. The City Council focused on a business tax because Palo Alto is one of only a few California cities that does not currently have one. The Council studied different types of business tax structures and engaged with community members and business representatives before deciding to put Measure K on the ballot.