

SALES TAX FEASIBILITY SURVEY

CONDUCTED FOR THE
CITY OF SAN MARCOS

PRESENTED BY
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3/12/2024





PURPOSE OF STUDY

- Determine if a local sales tax measure is feasible
- Identify how to create a measure consistent with community priorities
- Gather information needed for communications & outreach



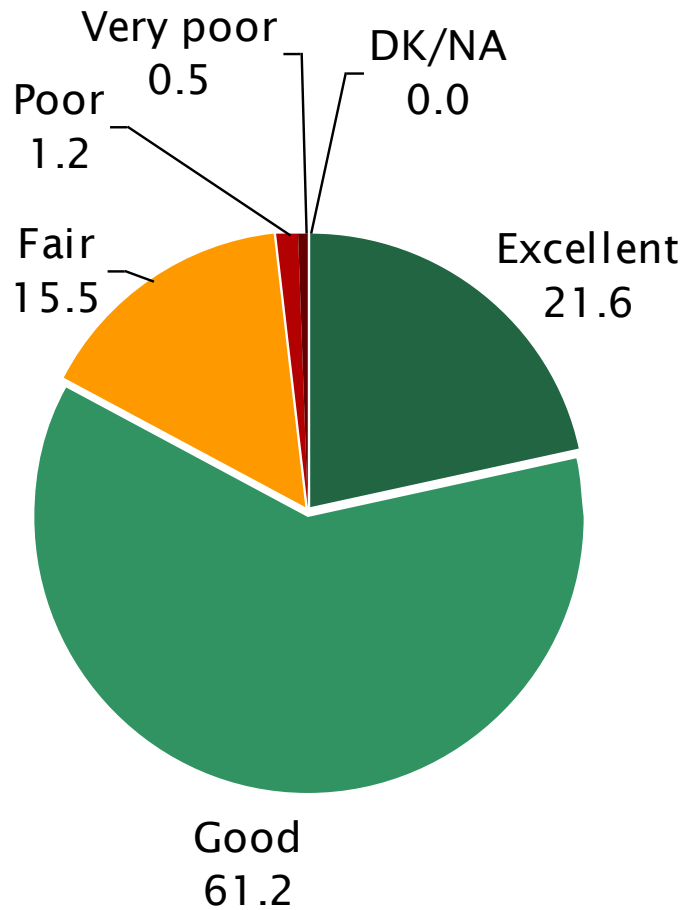
METHODOLOGY OF STUDY

- **How did we select voters to survey?**
 - Stratified & Clustered Random Sample of likely November 2024 voters using age, gender, partisanship, household party type, and sub-geographies
 - Ensures balanced, representative sample of likely voters
- **How did we recruit participation?**
 - Personalized email, text, and telephone calls
 - PINs to restrict access and ensure one complete per respondent
- **How were voters able to share their opinions?**
 - Secure, PIN-protected website that scales to the device
 - Telephone (land line or mobile)
 - English & Spanish
- **What was the sample size?**
 - 814 completed interviews
 - Overall margin of error of $\pm 3.4\%$ @ 95% level of confidence

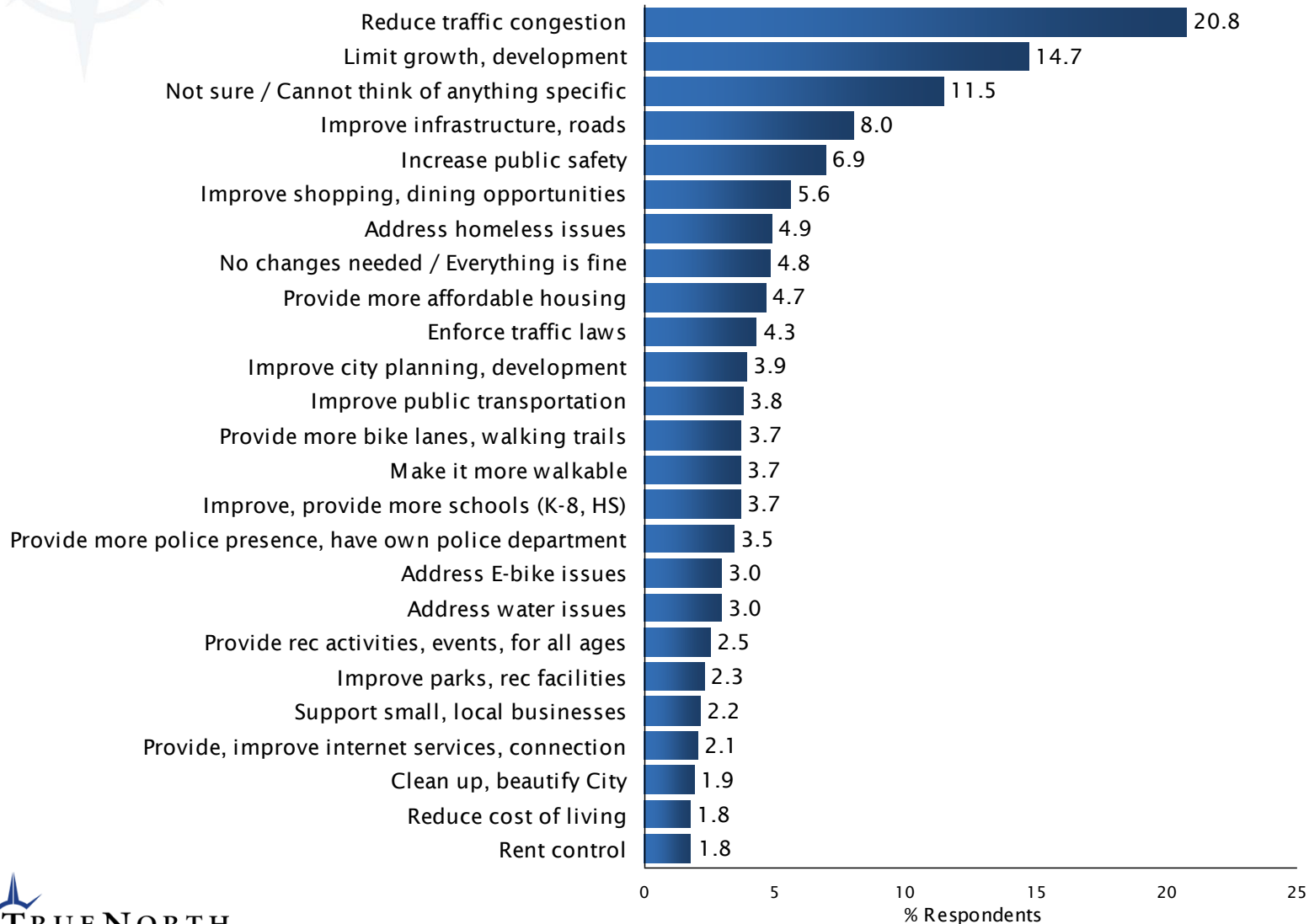
UNIVERSE/SAMPLE COMPARISON

	Likely Nov 2024 Voter Universe	Sample of 814 Likely Nov 2024 Voters
Age		
18 to 29	18%	20%
30 to 39	16%	15%
40 to 49	18%	18%
50 to 64	25%	25%
65 and older	23%	22%
Party		
Dem	40%	38%
Rep	30%	29%
Other	7%	9%
DTS	23%	24%
Household Party Type		
Single Dem	18%	18%
Dual Dem	12%	11%
Single Rep	11%	11%
Dual Rep	11%	9%
Other	19%	21%
Mixed	28%	29%
Homeowner in Voter File		
Yes	61%	66%
No	39%	34%
Council District		
One	16%	16%
Two	29%	29%
Three	26%	26%
Four	28%	28%

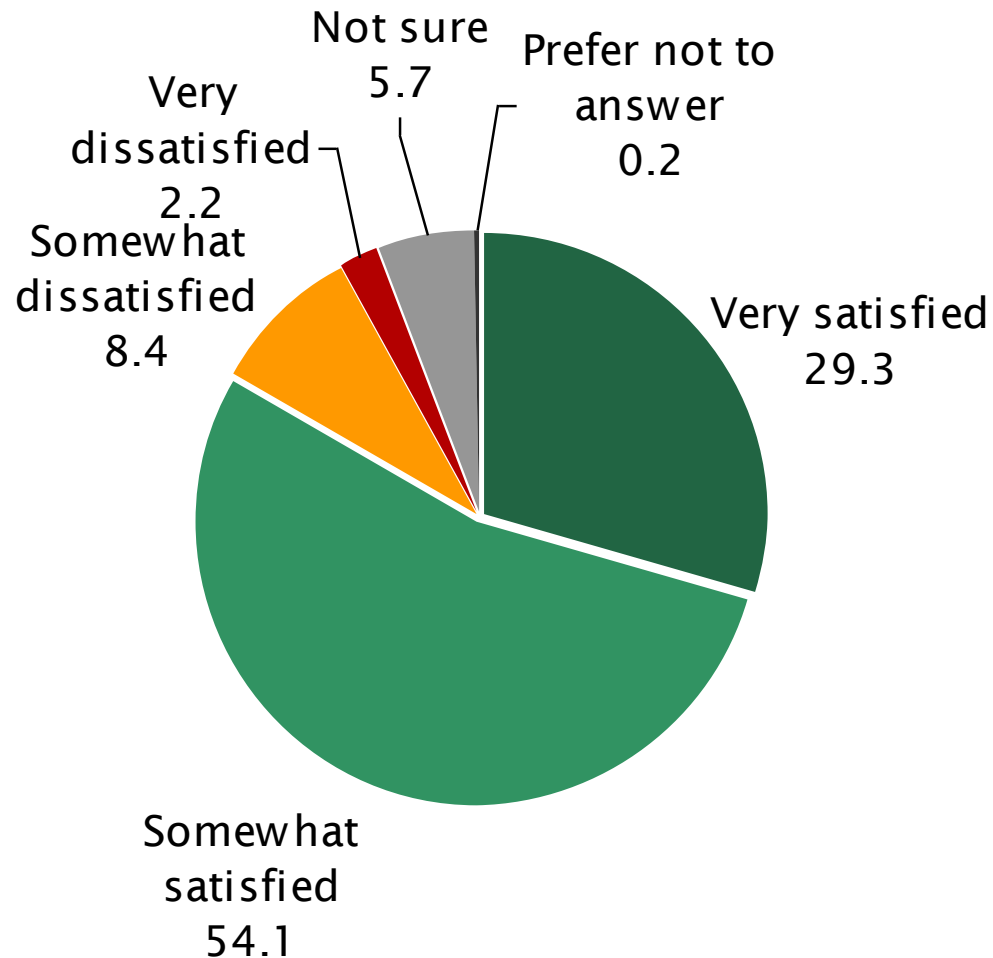
QUALITY OF LIFE



CHANGES TO IMPROVE CITY



OVERALL SATISFACTION





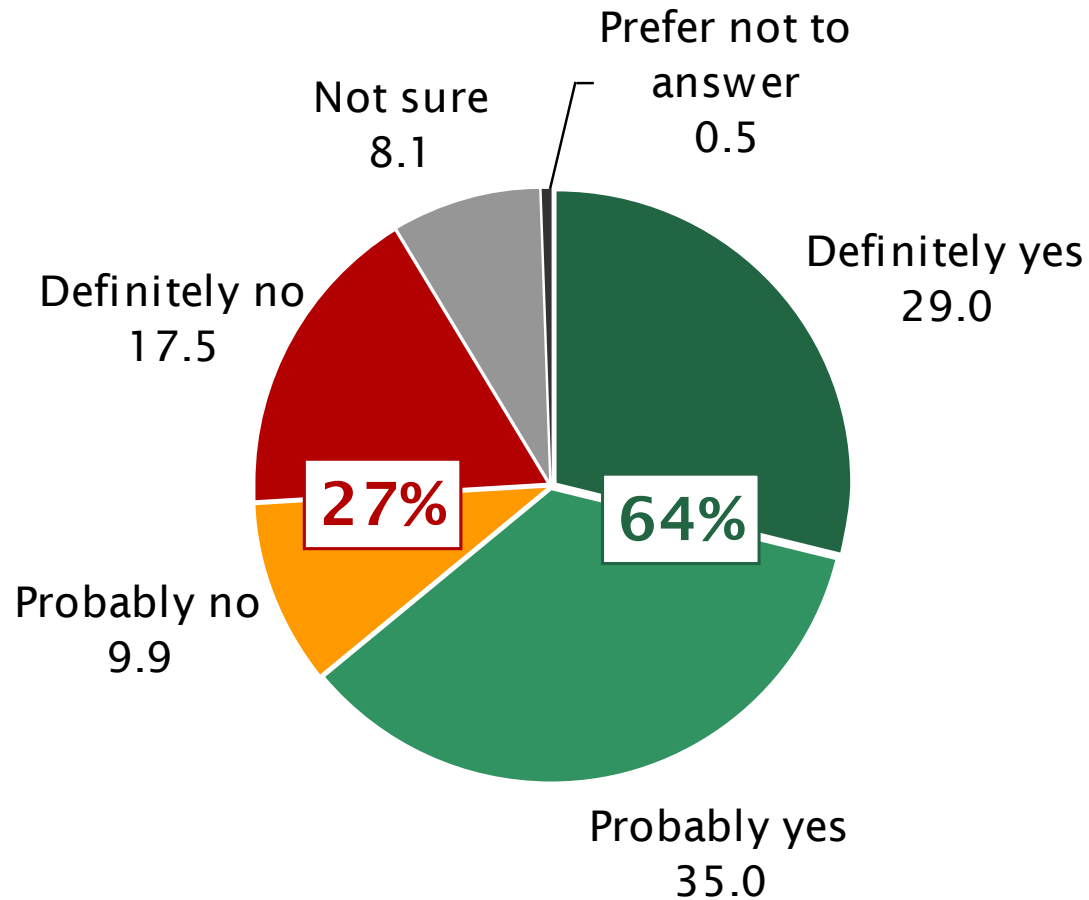
INITIAL BALLOT TEST

To provide funding for city services in San Marcos, such as:

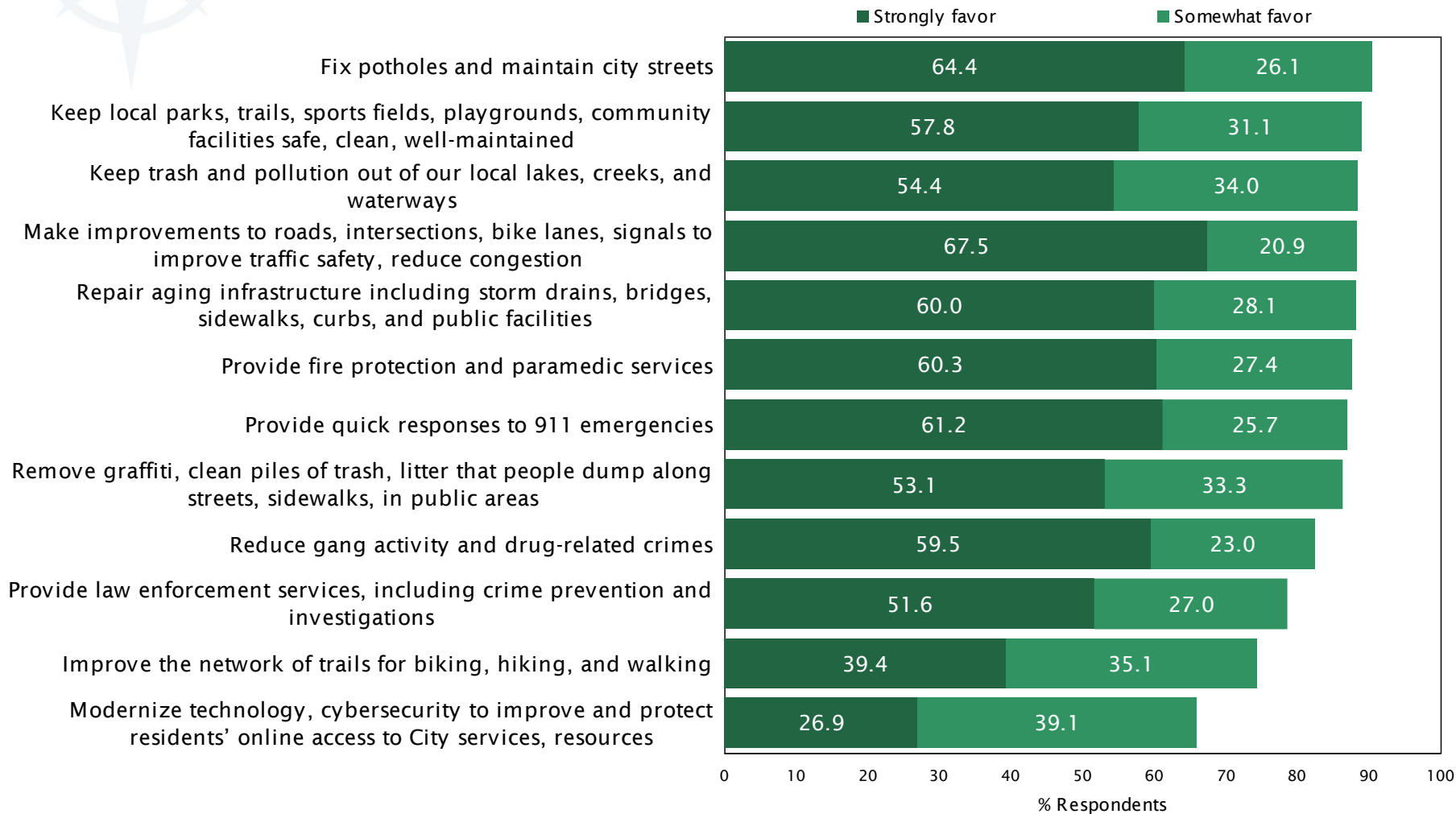
- Fire protection, paramedic, and 9-1-1 emergency response
- Law enforcement and crime prevention
- Fixing potholes
- Maintaining streets and infrastructure
- And keeping local parks, trails, playgrounds, and community facilities safe, clean, and well-maintained

Shall City of San Marcos' ordinance establishing a one-half cent sales tax be adopted, providing 11 million dollars annually for general government use for 10 years, with citizen oversight, independent audits, and all money locally controlled? If the election were held today, would you vote yes or no on this measure?

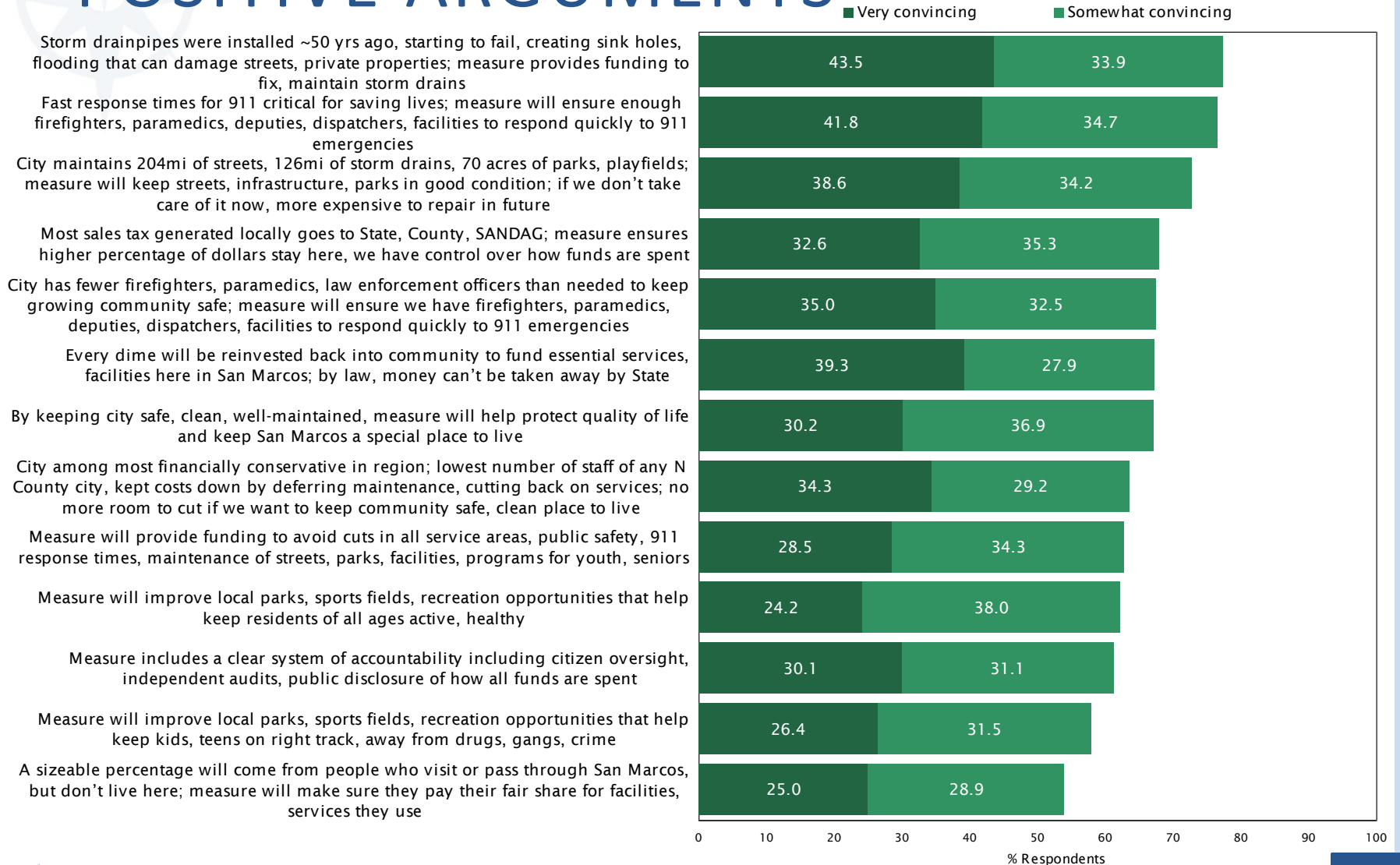
INITIAL BALLOT TEST



PROJECTS & SERVICES

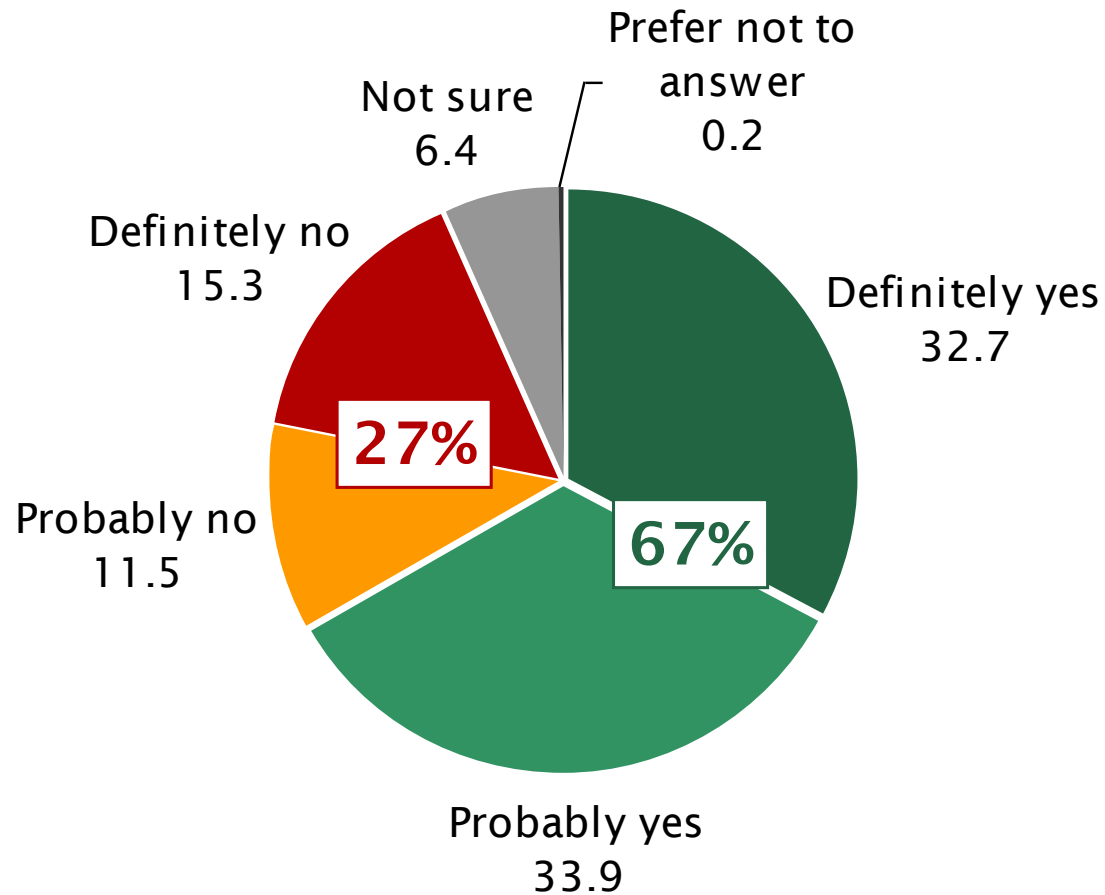


POSITIVE ARGUMENTS





INTERIM BALLOT TEST



NEGATIVE ARGUMENTS

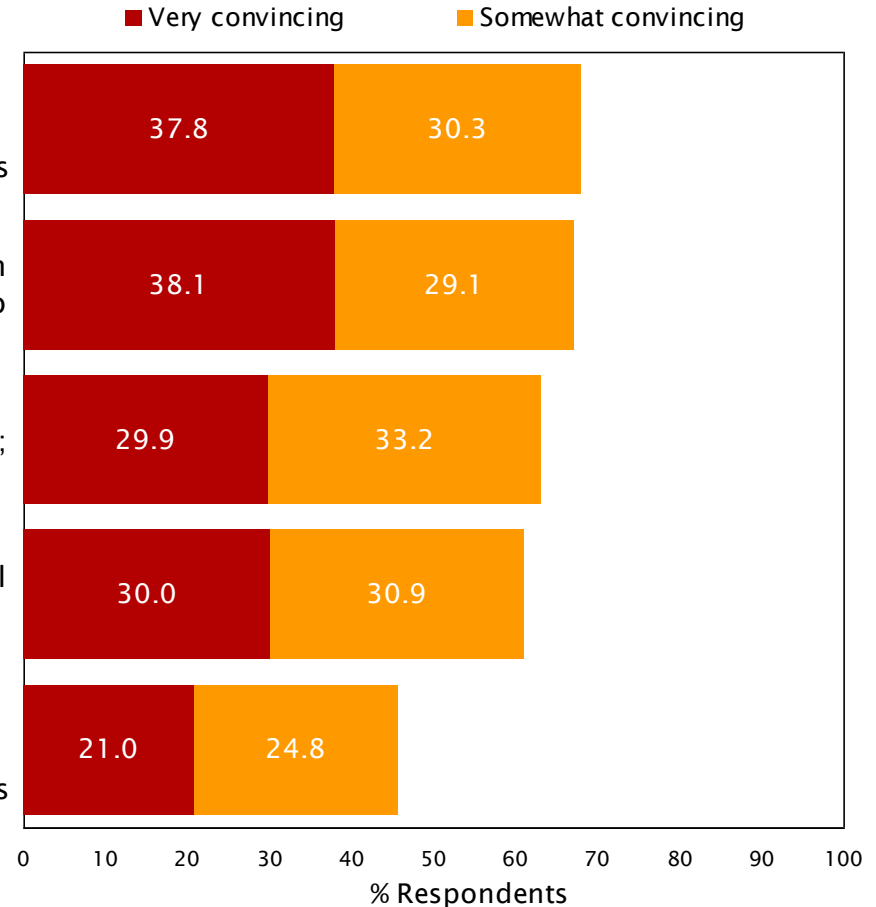
Local businesses, residents hit hard by pandemic, now facing high gas prices, runaway inflation; many struggling to stay afloat; now is not the time to raise taxes

Everyone is coming after us for tax increases, state, county taxes, school bonds, other taxes that will be on ballot next year; enough is enough; we can't afford to keep raising taxes

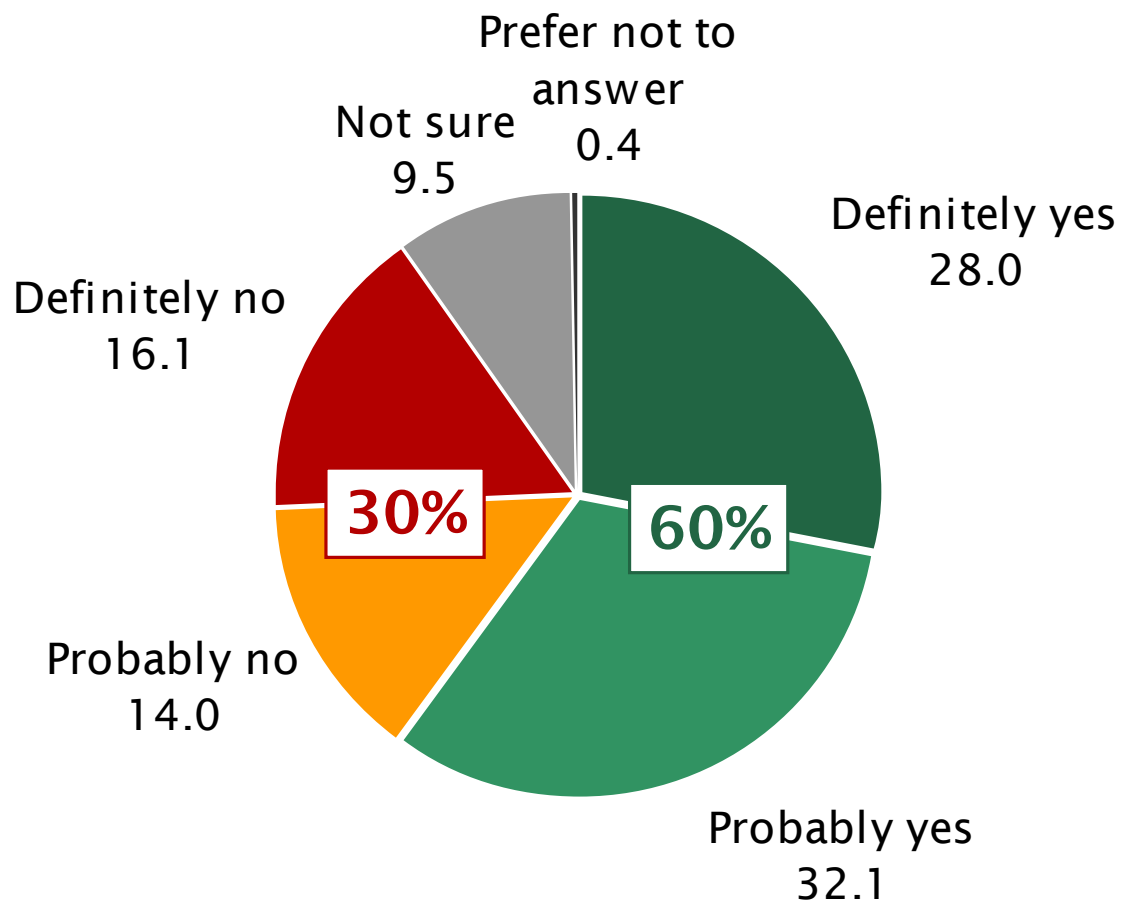
No guarantees how funds will be spent, means City can divert money to pet projects without any say from voters; we can't trust City with tax dollars

San Marcos is an expensive place to live; passing tax will make it even less affordable

City employees making too much money in salary, pensions, benefits - that's the problem; City needs to tighten its belt before asking residents to pay more taxes



FINAL BALLOT TEST





KEY CONCLUSIONS

- Does a local sales tax measure appear to be feasible for November 2024? **Yes.**

Positive Signs

- Voters value the quality of life in San Marcos and the services they receive from the City, but also see room for improvements
- Solid natural support for measure to fund city services (64%)
- Popular projects and services
- Positive arguments resonate
- All ballot tests are well above the simple majority (50%+1) required for passage of general tax, even after opposition arguments

Challenges

- Receptiveness to potential opposition arguments (-7%)
- Electoral climate: Hyper-partisanship, statewide initiatives & overlapping local measures

Unknowns

- Trajectory of economy, inflation, other measures



OBSERVATIONS & RECOMMENDATIONS

- **Snapshot in time, not a crystal ball**
- **Service Priorities:** Street and infrastructure repair/maintenance, maintenance/protection of parks & public facilities, water quality, fire/EMS, 911 response, traffic improvements.
- **City Communications:** Begin a conversation with the community to build awareness of ongoing needs and consensus on a proposal.
- **Independent Campaign:** Need to have solid independent campaign to navigate through the election cycle, communicate key messages, turn out supporters, and weather uncertainties.