

# DISTRICT FINANCIAL SERVICES INSIGHTS

## *Sales Tax Rates*

*Effective January 1, 2017*

The recent election resulted in tax rate changes for some areas of San Diego County. Attached is the Board of Equalization Sales tax rate sheet. The sheet may be downloaded in Excel format at:

<http://www.boe.ca.gov/app/rates.aspx>

## *Conflict of Interest*

*Reporting Requirements for Form 700*

The year is coming to a close and soon it will be time to file form 700 with the Fair Political Practices Commission. The FPPC publishes an 8-step process to determine if a conflict of interest exists and also Gift and Honoraria Guidelines to aid reportable staff;

### **8 Steps – Conflict of Interest Determination**

Step 1: Is the individual a public official?

The term "public official" includes every member, officer, employee or consultant of a state or local agency.

The definition of "public official" also encompasses non-employees who are "consultants" when they perform certain duties much like employees. (Regulation, § 18701, subd. (a)(2).) To qualify as a consultant, an individual must be: a) delegated specified decision-making authority; or, b) while acting in a "staff capacity," either participate in the making of a decision or perform the duties of an officer or employee of a government agency.

Note: Consultants are those that meet the IRS definition of independent contractors but may have decision making authority (construction managers may be one example).

Step 2: Is the official making, participating or influencing a governmental decision?

- Votes on a matter;
- Appoints a person to a board or commission;
- Obligates/commits the agency to a course of action;
- Enters into contractual agreements; or
- Determines not to act because of a conflict.

Step 3: What are the official's economic interests?

- Business entity in which the official or a member of his/her immediate family has an investment of \$2,000 or more.
- Business entity in which the official is a director, officer, partner, trustee, employee, or holds any position of management.
- Real property in which the official or a member of his or her immediate family has an interest worth \$2,000 or more.
- Sources of income (other than commercial loans) aggregating \$500 or more, received or promised to the official within 12 months prior to the time the decision is made.
- Sources of a gift or gifts valued at \$460 or more received by, or promised to the official, within 12 months prior to the time the decision is made. This threshold is tied to the gift limit threshold and adjusted every two years. (\$50 per occurrence is reportable to the FPPC for reportable officials.)
- Personal finances of an official or of his/her immediate family. "Immediate family" means the spouse and dependent children.
- A public official's "immediate family" includes the official's spouse and dependent children. (§ 82029.)
- For purposes of this title and implementing regulations, the term "spouse" shall include registered domestic partners recognized by state law. (§ 18229.)

Step 4: Is the economic interest directly or indirectly affected by the decision?

Step 5: How will the economic interest be affected? (Material financial effect?)

Step 6: Is it reasonably foreseeable that the economic interest will be materially affected? Is the decision interrelated or is it segmentable?

Step 7: If the economic interest will be materially affected, will the decision affect the official's economic interest in substantially the same manner as it will affect a significant segment of the public generally?

Keep in mind that a conflict of interest may exist even if the employee is non-reportable.

### General Rules for Gifts and Honoraria

\$460 Gift Limit (Effective January 1, 2015 - December 31, 2016): State and local officials and employees are prohibited from receiving a gift or gifts totaling more than \$460 in a calendar year from certain sources. For elected state officials and many others, the prohibition is applicable to gifts from any source, although there are exceptions (for example, gifts from family members). For state and local officials and employees who file Statements of Economic Interests (Form 700s) under an agency's conflict of interest code, the gift limit is applicable only to individuals and entities that would have to be disclosed on the Form 700. This gift limit is adjusted for inflation every odd-numbered year. (Note: Judges are not subject to the Act's gift prohibitions, but are covered by the Code of Civil Procedure.)

Honoraria: An honorarium is a payment received for making a speech, publishing an article or attending any public or private conference, convention, meeting, social event, meal or similar gathering. State and local elected officers and candidates for those offices and all officials holding positions listed in Government Code Section 87200 are prohibited from receiving honoraria payments. Likewise, an employee designated under a state or local government agency's conflict of interest code is prohibited from receiving honoraria payments from any source of gifts or income the employee is required to report on his or her Statement of Economic Interests (Form 700). Some limited exceptions apply, such as income earned from a bona fide business or profession.

Exceptions for Travel: Certain payments for travel are excluded from the gift limits and honoraria prohibition.

Refer to the appropriate gift fact sheet to determine if your travel payment is subject to the gift limit.

Loan Restrictions: Public officials who are required to file Statements of Economic Interests (Form 700s) or who are exempt employees may not receive any personal loan aggregating more than \$250 from an official, employee, or consultant of, or from anyone who contracts with, their governmental agencies. In addition, elected officials may not receive any personal loan aggregating more than \$500 from a single lender unless certain terms of the loan are specified in writing. Under certain circumstances, a personal loan that is not being repaid or is being repaid below certain amounts may become a gift to the official who received it.

Source of Information:

<http://ag.ca.gov/publications/coi.pdf>  
<http://www.fppc.ca.gov/learn/public-officials-and-employees-rules-/gifts-and-honoraria.html>

### COLLEGE READINESS BLOCK GRANT

"The College Readiness Block Grant (CRBG), requires LEAs to report to the State Superintendent of Public Instruction, by January 1, 2017, on how LEAs will measure the impact of the funds received on their unduplicated pupils' access and successful matriculation to institutions of higher education, as identified within their plan." You can find the form at:

<http://surveys2.cde.ca.gov/s.asp?k=14714702819>

### IMPORTANT / UPCOMING DATES AND DEADLINES

#### IMPORTANT DATES

*Dec. 15, 2017 1<sup>st</sup> Interim due*  
*Jan. 1, 2017 College Readiness Block Grant Report due*  
*Jan. 10, 2017 P-1 Attendance due*  
*Jan. 31, 2017 1099 Electronic files due to IRS*

#### WORKSHOPS

*Feb. 7, 2016 Corrected W-2 Workshop*

#### FUTURE DEADLINES - PROP 39:

*June 30, 2018 LEA's final encumbrance*  
*June 30, 2020 Final date all projects must be complete*

### DISTRICT FINANCIAL SERVICES

December 2016

## SALES TAX RATES - SAN DIEGO COUNTY

Effective January 1, 2017

City	Rate	City	Rate
Agua Caliente Springs	7.750%	Mount Laguna	7.750%
Alpine	7.750%	National City*	8.750%
Balboa Park (San Diego*)	7.750%	Naval (San Diego*)	7.750%
Bonita	7.750%	Naval Air Station (Coronado*)	7.750%
Bonsall	7.750%	Naval Hospital (San Diego*)	7.750%
Borrego Springs	7.750%	Naval Training Center (San Diego*)	7.750%
Bostonia	7.750%	Oceanside*	7.750%
Boulevard	7.750%	Ocotillo Wells	7.750%
Camp Pendleton	7.750%	Olivenhain (Encinitas*)	7.750%
Campo	7.750%	Otay (Chula Vista*)	7.750%
Cardiff By The Sea (Encinitas*)	7.750%	Pala	7.750%
Carlsbad*	7.750%	Palm City (San Diego*)	7.750%
Chula Vista*	7.750%	Palomar Mountain	7.750%
College Grove Center	7.750%	Pauma Valley	7.750%
Coronado*	7.750%	Pine Valley	7.750%
Crest	7.750%	Potrero	7.750%
Del Mar*	7.750%	Poway*	7.750%
Descanso	7.750%	Rainbow	7.750%
Dulzura	7.750%	Ramona	7.750%
El Cajon*	8.250%	Ranchita	7.750%
Encinitas*	7.750%	Rancho Bernardo (San Diego*)	7.750%
Escondido*	7.750%	Rancho Santa Fe	7.750%
Fallbrook	7.750%	San Carlos (San Diego*)	7.750%
Fallbrook Junction	7.750%	San Diego*	7.750%
Flinn Springs	7.750%	San Luis Rey (Oceanside*)	7.750%
Guatay	7.750%	San Marcos*	7.750%
Harbison Canyon	7.750%	San Ysidro (San Diego*)	7.750%
Hillcrest (San Diego*)	7.750%	Santa Ysabel	7.750%
Imperial Beach*	7.750%	Santee*	7.750%
Jacumba	7.750%	Solana Beach*	7.750%
Jamacha	7.750%	Spring Valley	7.750%
Jamul	7.750%	Sunnyside	7.750%
Johnstown	7.750%	Tecate	7.750%
Julian	7.750%	Tierra Del Sol	7.750%
La Jolla (San Diego*)	7.750%	Tierrasanta (San Diego*)	7.750%
La Mesa*	8.500%	Valley Center	7.750%
Lake San Marcos	7.750%	Vista*	8.250%
Lakeside	7.750%	Warner Springs	7.750%
Lemon Grove*	7.750%		
Leucadia (Encinitas*)	7.750%		
Lincoln Acres	7.750%		
Miramar (San Diego*)	7.750%		

\* Indicates incorporated city or incorporated town