

Yolo County Revenue Enhancement Options

11/18/2025

Revenue Source	Description	Potential Revenue	Requirements	Timeline	Additional Information
PROPERTY TAX					
Property Tax #1	Legislative property tax fix	\$ 3,000,000	Requires legislative approval.		Subject to legislative approval. Advocacy efforts may need to occur over several legislative sessions.
Property Tax #2	Renegotiation with West Sacramento	TBD	Requires some form of negotiated tax sharing agreement with West Sacramento, and possibly state legislation to facilitate it.	TBD	Addresses disproportionate impact of ERAF shift to Yolo County. Certain categories of property tax revenues (AB 8 bailout funds) were allocated to the then-newly created City of West Sacramento, but were treated as Yolo County revenues for calculating its share of ERAF. This calculation continues to reduce Yolo County's property tax revenues, estimated to be in the range of approximately \$3 million annually.
TAXES REQUIRING VOTER APPROVAL					
Sales Tax #1	Levy a 1% Transaction & Use Tax (sales tax) in the unincorporated area.	\$ 6,000,000	Must be voter approved. Majority vote for general tax, 2/3 vote for special (earmarked) tax.	Next ballot opportunities would be June 2026 and November 2026.	Yolo County does not have the unilateral ability to change property tax allocation factors. A reallocation of property tax revenue to Yolo County would result in less property tax revenue allocated to West Sacramento.
Sales Tax #2	Levy a 1% Transaction & Use Tax (sales tax) countywide.	\$40-\$50 million	Must be voter approved. Majority vote for general tax, 2/3 vote for special (earmarked) tax. Would require legislation to increase the local sales tax cap in Yolo County.	Next ballot opportunities would be June 2026 and November 2026.	State law limits the combined rate of all local sales taxes to 2% unless specifically authorized by statute. Since Davis and West Sacramento already levy their own 2% sales tax, a Yolo County measure can only apply to the unincorporated area unless special legislation authorizing a higher cap is approved.
Transient Occupancy Tax	Increase the County's Transient Occupancy Tax (TOT) from the current 8% to 12%.	\$ 249,714	Must be voter approved. Majority vote for general tax, 2/3 vote for special (earmarked) tax.	Next ballot opportunities would be June 2026 and November 2026.	State law limits the combined rate of all local sales taxes to 2% unless specifically authorized by statute. Since Davis and West Sacramento already levy their own 2% sales tax, a Yolo County measure can only apply to the unincorporated area unless special legislation authorizing a higher cap is approved.
Utility User Tax	Usage tax on services charges billed to residents in the unincorporated area for cable, electric, gas, sewer, and telephone services.	\$ 2,265,928	Must be voter approved. Majority vote for general tax, 2/3 vote for special (earmarked) tax.	Next ballot opportunities would be June 2026 and November 2026.	Davis, West Sacramento, and Winters all levy a TOT of 12%. Woodland's tax is 10%.
Business License Tax	Tax on businesses operating in County based on revenue generated. Commonly levied as a percentage of gross receipts.	TBD	Must be voter approved. Majority vote for general tax, 2/3 vote for special (earmarked) tax.	Next ballot opportunities would be June 2026 and November 2026.	Revenue estimate based on 5% tax using Sacramento County per capital tax receipts as a basis.
					Revenue potential would depend on the structure and rate of the tax. Additional research is required.

Parcel Tax/Community Facilities District	A Community Facilities District, or CFD, is an alternative means of financing certain public facilities and services, often in developing areas. Once a CFD is established, parcels are annexed into it and become subject to special taxes, which are approved through a landowner vote and levied on the annual tax roll.	TBD	Must be approved by 2/3 of the landowners within the district.	Next ballot opportunities would be June 2026 and November 2026.	District boundaries may be contiguous with the county's border or may be a smaller geographical area within the county. CFDs are commonly used in developing areas or areas undergoing rehabilitation where the developer is the sole affected landowner. However, CFDs and associated special taxes can be used on a broader level with existing landowner, though doing so may make it more difficult to meet the voter approval threshold.
Parcel Tax/Parks	Parcel tax could offset General Fund contribution to Parks Division	Up to \$675,500 based on 2016 Parks Sustainability Study	Must be voter approved. Majority vote for general tax, 2/3 vote for special (earmarked) tax.	Next ballot opportunities would be June 2026 and November 2026.	Further research and feasibility would be required to determine viability. Feasibility study likely to cost in excess of \$200K.
Entertainment (Ticket) Tax	A tax on the sale of tickets at venues in excess of a set capacity threshold.	Depends on tax structure; could be a flat tax \$x per ticket or a percentage of ticket face value. Potential for \$1m+ revenue.	Must be voter approved. Majority vote for general tax, 2/3 vote for special (earmarked) tax.	Next ballot opportunities would be June 2026 and November 2026.	The largest entertainment venue in Yolo County is Sutter Health Park in West Sacramento which is currently home to the MLB Athletics and the MiLB River Cats. It is anticipated the Athletics will play in West Sacramento until 2028.
Gravel Fee/Tax	Increase current gravel fees or convert portion of fees to extraction tax	Fees currently generate approximately \$2,000,000 per year in revenue which is used to staff the Cache Creek Area Plan and to convert the cost of long term maintenance and monitoring of restored mining sites.	If converted to a tax, must be voter approved. Majority vote for general tax, 2/3 vote for special (earmarked) tax.	Current gravel fee ordinance expires in 2026 allowing for an opportunity to consider any changes	
TAXES NOT REQUIRING VOTER APPROVAL					
Cannabis Tax #1	Increase the County's cannabis tax rate from 4% to 5%.	\$ 150,000	Board of Supervisors approval.	Tax rate can be increased at any time, but can only be increased or decreased by 2% per year.	The cannabis industry in Yolo County continues to struggle. An increase in the tax rate may cause some cultivators to go out of business or relocate to other counties, which could result in a revenue loss.
Cannabis Tax #2	Revise County policy to direct the existing cannabis tax revenues to the General Fund to be used for general government purposes.	\$ 600,000	Board of Supervisors approval.	Policy guidance regarding use of cannabis tax revenues may be amended by the Board of Supervisors at any time.	The tax ordinance that was approved by voters included examples of what the funding could be spent on, including enforcement of illegal cannabis cultivation, early childhood intervention and prevention, youth development, and rural community investments.
Chula Vista Fund	Revise County policy to direct additional temporary property tax revenues currently being deposited into the Chula Vista Fund to the General Fund to be used for general government purposes.	\$ 2,000,000	Board of Supervisors approval.	Policy guidance regarding the use of the Chula Vista Fund may be amended by the Board of Supervisors at any time.	The property taxes being deposited in the Chula Vista fund are temporary in nature, and will discontinue upon dissolution of the Redevelopment Successor Agencies. Current Board policy directs these revenues to be used to build reserves, pay down long-term liabilities, or protect essential services from unanticipated events and circumstances.

FEES & COST RECOVERY					
Parking Fees	Parking fee at all County owned lots for vehicles parking for two or more hours (includes employees)	\$250,000 (\$132,000 Fleet and Employee (\$10/month vehicle)/\$118,000 Citizens and Clients)	Requires enforcement, and contracting with service to phone payments.	Likely quicker than taxes, etc., or anything requiring voter approval, but still requires implementation.	Enforcement (GSD staff?), limited means of HHSA clients, citizens utilizing Library services.
Enhanced Cost Recovery	Increase fees to maximize full cost recovery.	Unknown, staff would need to work with departments to determine	Board of Supervisors approval.	County fees are typically updated twice per year in June and December. In certain circumstances it may require fee studies to be performed, which may take several months.	Development Impact Fee (DIF) update to the BOS this fall. A few DIFS's the county does not charge that are being discussed with consultant. Must be used in accordance with AB1600 and must be used to impacts of growth on infrastructure and cannot be used for maintenance.
Expand Billing of Cost Plan Charges	The Cost Plan is an accounting document that is prepared annually by DFS to recover general government overhead costs from non-general fund sources. Currently, cost plan charges are calculated for various agencies and districts, but those charges have not historically been billed.	\$ 100,000	Board guidance and direction. Outreach to affected agencies.	Could be implemented with the 2026-27 cost plan.	Expanding cost plan charges to certain agencies and districts would result in increased costs to those agencies, which could potentially result in increased financial strain.
ECONOMIC DEVELOPMENT					
Economic Development	Commercial economic development in the unincorporated area	TBD	Would likely require General Plan amendments and addressing utility constraints.	Long-term (5-10 year) strategy.	Would likely generate additional property tax and sales tax revenue (including a greater share of Prop. 172 sales tax revenues), but would also likely result in greater demand for County services.