

CITY ATTORNEY'S IMPARTIAL ANALYSIS
CITY OF PINOLE MEASURE __

Under existing law, the City's Utility Users Tax ("UUT") will be automatically terminated on December 31, 2020. If adopted by the voters, Measure [redacted] will extend the existing UUT, at its current rate. Measure [redacted] will only become effective if approved by a simple majority (50% +1) of the voters.

The UUT was originally approved by the voters in 1998. The tax was set at eight percent (8%) of the cost of electric, gas, and telephone utility services. Utility service providers collect the tax as part of the service bill to customers and remit the proceeds to the City. As a general tax, the revenue from the UUT is placed in the City's general fund for general municipal services. Pinole voters extended the UUT in 2004 and 2012. The UUT will be automatically terminated on December 31, 2020, unless extended by the voters of Pinole.

On June 15, 2018, the City Council adopted a resolution placing Measure [redacted] on the ballot to extend the existing UUT, at its current rate, until ended by the voters. Measure [redacted] does not create a new tax, but merely extends the existing UUT adopted in 1998 before it terminates. The existing rate will remain unchanged. One hundred percent of the revenue generated by the UUT remains in the City of Pinole, and is subject to local control. Since it is a local tax, the State may not take the revenue generated from the UUT.

Currently, the UUT generates approximately \$2,000,000 annually. This amount is approximately 14% of the City's general fund. The general fund pays for essential City services including police and fire protection, 911 emergency services, park maintenance and repair, and youth and senior recreation services, among other community services. If the existing UUT is not extended by the voters, the City Council may need to implement reductions in these and other services throughout the City.

The City Council of the City of Pinole unanimously placed Measure [redacted] on the November 6, 2018 ballot. The UUT extension proposed in Measure [redacted] will not become effective unless the Measure is approved by at least a majority of those voting on the Measure. The full text of the proposed ordinance is available at the Pinole City Clerk's office.

DATED: July 3, 2018

/s/ _____
Eric S. Casher
City Attorney, City of Pinole