

## City Attorney's Impartial Analysis of Measure S

The Suisun City Council has placed Measure S on the November 8, 2016 ballot to ask the City's voters to approve a 1% retail transactions and use (sales) tax for ten years.

Measure S would authorize a general tax and its proceeds would be deposited in the City's general fund for general government purposes to be spent as the City Council shall in its discretion, from time to time, determine. These uses may include, but are not limited to, fire and police, street maintenance and streetlights, parks, recreational programs, other public services and obligations of the City. City staff estimates that Measure S would annually raise \$1,800,000.

The current 7.625% "sales tax" has three components: the 7.5% statewide sales tax, the 0.125% Solano County sales tax, and the current 0% City retail transactions and use tax. If Measure S is approved, the "sales tax" would increase by 1% resulting in a total 8.625% "sales tax."

With some exceptions, both the sales tax and transactions and use tax are levied on the sale or use of tangible personal property sold at retail. Retailers collect both at the same time of sale and remit the funds to the State Board of Equalization, which then remits those funds to the City.

Measure S requires an annual audit by the City's independent auditor concerning its proceeds in addition to the regular independent annual audit of the City's general fund. Measure S establishes a five-member oversight committee that would review expenditures of tax proceeds.

This type of general tax measure requires voter approval. While the City Council may amend Measure S's provisions to clarify the measure's purpose and intent, the tax rate may only be increased by a vote of the People at a future election.

A "YES" vote is a vote to approve a 1% retail transactions and use (sales) tax for ten years as described above. A "NO" vote is a vote against a 1% retail transactions and use (sales) tax as described above. The transactions and use tax in Measure S would take effect only if it receives a majority "YES" vote at the November 8, 2016 general municipal election and it would last for ten years, unless extended by a vote of the People at a future election.

The above statement is an impartial analysis of Measure S. If you desire a copy of the ordinance, please call the Suisun City Clerk's Office at (707) 421-7302 and a copy will be provided to you at no cost.

Dated: August 15, 2016

  
Anthony R. Taylor, City Attorney