

MEASURE __
CITY ATTORNEY'S IMPARTIAL ANALYSIS

The City Council of the City of Union City is submitting to the voters the question of whether to approve an ordinance that would temporarily extend an existing one-half of one percent (0.50%) - or one half-cent to the price of an item that costs a dollar - transactions and use tax within the City. If approved, Measure __ would continue an existing tax approved by the voters in November 2010 and previously extended by the voters in November 2014 ("Measure AA"). The extension would be for an additional nine years.

Technically, the existing "sales tax" in Union City is a combination of "sales and use tax" and "transactions and use tax." With some exceptions, both are levied on the sale or use of tangible personal property sold at retail. Retailers collect the tax at the time of sale and remit the funds to the California Department of Tax and Fee Administration, which administers the tax. Because Measure __ does not limit the use of tax revenue, it is a "general tax," not a "special tax" that restricts the funds to specific purposes. The tax proceeds cannot legally be taken away by the State.

Currently, the tax on retail sales in Union City is 10.75% of the purchase price. Measure __ does not increase the current tax rate; it only extends the voter-approved Measure AA sales tax, currently set to expire in 2025, for another nine years. The tax would automatically terminate after March 31, 2034 unless extended by the voters.

If approved, one hundred percent of the proceeds of this local tax will continue to go to the City's general fund and will be available to support the full range of municipal services including, but not limited to, police, fire, paramedic, streets, and programs for children, families and seniors.

A "Yes" vote is a vote to approve the extension of the voter-approved Measure AA one half-cent sales tax for an additional nine years, with annual audits and oversight on the revenue and expenditure of funds from the tax by a committee of members of the public. A "No" vote is a vote to not extend the existing tax and the existing tax would no longer be collected upon expiration. Measure __ would be approved if it received a simple majority of "Yes" votes.

The above statement is an impartial analysis of Measure _____. If you desire a copy of the proposed ordinance, please call the City Clerk's office at 510-675-5448 and a copy will be mailed at no cost to you.

Kristopher J. Kokotaylo, City Attorney
City of Union City

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