

## **IMPARTIAL ANALYSIS OF MEASURE S BY SAN PABLO CITY ATTORNEY**

The San Pablo City Council unanimously voted to place Measure S on the November 3, 2020 ballot to ask voters to reenact a sales tax measure that is expiring in 2022. If approved, one-half cent per dollar would be added to the price of taxable items for five years, reducing to one-quarter cent for five years, then terminating automatically after ten years.

A “Yes” vote reenacts one of the City’s existing sales tax measures for ten years at 0.5% for five years and then 0.25% for the next five years. A “No” vote is against the reenactment of the tax, letting it expire in 2022. If Measure S receives a majority of “Yes” votes, it will be approved and then expire automatically in 2032.

### **General Revenue for City Services**

Revenue from the expiring sales tax measure is deposited in the City’s general fund and used for public safety, gang prevention, youth services, job creation and job training programs for residents (including the disenfranchised). Likewise, revenue from Measure S is not limited to a specific purpose and would be deposited in the City’s general fund. The City Council can use the revenue for any governmental purpose, including public safety, gang prevention, youth services, job creation and job training programs.

### **Audit and Oversight Committee**

Each year, an independent auditor must complete a public audit report of the revenues and expenditures from Measure S. The City Council has appointed an Oversight Committee whose members are San Pablo residents or business owners. The Oversight Committee publicly reviews the report and makes recommendations on the use of the revenues. The report and the Oversight Committee’s recommendations would be a public record and reviewed at public budget meetings.

### **Administration**

Measure S would amend an ordinance in the San Pablo Municipal Code to reenact the temporary sales tax expiring in 2022. The California Department of Tax and Fee Administration approved the ordinance language. The ordinance is printed in these ballot materials.

Technically, sales tax is a “transaction and use” tax. Purchased merchandise is assumed to be used in the city where the store is located, unless it is shipped or a motor vehicle that can be driven away. The tax is paid by nonresidents as well as residents. Retailers collect and forward the tax to the Department of Tax and Fee Administration to administer and allocate. Certain necessities of life, such as food or medicine, are exempt.

## **Allocation**

Currently, the sales tax in San Pablo is 8.75% and allocated to: State of California (6.0%); Contra Costa County (0.25%); Contra Costa Transportation Authority (0.5%), BART (0.5%), and local County and City operations (1.0%). San Pablo has two sales tax measures for which it currently receives 0.50% of the sales tax.

Measure S would reenact the 2012 sales tax measure, increasing the sales tax by 0.5% (total sales tax of 9.0%) for five years then reducing by 0.25% (total sales tax of 8.75%) for five years until 2032. This increased revenue would not go to the State, County, Transportation Authority or BART, but would stay in San Pablo.

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