

## CITY ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE F

Measure F, "Save Our Streets", is a voter-sponsored initiative that would add an additional transaction and use tax at the rate of one half percent (0.5%) of the retail sales price, or 1/2 cent for an item that costs one dollar. Measure F was placed on the ballot by a petition signed by the requisite number of voters.

State law authorizes the City of Benicia ("City") to levy a local transactions and use tax, commonly known as a "sales tax", on retail sales. In March 2024 voters approved Measure B and increased the tax on retail sales within the City to 9.125% of the purchase price. Of this amount, 7.25% goes to the State, 0.125% to Solano County, and 1.75% to the City. Retailers collect the tax at the time of sale and remit the funds to the California Department of Tax and Fee Administration ("CDTFA"), which administers the tax and sends the City its amount. This tax only applies to retail sales. Consistent with state law, the tax would not apply to prescription medications and food purchased as groceries.

Currently, under state law the total amount of sales tax that can be charged by jurisdictions in Solano County is 9.25%. If Measure F is approved by voters, in order for the 0.5% additional sales tax imposed by Measure F to be collected by CDTFA, the sales tax cap for the City would have to be increased. A state bill, Assembly Bill AB-3259 ("Bill"), is currently pending before the State Legislature that would increase the sales tax cap in the City from 9.25% to 9.75%. The Bill is an urgency measure that would go into effect immediately upon approval.

Because Measure F legally restricts the use of tax revenue to specific purposes, it is a "special tax". The proceeds must be used exclusively for the specific public purposes provided in the Measure which are: repairing, maintaining, and improving Benicia's streets, roads, potholes and related sidewalks and storm drains. If Measure F does not pass the City will continue to receive 1.75% of sales tax collected in Benicia but will not have additional funding dedicated to the purposes stated in Measure F.

A "yes" vote is a vote in favor of the tax. A "no" vote is a vote against the tax. Measure F will be adopted if it is approved by a majority vote of the electorate.

Submitted August 12, 2024.

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The above statement is an impartial analysis of Measure F. The full text of Measure F is printed in the Voter's Information Pamphlet and is also available on the City's website at : <https://www.ci.benicia.ca.us/elections>. If you desire a copy of the measure, please call the City Clerk's office at 707-746-4200 and a copy will be mailed at no cost to you.