

CITY OF CLOVERDALE MEASURE O
CITY ATTORNEY'S IMPARTIAL ANALYSIS

The City Council of the City of Cloverdale placed Measure O on the ballot to ask voters to approve a temporary three percent (3%) utility users' tax on the use of telecommunications, electricity, gas, and video services ("UUT"). For example, the UUT would add 30¢ to a \$10 bill for one of those services.

Because Measure O does not limit the use of UUT revenue, it is a "general tax," not a "special tax" restricting the funds to specific purposes. The City would be allowed to use the funds for any legitimate governmental purpose. The resolution that submitted the Measure and Council-approved ballot question to the voters identified the following priorities for use of the revenue from the UUT: maintaining Cloverdale's independent, local Police Department; preventing further cuts to the number of police officers, 911 response, and investigations of violent and property crimes; maintaining storm drains; pothole and street repair; support for local businesses; and replenishing the City's emergency reserve fund.

The UUT would terminate automatically on January 1, 2023, unless extended by the voters.

Measure O requires the City Council to establish a three-member citizens' oversight committee to review and report on the receipt of revenue and expenditure of UUT funds. The committee would prepare the required reports in 2020 and 2022 and submit them to the City Council as part of its budget considerations. The Measure requires the City's independent auditors to include an accounting of revenue from and expenditure of UUT funds in the City's annual financial audits. The independent auditor's reports would be submitted to the citizens' oversight committee.

The UUT would apply to the use of telecommunications, electricity, gas, and video services by residents and businesses. It would apply to landline, wireless, and other forms of telephone service, including long distance. It would also apply to cable television service, however, it would not apply to internet access service.

The UUT would be based upon the amount charged by each service provider for the services used. Service providers would include the UUT on their bills, collect the UUT from service users, and remit the revenue collected to the City.

The Measure provides low-income senior exemptions for telecommunications, electricity, and gas services. To qualify for an exemption, the person responsible for paying the bill would have to be 65 years of age or older and eligible to participate in an existing low-income service plan for the applicable service.

A "Yes" vote is a vote to approve a three percent (3%) tax for eight (8) years on telecommunications, electricity, gas, and video services, with annual audits and review by a citizens' oversight committee. A "No" vote is a vote against the UUT. Measure O would be approved if it received a simple majority of "Yes" votes.

The above statement is an impartial analysis of Measure O. If you desire a copy of the ordinance or measure, please contact the City Manager's office at (707) 894-1710 or pcayler@ci.cloverdale.ca.us and a copy will be mailed at no cost to you.

DATED: August 14, 2014



Jose M. Sanchez, City Attorney

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