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DATE: May 27, 2008
TO: Mayor and City Council
FROM: City Manager
SUBJECT: Information on Alameda County Measure F: Utility Users Tax

RECOMMENDATION

That Council receives and reviews this report and the attached Resolutions, and takes appropriate action, if desired.

BACKGROUND

Council Members asked that this item be brought forward for their consideration.

DISCUSSION

This is an extension of an existing 5.5% Utility Users Tax (UUT) on gas, electric, and telephone service in the unincorporated areas of Alameda County. The tax became effective in March 1993 with a noted sunset of March 1997. However, voters twice approved extensions in November 1996 and 2000, which extended the tax through June 2009. The last extension in November 2000 (Measure A) also expanded the base of the tax to include taxation of interstate, international, and cellular/wireless telephone use. The tax currently generates over \$9M in revenue for the unincorporated areas of Alameda County.

If approved, only residents of Unincorporated Alameda County area must pay the tax; however, because of existing State law, all voters of Alameda County, including those residing in incorporated municipalities like Hayward, must vote on and approve the tax. This extension, Measure F, will:

- Extend the tax for an additional twelve years and establish a new sunset date of June 30, 2021;
- Increase the existing UUT from 5.5% to 6.5%, which is below the average rate in the County – seven cities in Alameda County apply UUT at an average rate of 6.9%;
- Again expand the base of the tax to include video and cable services;
- Eliminate the \$16,500 cap on taxes paid by large, non-residential utility users in Unincorporated Alameda County; and
- Make other clarifying and administrative changes.

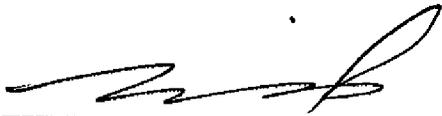
FISCAL IMPACT

There is no fiscal impact on the residents and businesses of the City of Hayward; nor is there any revenue benefit to the City of Hayward.

PUBLIC CONTACT

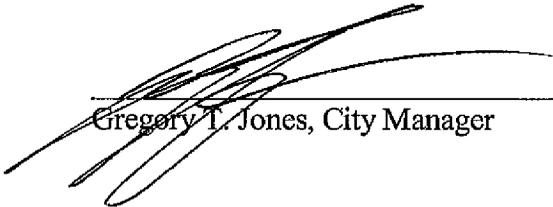
N/A

Prepared by:



Fran David, Assistant City Manager

Approved by:



Gregory T. Jones, City Manager

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward