

CITY OF DAVIS

CITY ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE Q

Ballot Measure Q asks the voters of the City of Davis to adopt an ordinance (the “sales tax ordinance”) that would eliminate the termination date for the City’s existing sales tax rate of 1.0%, which is part of the total 8.25% sales tax rate imposed in the City. The City’s authority to collect the existing sales tax rate of 1.0% will expire December 31, 2020. If Measure Q is approved, the existing sales tax rate of 1.0% will not expire and the City’s authority to collect the existing sales tax rate of 1.0% will continue until repealed by the voters.

The City’s 1.0% sales tax is a general tax, which means the tax revenues are deposited in the City’s general fund and may be used for any municipal purpose. It is estimated by the City’s Finance Director that the City’s sales tax rate of 1.0% raises approximately \$8.6 million per year in general fund revenues for the City.

The 1.0% sales tax revenues are subject to an annual review as part of the City’s budget process. A full copy of the text of the sales tax ordinance is printed in these ballot materials.

Article XIIC of the California Constitution, commonly known as Proposition 218, requires the City to submit the sales tax ordinance to the voters for approval by a majority of the voters voting on the measure to extend the City’s 1.0% sales tax. A “yes” vote on Measure Q authorizes the City to continue to collect the existing sales tax rate of 1.0% with no termination date. A “no” vote will result in the sales tax rate of 1.0% expiring on December 31, 2020.

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