

**CITY OF DAVIS**

**CITY ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE I**

Measure I, if approved by two-thirds of the voters voting on the measure, will adopt the Street and Bike Path Maintenance Special Tax (“Tax”). This measure was placed on the ballot by the City Council.

The Tax, as set forth in Ordinance No. 2522, will provide funding for the maintenance, repair and rehabilitation of public streets and bike paths, including ancillary improvements such as traffic lights, curbs and gutters. As a special tax, the tax revenue must be placed in a special fund and can only be used for these purposes and incidental expenses related to these purposes. The City Council is required to designate one or more city commissions to annually review expenditures of these Tax funds and propose expenditures for the next fiscal year. Each designated commission will make recommendations to the City Council for use of the tax revenues by the City, within the allowable Street and Bike Path Tax purposes.

The Measure requires a “maintenance of effort” by the City so that Tax revenue supplements, and does not replace, the funds currently used for street and bike path maintenance. Each year this tax is in effect, the City must designate at least \$3 million dollars in the General Fund for the maintenance of effort in order to impose the Tax at the maximum tax rate. If this amount is not budgeted, the tax levy must be reduced so that the total tax revenue does not exceed the total General Fund contribution.

If approved by the voters, the Tax will be imposed on parcels within the City based on the use of the property. For fiscal year 2018-2019 the maximum annual (July1 – June 30) tax rates will be:

Single-family residential	\$99.00 per unit
Multi-family residential	\$99.00 per unit
Group Living	\$40.00 per resident
Commercial	\$80.00 per 1,000 square feet of Improved Building Space up to a maximum of 10,000 square feet
Industrial	\$25.86 per employee up to a maximum of 30 employees
Commercial Day Care Facilities	\$29.90 per 1,000 square feet of Improved Building Space up to a maximum of 10,000 square feet
Vacant Land	\$99.00 per Assessor's Parcel

Starting fiscal year 2019-20 and each fiscal year thereafter, the maximum tax rates will be increased on July 1 by two percent (2%). For each fiscal year the City Council will set the actual tax rate, which may be lower than the maximum tax rate. The tax rate in any year cannot exceed that year’s maximum tax rate.

Measure I contains exemptions to the tax, including an exemption for public property and a requirement for a low income refund program.

The Tax would be collected with the *ad valorem* property taxes for each parcel, unless the City later decided to collect the tax with other City taxes and charges.

Measure I would sunset and be repealed on June 30, 2028, and could not be collected after that time unless two-thirds of the voters voting in an election approved an extension or re-authorization of the tax.

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Harriet A. Steiner  
Davis City Attorney