

Revised Impartial Analysis by Hayward City Attorney

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The City Council is submitting to voters the question of whether to extend an existing local sales tax to fund long-term capital facilities, projects, and program services for residents. The current local sales tax, commonly known as Measure C, was approved by voters in 2014 for a 20-year period, or until 2034. If approved by voters on November 5, 2024, this local sales tax would be extended for an additional 20-year-period, expiring in 2054. If the extension is not approved, the tax will expire in 2034. The measure on the ballot in November 2024, although functionally the same, would have a different designation than "Measure C."

Since 2014, the Measure C half-cent sales tax has generated approximately \$20 million annually. The funds generated by Measure C have supported construction of the new Downtown Library and Learning Center and the West Hayward Fire Station and Training Center. If extended, according to reports considered by the City Council in deciding to submit this extension to the voters, Measure C could fund the construction of a new police station and public safety center, the renovation of neighborhood fire stations and the South Hayward Weekes Branch Library, and the updating of the City's corporation yard. The sales tax could also support expanded mental health and crisis intervention services. If voters approve the sales tax extension, the City Council would finalize the list of projects and programs in early 2025.

Currently, the tax on retail sales in Hayward is ten and three-quarters percent (10.75%) of the purchase price, which includes the existing 0.5% sales tax approved as Measure C. The measure now being presented to voters would authorize the continuation of the 0.5% sales tax. A "sales tax" is a combination of "sales and use tax" and "transactions and use tax." Both are levied on the sale or use of tangible personal property sold at retail, with certain limited exceptions such as hot food. Retailers collect the tax at the time of sale and remit the funds to the State Board of Equalization, which administers the tax.

If extended, the tax proceeds would continue to be deposited into the City's general fund and be available to support a full range of municipal services. Because this measure does not legally restrict the use of tax revenue to any specific purposes, it remains classified as a "general tax," not a "special tax." As with current Measure C funds, all future tax proceeds would be subject to the same independent annual audit requirements, and the audit report would be a public record.

A "Yes" vote is a vote in favor of extending the tax until 2054. A "No" vote is a vote against the extension of the tax, meaning the tax would expire in 2034. This measure would be approved if it receives a simple majority of "Yes" votes.

Michael S. Lawson

Michael Lawson, City Attorney, City of Hayward