

## **City Attorney's Impartial Analysis**

This measure is proposed by the Berkeley City Council to update the City's existing Utility Users Tax ("UUT") to be consistent with current practice. This measure will not increase the current tax.

The UUT is levied on utility users in the City. The City has imposed the UUT on telephone services since 1984. The proceeds of the UUT can only be spent on City services and cannot be taken away by the State. UUT revenues are paid into the City's general fund to pay for such services as police and fire protection, public health services and recreational programs, maintenance of City infrastructure such as streets and parks, and senior programs.

The City's UUT, like those of most California cities, referred to federal law to describe telephone services. These definitions have changed and telephone technology has changed significantly. The measure would update the UUT to modernize its language and to treat all technologies equally so every phone customer is treated fairly, whether they use the latest technology or older phone services. It would ratify Council ordinances that updated the tax.

This measure would also add a requirement for an annual verification and public report to ensure that the tax is being collected and remitted properly, and spent in accordance with law. It would also add a new low income exemption.

This measure would not apply to charges for internet access, internet content or downloads of music, video and other information.

This measure also does not increase the current UUT rate. Voter approval would be required for any increase in the rate or the scope of services subject to the UUT.

The proposed measure requires approval of a majority of voters. A "yes" vote is a vote in favor of adopting the updated UUT. A "no" vote will reject the proposed amendments and continue the UUT in its present form.

s/ZACH COWAN  
Berkeley City Attorney