

CITY ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE ____

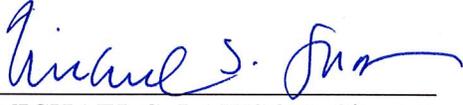
The Hayward City Council has placed a measure on the June 7, 2016 ballot, asking voters to approve an extension of the Utility Users Tax Ordinance, set to expire in June, 2019. If passed by a simple majority of the voters voting on the measure, the Ordinance would continue to impose a five-and-one-half percent (5.5%) tax on telecommunication services (including land line telephone and cell phone services), video services, electricity and gas consumption. Water consumption and sewer services would not be taxed under the Ordinance. This tax was first approved by voters in May, 2009, for a ten-year period. If approved by a simple majority of voters on June 7, 2016, the Ordinance would expire June 30, 2039, unless further extended by the voters.

In general, utility companies would collect the tax from consumers as part of their regular utility bills and would remit the tax to the City. Qualifying low-income residents and Lifeline program participants would be exempt from the tax, upon application and approval by the Tax Administrator. The definition of each utility service and a description of how the tax is calculated are more particularly described in the Ordinance.

The utility users tax is a general tax intended to alleviate the City's ongoing general operating budget deficit. Revenue generated by the tax would be deposited in the City's General Fund and used to support such essential public services, as police, fire and paramedic services; the operation of youth/anti-gang, disaster preparedness and economic development programs; street repairs and maintenance; graffiti removal; code enforcement and library programs, and other general government purposes. The Ordinance includes a requirement for an annual financial audit of tax collection and expenditures to be performed by a qualified, independent third party. The results of the annual audits would be available to the public.

A "Yes" vote on this measure means the voter is in favor of authorizing the City to collect a utility users tax for the additional twenty-year period. A "No" vote on this measure means the voter is not in favor of the City collecting a utility users tax for an additional twenty-year period.

The above statement is an impartial analysis of this measure. If you desire a copy of the Ordinance, please contact the City Clerk's Office at 777 B Street, Hayward, CA 94541, the telephone number 510-583-4400, and a copy will be sent to you at no charge. Free copies of the Ordinance are available at the City Clerk's office via email to CityClerk@hayward-ca.gov.

/s/ 
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City of Hayward