

Impartial Financial Analysis of Measure K

Measure K authorizes the City of Watsonville to reduce the existing utility user tax for telecommunications from 6% to 5.5%, modernizing the ordinance to include newer technology, and exempts seniors, disabled and low income individuals from energy taxes. Current tax proceeds are deposited in the General Fund and approval of this ordinance will not change that practice. Funds generated by the tax will continue to be used to fund services such as public safety services to include police and fire and community services offered by Parks and Community Services.

I estimate the approval of this tax measure will generate an additional Six Hundred Thousand annually. The tax rate cannot be increased by action of the City Council without voter approval.

Based on my analysis of past utility tax revenues provided by City staff, the projected revenues appear accurate. In this analysis, I relied on the best data available at this time; however, actual revenues may be more or less than City staff's estimates due to increased or decreased activity in activities generating utility user tax due to changes in the general economy.



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Administrative Services Director, City of Watsonville