



FOR IMMEDIATE RELEASE

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PHONE: (831) 646-3760

CONTACT: Hans Uslar, City Manager

EMAIL: uslar@monterey.org

FACTS ABOUT POTENTIAL ½ CENT SALES TAX MEASURE City Council to Consider a March 2020 Ballot Measure at the Nov. 19, 2019 Regular City Council Meeting

Monterey, CA. – At the October 15, 2019 City Council Regular Meeting, the City Council, staff, and members of the public discussed the immediate and long-term budget challenges facing the City, and the exploration of a fiscal emergency declaration. A declaration of fiscal emergency would allow a general transactions and use tax (“sales tax”) to be included on the March 3, 2020 special election.

At the upcoming regular City Council meeting on November 19, 2019, staff will bring back to Council a summary of community stakeholder engagement, the results of a public opinion research survey conducted by research experts *Fairbank, Maslin, Maullin, Metz & Associates (FM3)*, and draft documents for Council consideration of a fiscal emergency declaration for a ½ cent sales tax ballot measure to be part of the March 2020 special election.

“We are encouraging involvement from all community partners and meeting with as many stakeholders as possible, to listen, and to discuss the best ways to move forward with preserving our excellent level and variety of city services,” said City Manager Hans Uslar. “We want to make sure the community understands the facts, the importance of timing, and the alternatives.”

(more)

NEWS RELEASE

As part of this essential stakeholder engagement, the City prepared a new fact sheet, available at <https://monterey.org/City-Hall/Featured-Projects/Fiscal-Health-Response-Plan/Fiscal-Emergency-Declaration-Facts> or in PDF at <https://monterey.org/Portals/0/MajorProjects/FHRP/FAQ-Fiscal-Emergency-General-Sales-Tax-FINAL.pdf>

Residents are encouraged to read the facts to better understand the current financial situation and what the City is doing to preserve City services, ensure long-term financial stability, and maintain Monterey's quality of life.

Please contact the City Manager's Office at (831) 646-3760 if you would like a print copy of the facts sheet mailed to you.

Also see accompanying fact sheet

<https://www.monterey.org/Portals/0/MajorProjects/FHRP/FHRP-Half-Penny-FINAL.pdf>

PAGE 2

City of Monterey
1/2 CENT SALES TAX FACTS

What would it mean? → **PRESERVING MONTEREY CITY SERVICES & PROVIDING LONG TERM FINANCIAL STABILITY**

- 1 A 1/2 CENT SALES TAX WOULD GENERATE ABOUT \$5 MILLION PER YEAR FOR MONTEREY
- 2 NEW SALES TAX REVENUE WOULD PRESERVE CITY SERVICES (NOT EXPAND)
- 3 ONLY 14% OF THE STATEWIDE SALES TAX REVENUE GOES TO THE CITY - 86% GOES TO THE STATE AND COUNTY
- 4 CURRENT SALES TAX CITY RATE IS 8.75% - MONTEREY COUNTY RATES RANGE 8.25 - 9.25%
- 5 100% OF LOCAL, VOTER-APPROVED SALES TAX STAYS HERE TO FUND MONTEREY SERVICES
- 6 62% OF CITY SALES TAX IS PAID BY NON-RESIDENTS AND VISITORS
- 7 NEW REVENUES WOULD PROVIDE LONG TERM FINANCIAL STABILITY - A TOP PRIORITY FOR RESIDENTS
- 8 NEW SALES TAX IS SUBJECT TO ANNUAL INDEPENDENT AUDIT
- 9 PROPOSAL EQUALS 1/2 CENT PER DOLLAR OF TAXABLE PURCHASE
- 10 GROCERIES AND PRESCRIPTION DRUGS EXEMPT FROM SALES TAX

For more details please visit monterey.org/City-Hall/Featured-Projects/Fiscal-Health-Response-Plan V19_1030

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