

**MEASURE T**

**CITY ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE T**

*Summary.* Measure T is proposed by the Mountain View City Council to update the City's existing Utility Users Tax ("UUT") so that it can be applied equally to both older phone technology and to newer telecommunication technology at the current rate of 3 percent. The proceeds of the UUT can only be spent on City services.

*Background.* The UUT is levied on utility users in the City. Since 1970, the City has imposed the UUT on telephone communication services. Measure T will not increase the current rate of 3 percent.

The City's UUT Ordinance, like those of most California cities with telephone UUTs, was written before new telecommunication technologies like "smart" cell phones or Voice over Internet Protocol (VoIP) became available. The tax ordinance was also written before recent changes to Federal law.

*The Measure.* The measure would include new technologies and would apply the UUT to all intrastate, interstate and international communications, regardless of the technology used to provide such services. As a result, private telecommunication services used by businesses would be treated the same as traditional telephone services used by ordinary consumers. Measure T would continue the existing UUT on telephone communication services, including landline, wireless, VoIP, and nonexempt and exempt services bundled together for a single price unless the provider separates the cost of the nonexempt and exempt services.

Measure T would not apply to internet access or video programming services, e-mail or digital downloads of books, music, ringtones, games and similar digital products.

Measure T does not increase the current UUT rate of 3 percent. Voter approval would be required for any future increase in the rate or scope of services subject to the UUT. Like the existing UUT, Measure T proposes a general UUT with its proceeds deposited into the City's General Fund. UUT revenues help finance such services as fire protection, rapid emergency response, crime and gang prevention, Library hours and help maintain City parks, playgrounds and athletic fields. Measure T provides for audits to confirm the UUT is properly collected and spent according to the requirements of Measure T and other laws. Audit reports will be available to the public.

Measure T also reorganizes and updates the collection and refund procedures for all users, including telecommunications, gas and electricity users.

Measure T requires approval of a majority of voters. A "yes" vote for Measure T is a vote in favor of adopting the amended UUT Ordinance. A "no" vote against Measure T will reject the proposed amendments to the UUT Ordinance, and continue the UUT in its current form.

**CITY ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE T - Continued**

The above statement is an impartial analysis of Measure T. If you desire a copy of the ordinance or measure, please call the Election Official's office at (650) 903-6304 and a copy will be mailed at no cost to you. Copies of the ordinance are also available on the City's web site at [www.mountainview.gov](http://www.mountainview.gov).

/s/ Jannie L. Quinn  
City Attorney  
City of Mountain View

**ARGUMENT IN FAVOR OF MEASURE T**

Because of changes in federal law and advances in technology, Mountain View's current Utility Users Tax needs to be modernized and approved by voters.

Mountain View's current Utility Users Tax was enacted 40 years ago. It has been a steady source of local revenue that has allowed Mountain View to provide a high level of service to residents. However, the tax was enacted at a time when communication technology was much simpler and only covered intrastate, landline telephones. While cell phone and landlines are already covered by the existing ordinance, other technologies are not.

Measure T will ensure that, regardless of what telecommunication provider or technology a person or business is using, everyone pays the tax. Measure T will update our current Utility Users Tax so that all Mountain View residents and businesses pay their fair share regardless of the type of communication technology they choose.

This is not a new tax. The current rate of 3%, well below the State average of 6%, will not change.

The UUT provides funds for important City services, like fire and police protection, emergency medical response, library services and programs, maintenance of parks, play grounds and athletic fields, after school programs for children and teens, and gang prevention and intervention programs.

Most neighboring cities have already modernized their UUT's to conform to federal law. Measure T is not a new tax, and the rate will not increase. Please join Mountain View City Council members and business and community leaders in supporting Measure T.

Please vote yes on Measure T.

/s/ Gloria Higgins  
Retired Mountain View-Whisman School Board Member

/s/ Sally J. Lieber  
State Assemblywoman, Retired

/s/ Lisa Matchak  
Environmental Planning Commissioner

/s/ Chris Clark  
Community Volunteer

/s/ W.B. Suverkropp  
Resident

**REBUTTAL TO ARGUMENT IN FAVOR OF MEASURE T**

The current Utility Users Tax does not need to change. No federal or state law requires the city "Modernize"

The proposed tax is an attempt to raise additional tax money to deal with the city's budget problems - caused by unsustainable compensation promised to city employees.

For example, "Median total compensation for police and firefighters is \$190,591.00 and \$123,754.00 for other city workers." (San Jose Mercury News, August 8, 2010, "Salaries under Scrutiny").

Measure T will ensure that you now pay "your fair share" in new expanded taxes to pay these six figure salaries. All contracts promising these outrageous sums are still in place.

"The biggest impact may be on businesses. The city reports that a mid-size business using [Voice over Internet Protocol] could see an estimated increase in their phone taxes from \$100 a month to \$600." (Mountain View Voice, July 30, 2010 "City puts broader phone tax on ballot")

We need to decrease the tax burden on employers, not think up new ways to tax them.

The city could cut necessary services such as fire and police protection, etc., but they don't have to. This is not the problem. Arguments like this are scare tactics to get you to pay another tax.

Don't be fooled by the arguments for the utility tax.

You are facing hard times. Do you really want to increase the taxes you pay?

Vote No on Measure T

/s/ Donald J Bahl  
City of Mountain View Voter

/s/ Mike Laursen  
Mountain View Resident

/s/ Greg Perry  
Former City of Mountain View Council Member

ARGUMENT AGAINST MEASURE T	REBUTTAL TO ARGUMENT AGAINST MEASURE T
<p>Call this Measure what it is; A tax increase. Your phone calls that were not taxed last year now will be taxed.</p> <p>So, before voting on this tax increase, you need to ask yourself, "Why am I being asked to increase my taxes?" Are you going receive a new service that you currently are not receiving?</p> <p>The simple answer is no. The City Council needs more of your money because they promised city employees \$100,000 pensions and lifetime health insurance, but never got around to fully funding either. Now it's time to "pay the piper" and the city wants you to pay even more taxes.</p> <p>But it's just a band-aid, because the City Council still has not solved the underlying problem. The city still has contracts that promise \$100,000 pensions, and we still have millions of dollars of unfunded liabilities. Until the City Council resolves these issues, raising taxes just hides the problem.</p> <p>This year, the City Council already has imposed significant water and trash hikes and doubled the cost of numerous permits and fees in all departments. Until the City Council resolves employee compensation and benefit obligations, raising taxes just sidesteps these problems--and creates new ones.</p> <p>Vote no on utility tax "modernization."</p> <p>/s/ Donald J Bahl City Of Mountain View Voter</p>	<p>The lone opponent of Measure T is mistaken. This measure has absolutely nothing to do with pension plans, health insurance or increasing taxes.</p> <p>The City's existing Utility Users Tax (UUT) is 40 years old and legal experts warn that the ordinance could be at risk of legal challenge. The City had several options:</p> <ol style="list-style-type: none"> <li>1. Do nothing, risking legal challenge and costing taxpayers even more money.</li> <li>2. Increase the tax rate to increase revenue; many cities have done this.</li> <li>3. Modernize the existing tax with no increase to the tax rate.</li> </ol> <p>The City chose this third and most conservative option. This is Measure T.</p> <p>Measure T ensures greater fairness in how the UUT is charged. Today many larger Mountain View companies may not be paying taxes on phone usage because they use private communications lines, like T-1 lines, which are not subject to the UUT. Passage of Measure T remedies this. All ratepayers in Mountain View will be charged their fair share.</p> <p>Most ratepayers will see little or no difference in their bills or taxes.</p> <p>All revenue from the UUT will continue to be used for critical City services including fire and police protection, emergency medical response, park maintenance and after school programs for children and teens.</p> <p>We respectfully ask for your Yes vote on Measure T.</p> <p>/s/ Michael Kasperzak City Council Member and Former Mayor</p> <p>/s/ Carol Olson Former President and CEO, Mountain View Chamber of Commerce</p> <p>/s/ Ken Rosenberg Resident</p> <p>/s/ H.J. Donagher III Community Organizer</p> <p>/s/ Aaron Grossman Resident</p>

