

Information on Measure H



Measure H Frequently Asked Questions



Measure H was placed on the City’s upcoming November 8, 2022 Election ballot by the Santa Clara City Council.

Measure H – Business License Update/Tax Equity Measure

If approved by voters, **Measure H** would update the City’s Business License Tax, last amended in 1992, to create a license tax based on a flat rate per employee or rental unit, with a maximum cap on taxes and an annual adjustment not to exceed 5% (based on the consumer price index). The additional revenue would be used to support essential City services approved by the City Council.

OFFICIAL MEASURE H BALLOT QUESTION

City of Santa Clara Business License Update/Tax Equity Measure. To protect Santa Clara’s financial stability and maintain essential services such as 911 emergency/public safety/crime reduction services, safe/clean public areas, pothole repair, parks and libraries, shall an ordinance to update Santa Clara’s 1992 business license tax on businesses to \$45 per employee and on landlords to \$15 per rental unit, generating approximately \$6,000,000 annually, until ended by voters, with independent financial audits, all funds staying local be adopted?	Yes
	No

For more information visit SantaClaraCA.gov/LocalMeasures or call the City Manager’s office at (408) 615-2210.

Measure H – Business License Update/Tax Equity Measure

What is Measure H - the Business License Update/Tax Equity Measure?

Measure H is a measure to modernize the City’s business license tax to create a flat rate tax, per employee or rental unit on businesses and landlords, with a maximum cap and an annual adjustment tied to the consumer price index to ensure future adjustments are reasonable and predictable. Businesses that earn less than \$5,000 per year would be exempt from the tax. It is anticipated that **Measure H** will generate approximately \$6 million dollars in unrestricted funds that can be used to maintain essential City services.

Why is Measure H being placed on the ballot now?

The City’s Business License Tax was last updated in 1992. With few exceptions, the City’s current business license tax is based on the type of business and number of employees, with a maximum tax of \$500 regardless of the number of employees. A six-month outreach and engagement process on how to modernize the City’s business license tax was conducted in early 2022. Community feedback indicated that the current cap has a disproportionate impact on small businesses, that the City’s tax is significantly lower than surrounding cities with the potential to generate additional revenue, and that a flat rate tax per employee or rental unit would be easier to administer for both the City and business owners. **Measure H** is on the ballot to address that feedback.

What is the impact of Measure H if approved by Santa Clara voters?

If approved by voters, **Measure H** would modernize the City’s business license tax to create a flat rate tax of \$45 per employee on businesses and of \$15 per rental unit on landlords with an increase in the maximum cap to \$350,000. **Measure H** would also provide additional unrestricted, locally controlled funds to support City services such as police, fire, street repairs, parks, libraries and senior services.

What is the impact if Santa Clara voters do not approve Measure H?

If voters do not approve **Measure H**, the current 1992 business license tax program would remain in effect.

How will Measure H funds be accountable to the Santa Clara taxpayer?

Measure H includes strict accountability requirements including annual independent financial audits. By law, **Measure H** funds cannot be taken by the State or County and would remain a dedicated source of local funding for local City services.

Measures G & H will require audits and oversight. All funds must be spent locally and cannot be taken by the state. Measure G and Measure H are the only local measures on your November ballot.

This information is being provided as a public service.

The City of Santa Clara does not advocate a yes or no vote on Measures G & H.



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Santa Clara, CA 95050

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Santa Clara Election Season is Here! Registered voters in our community should have already received their ballot information guides, and by October 10, ballots will have been mailed to every registered voter in the City of Santa Clara. Read below to learn more about local elections and ballot measures.

Information on Measure G



Measure G Frequently Asked Questions



Measure G was placed on the City's upcoming November 8, 2022 Election ballot by the Santa Clara City Council.

Measure G – No Tax Increase, Services Protection Measure

If approved by voters, **Measure G** would authorize the continued transfer of 5% of utility tax revenues to the City's general fund. This transfer, previously approved by voters, has been in place since 1951. The revenues derived from this transfer are unrestricted and are used to support general fund services such as police, fire, street repairs, parks, libraries and senior services. **Measure G** will not raise tax rates but will align City practice to updates in State law that require voter approval.

OFFICIAL MEASURE G BALLOT QUESTION

City of Santa Clara No Tax Increase / Services Protection Measure. To protect essential services without raising taxes, such as 9-1-1 response; police patrols, fire protection; street/storm drain repair, and maintaining reliable local utility service; shall Section 1320 of the Charter continuing the annual budget transfer of funds from City utilities to the general fund at 5% of gross receipts until ended by voters, generating approximately \$30,000,000 annually, with independent audits, all funds local, be reaffirmed/adopted?	Yes
	No

For more information visit SantaClaraCA.gov/LocalMeasures or call the City Manager's office at (408) 615-2210.

Measure G – No Tax Increase, Services Protection Measure

What is Measure G - the No Tax Increase, Services Protection Measure?

Measure G, if approved, would authorize utility tax revenues to be transferred to the City's General Fund. This transfer, previously approved by voters, has been in place since 1951. The revenues from this transfer are unrestricted and are used to support City services such as police, fire, street repairs, parks, libraries and senior services.

Why is Measure G being placed on the ballot now?

Voter approval of **Measure G** would continue the transfer of utility tax revenues and protect the funding for essential City services. Recent changes in State law now require certain fees and charges to be approved by voters.

Will Measure G raise tax rates?

No, **Measure G** will not raise tax rates.

What is the history of the utility tax transfer?

The City has transferred a small percentage of utility tax revenues to the City's General Fund since 1951. Originally set at 4.5%, in 1980 Santa Clara voters approved an increase to 5% which continues today.

How will Measure G funds be accountable to the Santa Clara taxpayer?

Measure G includes strict accountability requirements including annual independent financial audits. By law, **Measure G** funds cannot be taken by the State or County and would remain a dedicated source of local funding for local City services.

Don't forget to vote on November 8th!

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