

**FOR IMMEDIATE RELEASE  
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## **CITY OF VALLEJO OFFICIALS ADVISE AGAINST TAX MEASURES**

VALLEJO – City officials are advising against seeking voter approval of an increase in four tax revenue sources.

Earlier this year Finance Director Frederick Wright made a presentation to the Vallejo City Council outlining the need for increased City revenues based on a slowing economy, increased health and medical costs and other factors. Voters would have been asked to increase the Business License Tax, Transient Occupancy Tax, Sales Tax and Utility Users Tax.

However, following Gov. Gray Davis's announcement of a proposed ½ cent sales tax and the possibility of a county ballot measure seeking a transportation tax, staff is recommending postponing a vote approving any local tax increases.

“Based on the lack of polling to determine voter support, limited staff time to fully develop the various tax measures and the cost associated with placing ballot measures on the next election, I am recommending the City wait until a later date to further consider these measures,” Wright said in a memo to City Manager David Martinez. The approximate cost of placing tax measures on the November ballot is about \$85,000.

Gov. Davis's ½ cent sales tax would be voted on by the State Legislature and would be dedicated to paying off some \$10 billion in loans to the state. The loans are needed to help offset what is projected to be a \$38.2 billion budget deficit.

Also considered in the decision was the possible ballot measure by the Solano Transportation Authority that would ask Solano County voters to approve a sales tax increase for transportation project.

“In the Governor's budget proposal, he is recommending the State Legislature adopt its own ½ cent statewide sales tax increase,” Martinez said. “That action can be taken on a two-thirds vote of the State Legislature, without any vote of the people. If the Legislature follows the governor's recommendation, it is extremely unlikely that local voters would have any interest in supporting any other local tax initiatives this year.”

Vallejo Mayor Tony Intintoli Jr. agreed with the idea of putting off considering any new local taxes for the near future.

“Based on what’s planned by the Governor, this is not the best time to be asking for more from our residents,” Intintoli said.

At Tuesday’s City Council meeting Martinez will advise that, unless council members feel otherwise, staff will no longer pursue placing any tax measures on this year’s ballot.