

CITY OF GOLETA

CITY ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE B2022

On June 21, 2022, Measure B2022 was placed on the ballot by the Goleta City Council in order to ask the voters to consider a 1% increase to the sales tax (also referred to as a “transaction and use” tax) collected within Goleta. A 1% sales tax increase is equivalent to one cent per every dollar of a retail purchase. The proposed 1% increase would apply to all retail purchases within Goleta, but would exclude purchases of food as groceries and prescription medications.

The State of California base sales tax rate is presently 7.25%. Funds collected through this tax rate are mostly distributed to the State; a smaller percentage goes to local agencies, including the County of Santa Barbara and City of Goleta.

State law allows counties, cities, and special districts, with voter approval, to increase the 7.25% sales tax rate by an additional 2%, up to a maximum of 9.25%, unless special legislation is obtained. Therefore, under existing law, the most that the sales tax rate in Goleta could be is 9.25 cents for each dollar of a retail purchase. Currently, Santa Barbara County Association of Governments has utilized 0.5% of the allowable 2% threshold, which Santa Barbara County voters approved via Measure A. Measure A’s additional 0.5% tax rate applies to all areas in Santa Barbara County, including Goleta.

This means that the total current sales tax within Goleta is 7.75%. Of that 7.75%, 7.05% is kept by the State, County, and other government agencies, and 0.70% is locally returned to Goleta.

If approved, Measure B2022 would increase Goleta’s sales tax rate from 7.75% to 8.75%. All revenues raised by this proposed 1% increase would remain in Goleta and would not be shared with the State, County, or any other agency. The increase is currently estimated to add \$10.6 million in revenue annually for Goleta.

Measure B2022’s proposed additional 1% tax rate would be a “general tax,” meaning that revenues raised from the tax would go into the City’s general fund to pay for City programs, improvements, or services, and the City Council would then decide, as part of the budgeting process, how to expend such revenues. If approved, the 1% sales tax increase would take effect on January 1, 2024 and would remain in effect until ended by Goleta voters at a subsequent election.

A "yes" vote on Measure B2022 will authorize the proposed 1% sales tax increase.

A "no" vote on Measure B2022 opposes the proposed 1% sales tax increase.

A majority vote is required for Measure B2022 to pass.

Megan K. Garibaldi
City Attorney, City of Goleta

The above statement is an impartial analysis of Measure B2022. If you desire a copy of the measure, please call the City Clerk's office at (805) 961-7505 and a copy will be mailed at no cost to you.