



CITY OF SEBASTOPOL CITY COUNCIL
AGENDA ITEM REPORT FOR MEETING OF: July 15, 2025

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To: Honorable Mayor and City Councilmembers
From: City Attorney Alex Mog
Subject: Adoption of Resolution Authorizing the Collection by CDTFA of ½-Cent Sales Tax Approved at the November 5, 2024 Municipal Election and Authorizing the Interim City Manager to take all necessary related actions. Due to an ambiguity in State law, the City previously waived collection of ¼-cent of the sales tax authorized by Measure U. A recent change in state law allows the City to collect the full ½-cent and rescind all previous resolutions and agreements.

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RECOMMENDATION:

That the City Council approve a resolution authorizing the California Department of Tax and Fee Administration (CDTFA) to collect the full ½-cent sales tax approved by voters under Measure U at the November 5, 2024, municipal election, and authorizing the Interim City Manager to all necessary related actions. This action also rescinds a previous resolution waiving collection of ¼-cent of to the authorized Measure U sales tax.

EXECUTIVE SUMMARY:

This item seeks City Council approval of a new resolution authorizing CDTFA to collect the full ½-cent sales tax approved under Measure U. The action is required to begin collection of the remaining ¼-cent portion, which is expected to take effect as early as October 1, 2025. Until that date, the City will continue to receive equivalent funding from Sonoma County under the current agreement.

BACKGROUND:

At the November 5, 2024, municipal election, Sebastopol voters approved Measure U, authorizing a new ½-cent (0.5%) local sales tax. At the same election, Sonoma County voters approved Measure I, authorizing a separate ¼-cent (0.25%) countywide sales tax.

Following the election, CDTFA made an initial determination that it was not able to implement both Measure I and the second ¼-cent authorized by Measure U, pending further direction from the Attorney General. To carry out the intent of voters, the City and County entered into a temporary agreement: the City would waive collection of ¼ cent of Measure U and, in exchange, the County would remit an equivalent amount of revenue to the City. This allowed Measure I to be implemented countywide while maintaining funding for Sebastopol.

DISCUSSION:

On July 1, 2025, the City announced that Governor Gavin Newsom signed SB 132 into law, enabling full implementation of Measure U, including the additional ¼-cent sales tax previously deferred. This legislative action resolved the conflict that had delayed implementation of the full measure.

CDTFA has informed the City Attorney that the second ¼-cent portion of Measure U could take effect as soon as October 1, 2025. In order to proceed, CDTFA requires a new City Council resolution authorizing collection of the full tax. The previous Council resolution (adopted in December 2024) explicitly waived collection of the second ¼ cent.



Although CDTFA's implementation timeline is unusually expedited, there remains a chance that the effective date could be delayed until January 1, 2026, CDTFA's standard schedule. If that occurs, the current agreement with the County will remain in effect until the City begins collecting the full tax.

Until the full ½-cent tax is implemented, the City will continue to receive an equivalent amount from the County, ensuring continuity of revenue for essential services and Council priorities.

STAFF ANALYSIS:

Approval of the resolution is an administrative but essential step in implementing the full voter-approved tax. It ensures compliance with CDTFA's requirements and allows for the City to receive the additional revenue directly starting as early as October 1, 2025.

CITY COUNCIL GOALS/PRIORITIES/GENERAL PLAN CONSISTENCY:

This agenda item supports the following City Council goal(s):

Goal 5 – Long Term Financial Sustainability - Achieving Greater Fiscal Responsibility and Long Term Fiscal Sustainability

FISCAL IMPACT:

There is no fiscal impact with approval of this resolution.

COMMUNITY OUTREACH:

This item has been noticed in accordance with the Ralph M. Brown Act and was made available for public review at least 72 hours prior to the scheduled meeting date. The City has also used social media platforms to promote and advertise the City Council meeting and agenda items.

As of the writing of this report, the City has not received any public comment. Any comments received after the publication of this report will be shared with the City Council as supplemental materials before or during the meeting.

RESTATED RECOMMENDATION:

That the City Council approve a resolution authorizing the California Department of Tax and Fee Administration (CDTFA) to collect the full ½-cent sales tax approved by voters under Measure U at the November 5, 2024, municipal election, and authorizing the Interim City Manager to take all necessary related actions.

OPTIONS:

None. Resolution needs to be adopted for full implementation of Measure U.

ATTACHMENTS:

Resolution

APPROVALS:

Department Head Approval:

Approval Date: 7-9-2025

CEQA Determination (Planning):

Approval Date: 7-9-2025

The proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA)

Administrative Services (Financial):

Approval Date: 7-9-2025

Costs authorized in City Approved Budget: ☐ Yes ☐ No ☒ N/A



Account Code (f applicable)	_____
City Attorney Approval:	Approval Date: 7-9-2025
City Manager Approval:	Approval Date: 7-9-2025

Resolution Number: XXXX-2025

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEBASTOPOL
AUTHORIZING THE COLLECTION BY CDTFA OF THE ½-CENT SALES TAX APPROVED AT THE NOVEMBER 5,
2024 MUNICIPAL ELECTION AND AUTHORIZING THE INTERIM CITY MANAGER TO TAKE ALL NECESSARY
RELATED ACTIONS FOR IMPLEMENTATION OF A LOCAL TRANSACTIONS AND USE TAX

WHEREAS, At the November 5, 2024, municipal election, Sebastopol voters approved Measure U, authorizing a new ½-cent (0.5%) local sales tax; and

WHEREAS, on December 17, 2024, the City Council approved Ordinance No. 1152 amending the City Municipal Code and providing for a local transactions and use tax; and

WHEREAS, At the same election, Sonoma County voters approved Measure I, authorizing a separate ¼-cent (0.25%) countywide sales tax; and

WHEREAS, CDTFA sought a legal opinion over the potential legal conflicts between the two overlapping tax measures; and

WHEREAS, until a determination was made, the City and County entered into a temporary agreement: the City would waive collection of ¼ cent of Measure U and, in exchange, the County would remit an equivalent amount of revenue to the City; and

WHEREAS, Governor Gavin Newsom signed SB 132 into law, enabling full implementation of Measure U, including the additional ¼-cent sales tax previously deferred; and

WHEREAS, the California Department of Tax and Fee Administration (Department) administers and collects the transactions and use taxes for all applicable jurisdictions within the state; and

WHEREAS, the Department will be responsible to administer and collect the transactions and use tax for the City.

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Sebastopol that it authorizes the collection by CDTFA of ½-cent sales tax approved at the November 5, 2024 Municipal Election.

BE IT FURTHER RESOLVED that Resolution 6631-2024 waiving collection of ¼-cent of the ½-cent tax authorized by Measure U is hereby rescinded.

BE IT FURTHER RESOLVED that the Interim City Manager is hereby authorized and take all actions necessary to carry out the purpose and intent of this resolution.

The above and foregoing Resolution was duly passed, approved, and adopted at a meeting by the City Council on the 15th day of July 2025.

I, the undersigned, hereby certify that the foregoing Resolution was duly adopted by the City of Sebastopol City Council by the following vote:

VOTE:

Ayes:

Noes:

Abstain:

Absent:

APPROVED:

Mayor Stephen Zollman

ATTEST:

Mary Gourley, Interim City Manager/City Clerk, MMC

APPROVED AS TO FORM:

Alex Mog, City Attorney