City Council Mayor Stephen Zollman Vice Mayor Jill McLewis Phill Carter Neysa Hinton Sandra Maurer



Interim City Manager Assistant City Manager/ City Clerk, MMC Mary Gourley mgourley@cityofsebastopol.gov

City of Sebastopol

FOR IMMEDIATE RELEASE

CONTACT: Mary Gourley Interim City Manager Assistant City Manager/City Clerk, MMC (707) 823-1153 <u>mgourley@cityofsebastopol.gov</u>

Measure U Update: Governor Newsom Signs Statute into Law – Additional ¼-Cent Sales Tax to Take Effect January 1, 2026

SEBASTOPOL, Calif., July 2, 2025 – The City of Sebastopol is pleased to announce that SB 132 has been adopted and signed into law by Governor Gavin Newsom. The statute will enable the full implementation of voter-approved Measure U.

This marks a crucial milestone: the second ¼-cent sales tax authorized by Sebastopol voters under Measure U is now anticipated to go into effect on January 1, 2026. Upon implementation, the City's sales tax rate will increase to 10.5%. Until then, Sonoma County will continue to remit an amount equivalent to this additional ¼-cent to the City. Final implementation timing is pending confirmation from CDTFA.

Background on Measure U

In November 2024, Sebastopol voters approved Measure U, authorizing a ½-cent local sales tax estimated to generate approximately \$1.5 million annually for the City over a 12-year period. The tax is critical for maintaining and enhancing essential local services, with 100% of the revenue retained in Sebastopol.

How Measure U Funds Will Be Allocated

City Council adopted a four-point funding policy to ensure transparent and effective use of Measure U revenues:

- 1. 40% will maintain and repair roads, streets, drainage, and parks.
- 2. A sufficient amount will support public safety, including retaining existing Police Department staffing and funding fire services during the transition to the Gold Ridge Fire Protection District.

- 3. Any remaining funds will support 911 emergency response, wildfire/emergency preparedness, library, youth and senior services, local business retention/attraction, trails and general government operations
- 4. Revenue collected during FY 2024–25 will be held until year-end numbers are confirmed, ensuring allocation decisions are based on actual fiscal outcomes

Measure U also incorporates strong fiscal checks and prohibiting fund transfers outside Sebastopol or to other agencies

Next Steps

- January 1, 2026: Second ¼-cent sales tax begins, contingent on CDTFA confirmation.
- Until then, the City continues receiving equivalent funds via Sonoma County.
- City Council and staff will keep the community updated on new developments through our website and official announcements.

"We are grateful for the community's continued support and for our partnership with the County, as well as Senator McGuire and Assemblymember Rogers, as we move toward full implementation of Measure U," said Sebastopol Mayor Stephen Zollman. "With this uniform funding and strong accountability, Sebastopol can successfully sustain our critical services and invest in our community's future."

Additional information, background, and FAQs may be found on <u>Measure U section of the City</u> <u>website</u>.