

Council Memo

Department Source: Law

To: City Council

From: City Manager & Staff

Council Meeting Date: August 17, 2026

Re: Imposing the Sales Tax Dedicated to Public Safety

Impacted Ward: Citywide

Executive Summary

An ordinance has been prepared to impose the sales tax approved by the voters on August 6, 2026, which is dedicated to public safety.

Discussion

On August 4, 2026, the voters approved the imposition of a sales tax dedicated to public safety by a vote of 15,042 in favor and 14,957 against Proposition 1. An ordinance has been prepared that would impose a 1% sales tax as approved by the voters to fund public safety for the city, which shall be limited to expenditures on equipment, salaries and benefits, and facilities for police and fire departments, for so long as the tax remains in effect. After a sales tax is approved by the voters, the tax must be implemented by ordinance in order to become effective.

A new sales tax goes into effect on the first day of the second calendar quarter after the Department of Revenue (DOR) receives notification of the rate change. This delay allows DOR to implement the applicable rate changes in their software system and website as well as provide notice to businesses who collect the tax. In this instance, notice of the rate change will be provided to DOR in September 2026, which means the rate change will take effect on January 1, 2027.

As set forth in Ordinance No. 026316, as part of the annual budget process, the City Manager is required to provide a detailed report to the Council on the revenues and expenditures associated with the proceeds generated by the sales tax. The reporting requirement set out in Ordinance No. 026316 is repeated in this bill for consistency and awareness.

Fiscal Impact

Short-Term Impact: For the first year (2027), staff estimates collection of approximately \$38 million from the 1% sales tax dedicated to public safety.

Long-Term Impact: Staff currently forecasts an annual 1% year over year increase in sales tax revenue.

Strategic & Comprehensive Plan Impact

Strategic Plan Impacts:

Primary Impact: Safe Community, Secondary Impact: Organizational Excellence, Tertiary Impact: Reliable and Sustainable Infrastructure

Comprehensive Plan Impacts:

Primary Impact: Not Applicable, Secondary Impact: Not applicable, Tertiary Impact: Not Applicable

Legislative History

Date	Action
05/18/2026	B119-26 (Ordinance No. 026316): Calling a special election on August 4, 2026, on the question whether to impose an additional sales tax of one percent for the purpose of improving city public safety services.

Suggested Council Action

Passage of the ordinance.