



# UTILITY USERS' TAX (UUT) ANNUAL REVIEW FISCAL YEAR (FY) 2021/22

PUBLIC HEARING  
CITY COUNCIL MEETING  
JUNE 21, 2022

## BACKGROUND

- Utility Users' Tax (UUT) is an 8% levy on the value of public utilities services consumed within the City limits for energy (electricity and natural gas) and telecommunications.
  - Initially approved by voters in 1998, extended in 2004, 2012, and 2018 (no sunset date)
- Fourth largest General Fund revenue source
- Pinole Municipal Code requires annual review through a public hearing
- Low-income households are eligible for certain exemptions

# ANNUAL REVIEW

- Pinole Municipal Code (PMC 3.26.170) requires:
  - Annual review of UUT in June during budget process
  - Summary of amounts realized
  - Resolution to approve changes to household income levels for UUT exemptions

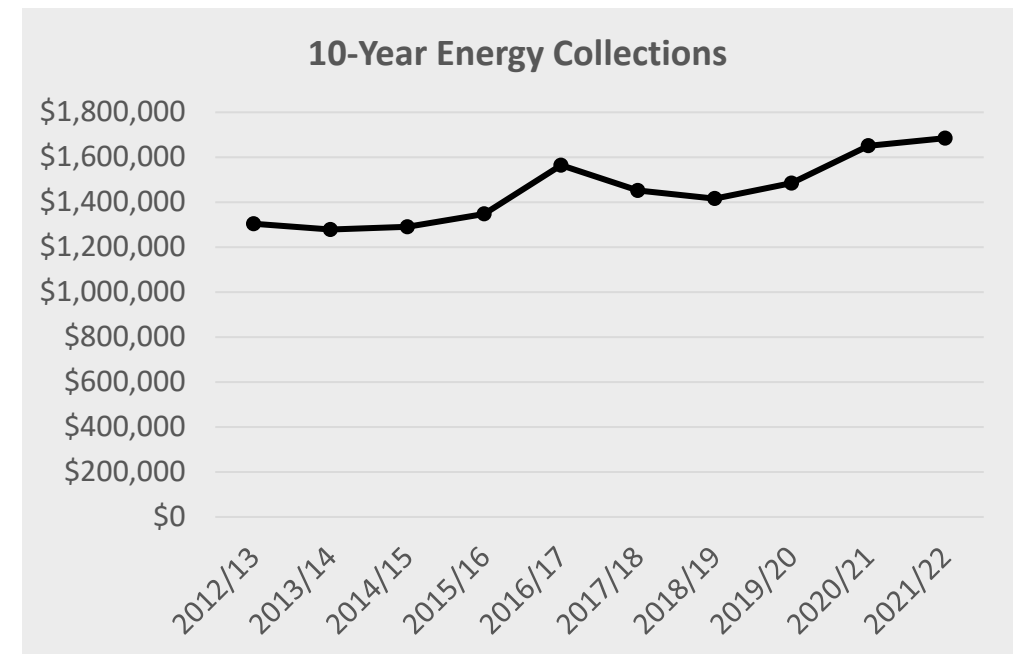
# TOTAL UUT COLLECTIONS

										<i>Estimated</i>
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
ENERGY	1,303,940	1,278,552	1,290,533	1,347,738	1,564,702	1,452,015	1,416,001	1,484,969	1,651,216	1,685,000
% TOTAL UUT	66%	68%	70%	72%	76%	75%	78%	82%	85%	86%
COMMUNICATIONS	671,726	601,672	553,085	528,580	501,921	474,780	396,843	324,863	288,510	265,620
% TOTAL UUT	34%	32%	30%	28%	24%	25%	22%	18%	15%	14%
TOTAL UUT	1,975,666	1,880,224	1,843,618	1,876,318	2,066,623	1,926,796	1,812,844	1,809,832	1,939,726	1,950,620
% CHANGE	2.3%	-4.8%	-1.9%	1.8%	10.1%	-6.8%	-5.9%	-0.2%	7.2%	0.6%

# UUT ENERGY COLLECTIONS

## Energy Collections Recap:

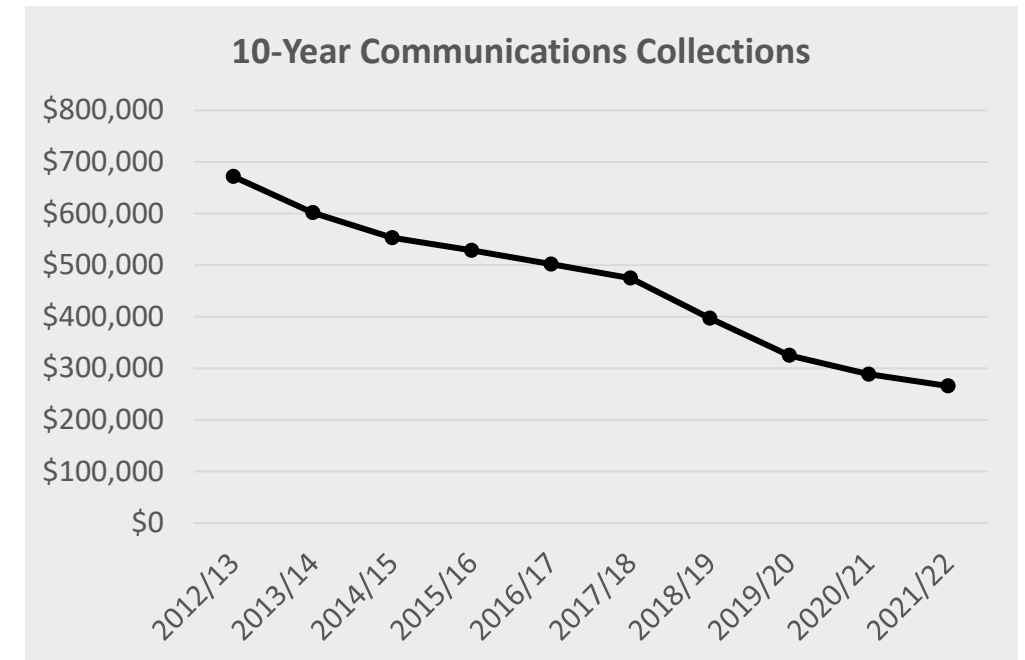
FY 2020/21 Collections	FY 2021/22 Projected Collections
\$1,651,216	\$1,685,000
11% increase from prior year	2% increase from prior year
85% of total UUT collections	86% of total UUT collections



# UUT COMMUNICATIONS COLLECTIONS

## Communications Collections Recap:

<b>FY 2020/21 Collections</b>	<b>FY 2021/22 Projected Collections</b>
<b>\$288,510</b>	<b>\$265,620</b>
<b>11% decrease from prior year</b>	<b>8% decrease from prior year</b>
<b>15% of total UUT collections</b>	<b>14% of total UUT collections</b>



# UUT EXEMPTION GUIDELINES

- Based on California Alternative Rates for Energy (CARE) Program administered by Pacific Gas and Electric (PG&E); thresholds approved by California Public Utilities Commission (CPUC)
- CARE Program eligibility verified by PG&E
  - Eligibility must be renewed every two years (or every four years for fixed income)
  - Qualifying proof of income includes IRS tax return
  - Eligibility based on the total income of all members living in the home

# RECOMMENDED CHANGES TO INCOME EXEMPTIONS THRESHOLDS

Household Size	Current CARE Thresholds	Previous CARE Thresholds
1-2 Persons	\$36,620	\$34,840
3 Persons	\$46,060	\$43,920
4 Persons	\$55,500	\$53,000
5 Persons	\$64,940	\$62,080
6 Persons	\$74,380	\$71,160
7 Persons	\$83,820	\$80,240
8 Persons	\$93,260	\$89,320
9 Persons	\$102,700	\$98,400
10 Persons	\$112,140	\$107,480
Each additional person, add	\$9,440	\$9,080





THANK YOU

Questions/Comments