

Utility Users Tax Discussion

October 13, 2026

User Utility Tax Follow-Up

- RBMC Title 8, Section 9 Telephone, Gas, Electricity, Water, and Video Users' Tax Law
- Council directed staff to:
 - Provide an update on the Disney v City of Santa Barbara case
 - Review the City's ordinance for potential modifications to collect tax on video streaming services

Targeted Updates for Video User Tax

- Additional defined terms
 - Ancillary Video Services
 - Video Programming
 - Video Services
 - Video Service Supplier
- Removal of language regarding internet streamlining in §8-9.04 to prevent conflict with the addition application for video streaming
- Additional language in §8-9.09 (a) and (b)(5)

Comprehensive Updates to UUT

- Alternatively, the City may choose to make a broader update to the ordinance language addressing:
 - Combining video and telephone UT into a combined Communication Users Tax given the overlap in technologies
 - Revise the language to ensure only constitutional and statutory exemptions remain
 - Update the appeals process options and timeline for notifications

UUT Recommendations

1. Review and provide direction on proposed update to the City's User Utility Tax ordinance language
2. Provide direction to the City Attorney's office for the completion of the ordinance updates
3. Provide direction to the City Clerk's office to create ballot measures to be placed on the March 2, 2027 election