

## **Impartial Analysis of Measure \_\_\_ from Garden Grove City Attorney**

Measure \_\_\_, the “Garden Grove Public Safety/9-1-1 and Vital City Services Measure” seeks voter approval at the November 6, 2018, General Election of an ordinance enacting a one-cent (1%) transactions and use tax locally in the City of Garden Grove. A “transactions and use tax” is commonly known as a “sales tax.” Sales taxes are not a tax on homes or properties. Sales taxes are applied to purchases (except for food purchased as groceries or prescription medication). Out of town shoppers visiting Garden Grove will also share in the cost.

This sales tax would be a general tax, meaning that revenues raised from the tax would go into the City’s general fund and may be used for general governmental purposes of the City, including 9-1-1 emergency response, police, firefighter and paramedic services, street repairs, gang/drug abuse prevention, addressing homelessness and other city services. The City would not be required to use the revenues raised by the measure for any special purpose. The measure is intended to prevent significant cuts to general City services such as those mentioned above, resulting from revenue shortfalls caused by recent economic factors, unfunded mandates, and Sacramento financial takeaways.

Revenue and Taxation Code section 7285.9 authorizes the City to levy a local transactions and use/sales tax at a rate of one percent (one cent) so long as the tax is approved by two-thirds of the City Council and by a majority of the voters voting in an election on that issue. If approved, the sales tax would become effective on April 1, 2019.

The tax would be paid in addition to current sales taxes and would be collected at the same time and in the same manner as existing sales taxes. By law, all revenues raised by the measure would belong to the City of Garden Grove and could not be taken by, or shared with, the State or any other agency. If approved, the measure would impose a City tax that would add one cent to the cost of a \$1.00 item purchased in Garden Grove. The City estimates that the proposed sales tax will generate an additional \$19 million annually, but the actual amounts raised will vary based on the level of retail sales occurring in Garden Grove.

The measure requires the City Council to appoint a Citizen’s Oversight Committee to review and report on the revenue and expenditure from funds raised by the measure.

A “yes” vote on Measure \_\_\_ will authorize the one cent (1%) sales tax.

A “no” vote on Measure \_\_\_ will not authorize the sales tax.

The above statement is an impartial analysis of the measure or proposed ordinance. If you desire a copy of the measure or the ordinance, please call the City Clerk’s office at (714) 741-5040 and a copy will be mailed at no cost to you.

s/Omar Sandoval  
City Attorney