

CITY OF AVALON
CITY ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE "SS"
1/4% GENERAL TRANSACTIONS AND USE (SALES) TAX

On October 1, 2019, the City Council voted to place Measure "SS" on the March 3, 2020 general municipal election ballot. If approved by a majority of Avalon voters, this Measure would authorize a general one-quarter percent (1/4%) retail transactions and use (sales) tax within the City of Avalon. A 1/4% rate equates to an extra 25¢ per \$100 purchased. It is estimated that Measure "SS" will provide an additional \$250,000 in annual local funding for general City services. This tax would be a "general tax," meaning that revenues raised from the tax would go into the City's general fund to pay for any lawful City program, improvement, or service.

California Revenue and Taxation Code section 7285.9 authorizes the City to levy a general transactions and use (sales) tax at a rate of one-quarter percent (1/4%) so long as the tax is approved by at least two-thirds (2/3) of all members of the City Council and a majority of the voters voting in an election on that issue. If approved, the tax would become operative on October 1, 2020. Measure "SS" would remain in effect until ended by Avalon voters voting at a subsequent election.

The City of Avalon currently levies a 1% general sales tax originally adopted in 1974 and also levies a 1/2% special transactions and use (sales) tax adopted in 2000 which is dedicated to supporting the Catalina Island Medical Center. This 1/4% general tax would be paid in addition to these two local taxes and any other current sales taxes and would be collected at the same time and in the same manner as existing sales taxes. If approved, the combined sales tax rate on purchases in Avalon would be 10.25%, of which 1.75% would consist of Avalon City transactions and use/sales taxes. All revenues raised by this tax would remain in the City and would not be shared with the State, County or any other agency.

Measure "SS" requires annual independent audits to verify that tax revenues are collected, managed and expended in accordance with its terms.

By placing Measure "SS" on the ballot, the City complies with Article XIIIIC of the California Constitution (Proposition 218), which requires a majority of the voters to approve an ordinance which establishes a general tax.

A "yes" vote on Measure "SS" will authorize the 1/4% transactions and use (sales) tax.

A "no" vote on Measure "SS" will not authorize the 1/4% transactions and use (sales) tax.

The above statement is an impartial analysis of Measure "SS". If you desire a copy of the Measure, please call Denise Radde, the City's elections official, at (310) 510-0220 x122 and a copy will be mailed at no cost to you.

/s/ SCOTT H. CAMPBELL
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