

**CITY ATTORNEY'S IMPARTIAL ANALYSIS
MEASURE C**

Measure C was placed on the ballot by the El Segundo City Council. This Measure, if approved by the El Segundo voters, would raise revenue for general City purposes by authorizing a $\frac{3}{4}$ cent transfer and use tax ("sales tax.") within El Segundo. The tax is paid by purchasers of goods in El Segundo that are subject to sales tax. The tax, however, would only be collected if the County of Los Angeles ("County") places a sales tax measure on a ballot and would only continued to be collected if the County's sales tax measure was legally approved by a majority of County voters. Under current law, Measure C if passed would prevent the County from imposing a sales tax within El Segundo and would instead result in the City collecting available sales tax revenues as explained below.

The sales tax in El Segundo is 9.50 %. The legal maximum rate for sales taxes currently is 10.25%. Consequently, there is a maximum of .75% (or $\frac{3}{4}$ cent) of sales tax that can potentially be imposed in El Segundo. The County can impose taxes both within unincorporated areas and cities. If, however, a city already collects sales taxes up to the maximum 10.25 % rate, the County regional tax cannot be collected within that city.

Measure C proposes to approve a .75% (or $\frac{3}{4}$ cent) sales tax to potentially reach the maximum tax rate of 10.25%. Collecting this tax, however, would only commence if the County places a regional sales tax measure on the ballot and continue to be collected if the County tax measure is approved by a majority of County voters. The approval of Measure C, would, under current law, provide for the City to receive the maximum sales tax available to be collected and prevent the County from imposing additional sales tax in the City.

If Measure C is collected, as provided above, there is no sunset clause on the taxes passed by Measure C. However, all the taxes implemented by Measure C may be suspended or reduced by City Council action. Any increase of the tax above .75% would first require a change in California law and then additional voter approval.

Measure C would impose a "general tax." It is anticipated that if passed and it becomes effective, based upon the conditions outline above, that it will generate approximately \$9 million in annual City sales tax revenues. All tax revenue would be available for use by the City to pay for general City operations and services. The City would not be legally bound in any way to use the tax monies for any special purpose or for any particular facilities or programs. Since this ballot measure proposes a "general tax" rather than a "special tax," it requires approval by a simple majority of the City's voters.

A "yes" vote on Measure C favors the Measure. A "no" vote on Measure C opposes the Measure.