



City of El Segundo Measure C

Fact Sheet 2018

Measure C – April 10, 2018 General Municipal Election

Measure C was placed on the ballot by the El Segundo City Council. This Measure, if approved by the El Segundo voters, has the potential to raise revenue for general City purposes by authorizing a $\frac{3}{4}$ cent sales tax within El Segundo. The tax would only be collected if the County of Los Angeles (“County”) places a sales tax measure on a ballot and would only continue 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 for all jurisdictions within Los Angeles County is currently set at 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. The tax is paid by purchasers of goods in El Segundo that are subject to sales tax.

FREQUENTLY ASKED QUESTIONS

Q: Who pays sales tax?

A: California law generally requires that sales tax be paid on all purchases and sales of merchandise (“tangible personal property”) in California. For example, sales tax is generally due on purchases of vehicles, clothing, electronics, and personal care products.

Q: Are all sales in California taxable?

A: No. Many sales and purchases are exempt from tax. For example, tax is not generally due on the sale of groceries bought in a store, but the sale of meals eaten in a restaurant are taxable. Tax is due on the sale of over-the-counter medicines, but certain sales of prescription medicines are tax exempt.

Q: How much is the current sales tax rate in the City of El Segundo?

A: The current sales tax rate in El Segundo is 9.5%.

Q: How much of the current sales tax rate of 9.5% goes directly to the City of El Segundo?

A: 1% goes to the City. The remaining 8.5% is divided between the State (6.25%) and the County of Los Angeles (2.25%).

Q: How much funding will Measure C generate annually?

A: Measure C (3/4 cent sales tax) could generate approximately \$9,000,000 annually.

Q: Will the City of El Segundo have control of Measure C revenue?

A: Yes. The City will have 100% local control of Measure C (3/4 cent sales tax) revenue, directly benefitting residents.

Q: What can this funding pay for?

A: Measure C sales tax is a general purpose tax. This local revenue goes into the City's general fund and could pay for infrastructure improvements, public services, and general government purposes throughout the City.

Q: What are the current sales and use tax rates in neighboring communities?

A: Hawthorne 10.25% (as of April 1, 2018), Long Beach 10.25%, Santa Monica 10.25%, Culver City 10.0%, Inglewood 10.0%, Manhattan Beach 9.5%, Hermosa Beach 9.5%, Redondo Beach 9.5%, Torrance 9.5%, Gardena 9.5%, Lawndale 9.5%, Los Angeles 9.5%

Q: Is there a maximum sales and use tax rate permitted by law to be assessed?

A: Yes. The maximum, or cap, for any City within Los Angeles County is 10.25%.

Q: How many votes will it take for Measure C to pass?

A: Measure C is a general tax measure. California law requires a simple majority of votes cast in favor of the measure to pass. This means the measure will pass if more than 50% of the votes cast in favor of Measure C.

Q: Who is eligible to vote on Measure C?

A: All registered voters within the City of El Segundo have the opportunity to vote on Measure C on the April 10, 2018 ballot.

Q: If Measure C passes, would a future sales tax measure proposed by Los Angeles County, that was passed by County-wide voters, be assessed on the City of El Segundo?

A: No. If Measure C passes the maximum rate of 10.25% would be reached. Therefore, under the current regulations, any future sales tax measures proposed by the County would not be assessed on El Segundo residents or businesses.

Q: If Measure C does not pass, would a future sales tax measure proposed by Los Angeles County, that was passed by County-wide voters, be assessed on the City of El Segundo?

A: Yes. If Measure C does not pass, the County would be able to assess up to an additional .75% sales tax rate, if approved by eligible voters in L.A. County, on purchases in El Segundo by El Segundo residents and businesses.