

**IMPARTIAL ANALYSIS BY CITY ATTORNEY
CITY OF ARROYO GRANDE
MEASURE D-22**

This ballot measure proposes a general purpose tax that requires a majority vote for adoption. If approved by the voters, it would enact a one percent (1%) transactions and use tax rate on retail sales within the City of Arroyo Grande. This tax will add one cent (1¢) to each one dollar (\$1.00) of taxable sales. It would add Chapter 3.23 to Title 3 of the Arroyo Grande Municipal Code titled "Transactions and Use Tax," and will complement, and not replace or supersede, the City's existing sales and use tax and transaction and use tax in Chapters 3.20 and 3.22, respectively.

The proposed transactions and use tax, like the current sales tax, would be imposed upon the sale of all tangible personal property sold at retail within the City of Arroyo Grande, as well as upon the storage, use, or other consumption of tangible personal property purchased from any retailer within the City of Arroyo Grande. If this measure is approved by the voters, the combined sales tax and transactions and use tax rate within the City of Arroyo Grande will be eight and three quarters percent (8¾%). The proposed tax would be applied equally to residents and nonresidents making retail purchases in the City of Arroyo Grande.

If this measure is approved by the voters, every year the Arroyo Grande City Council will be required to publish and distribute a report to each household within the City setting forth the revenues and expenditures from the proceeds of the one cent tax and shall also be required to hold a public hearing and review the tax every five years to determine whether it is necessary for the tax to remain in effect or if it should be reduced or repealed. The measure was placed on the ballot by the City Council.

Revenues generated from the proposed transactions and use tax are not restricted and would be deposited into the City's General Fund to be used by the City to fund any general City projects, programs, operations and services, including, but not limited to, maintenance, repair and upgrades of the City's streets, sidewalks, stormwater facilities, and other infrastructure, public safety services, and other City programs and facilities.

The tax would be administered by the California Department of Tax and Fee Administration under contract with the City of Arroyo Grande.

If Measure D-22 is approved, it is estimated that revenues from this tax will generate approximately \$5,600,000 annually.

A "yes" vote on Measure D-22 is a vote in favor of authorizing the proposed sales tax.

A "no" vote on Measure D-22 is a vote against authorizing the proposed sales tax.

The above statement is an impartial analysis of Ordinance 715, Measure D-22. If you desire a copy of the ordinance or measure, please call the City Clerk's office at (805) 473-5418 and a copy will be mailed at no cost to you.

Dated: 7/16/22



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City of Arroyo Grande