

CITY ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE E

Measure E, if approved by the voters, would adopt the City of Yucaipa Transactions and Use Tax Ordinance of 2020 (the "Sales Tax Ordinance"). Measure E would increase the City's existing sales tax rate by 0.5%, or one half of one cent, on every dollar of taxable sales of goods in the City, and on the taxable storage, use or consumption in the City of goods purchased.

The Measure would be a general tax. The City estimated that this Measure will raise approximately \$2.1 million per year in new local revenue for use in the City. The City Council's adopted ballot question states this new revenue would be used for existing paramedic purposes, police and fire protection, youth and senior services, streets, parks, and other general purposes. California law gives cities the authority to adopt local measures like this one, in the amount proposed, with the approval of the voters. Under current state law, the local tax rate may not be increased beyond the rate proposed in the Sales Tax Ordinance. If passed, Measure E will remain in effect until amended or repealed by the voters. Measure E was placed on the ballot by the unanimous vote of the Yucaipa City Council.

The Sales Tax Ordinance provides that the revenue will be collected by the State of California under a contract in the same way the existing sales tax is collected, and paid over to the City. Accountability over revenue and expenditures from the Sales Tax Ordinance will be ensured by the appointment of a Citizen's Advisory Committee and an annual spending plan approved by the City Council. The funds from the Sales Tax Ordinance and expenditure thereof will be audited annually as part of the City's annual independent audit, the report of which is available to the public. Financial information also is disclosed in the City's Comprehensive Annual Financial Report and other public documents. The total sales tax rate paid in Yucaipa, which includes the sales tax collected for the State of California, San Bernardino County, and other public agencies, is 7.75% now. If the Measure is approved by the voters, the total sales tax rate in the City would be 8.25%, subject to any changes in state law. Sales tax is not collected on items such as prescription medications or food bought as groceries.

Article XIIC of the California Constitution, commonly known as Proposition 218, requires that the proposed general tax be approved by a majority of the voters voting on the Measure. A "yes" vote on Measure E is to adopt the Sales Tax Ordinance. A "no" vote on Measure E is to not adopt the Sales Tax Ordinance.



David M. Snow
Yucaipa City Attorney

The above statement is an impartial analysis of Measure E. If you desire a complete copy of the Sales Tax Ordinance, please call the City Clerk at (909) 797-2489 and a copy will be sent to you at no cost.