

CITY ATTORNEY'S IMPARTIAL ANALYSIS MEASURE GG

Measure GG was placed on the ballot by the Monterey Park City Council. This Measure would raise revenue for general city purposes by authorizing a $\frac{3}{4}$ cent sales tax within Monterey Park. This tax would be paid in addition to current sales taxes. California law authorizes the City Council to impose this sales tax, provided the tax is approved by a majority of the voters.

California sales taxes are comprised of three different components: (a) a state tax; (b) a county tax; and (c) a tax that may be imposed by a "district." A "district" includes cities, counties, and other public entities. Currently, the combined state and county sales tax equals 7.25%. The maximum rate for all sales taxes cannot exceed 10.25%.

The City of Monterey Park currently collects a 2% sales tax that it may use for general city operations and services; the overall sales tax rate in the City is 9.5% (this includes sales tax imposed by other districts). Consequently, a district (including the City) could impose up to an additional .75% (or $\frac{3}{4}$ cent) tax before reaching the maximum tax rate.

Measure GG proposes to approve a .75% (or $\frac{3}{4}$ cent) sales tax for the City to reach the maximum tax rate of 10.25%. If the sales tax proposed by Measure GG is collected, all revenue would benefit the City of Monterey Park. Public documents project that this tax would result in approximately \$4,000,000 of additional annual revenue. There is no sunset to this general tax.

All the taxes implemented by Measure GG may be suspended or reduced by City Council action. Any other increase of the tax would first require a change in California law and then additional voter approval.

Measure GG would impose a "general tax." Therefore, 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 GG favors the Measure.

A "no" vote on Measure GG opposes the Measure.