

## City Attorney's Impartial Analysis of Measure PS

The City of Lynwood Penny Tax Ballot Measure asks the voters of the City of Lynwood to approve a Transactions and Use Tax Ordinance (the "sales tax ordinance") that would increase the City's existing sales tax rate by 1.0% or one cent for 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 total sales tax rate currently paid in the City of Lynwood, which also includes the sales tax rate collected for the State of California and the County of Los Angeles, is 9%. If the Measure is approved by the voters, the total sales tax rate in the City will increase to 10%.

The proposed tax is a general sales tax. The tax revenues will be deposited in the City's general fund and may be used for any municipal purpose. The City Council unanimously declared a fiscal emergency and voted to place this sales tax measure on the ballot at a special election of the City in order to fund public services such as to repair/reconstruct local streets/sidewalks, support Sheriff and fire suppression services, encourage economic development and youth job training programs, improve parks as well as other general City services. An analysis estimates that this measure may raise approximately \$4.5 million per year in general fund revenue for the City.

The proposed tax would be administered by the California State Board of Equalization at the same time and in the same manner as the City's existing sales tax. Collection of the tax would begin on or about April 1, 2017. The tax would automatically terminate in ten years. In addition, the sales tax ordinance requires the City Council to establish an independent Lynwood Citizens' Transactions and Use Tax Committee to review the expenditure of the revenues raised by the proposed tax.

Article XIIC of the California Constitution, commonly known as Prop. 218, requires that the proposed tax be approved by a majority of the voters voting on the ballot measure.

A "yes" vote is a vote in favor of the Measure enacting the sales tax ordinance.

A "no" vote is a vote against the tax being adopted.