

**MEASURE K
CITY OF VICTORVILLE**

IMPARTIAL ANALYSIS OF MEASURE K

This Impartial Analysis of Measure K has been prepared by the City Attorney pursuant to Section 9280 of the California Elections Code.

Measure K asks voters to approve an ordinance enacting a one half-cent (0.5%) special transactions and use (sales) tax within the City of Victorville. This special tax is restricted to funding public safety services in Victorville in accordance with an expenditure plan that includes the addition of 10 new police officers and 15 new firefighters/paramedics to the City's forces; opening Fire Station 315 near Sunset Ridge Park; equipment, training and support for these additional personnel; and acquiring life-safety apparatus for fire services. The tax revenues (an estimated \$8.5 million per year) will supplement, not replace, existing City public safety services expenditures as reflected in Victorville's FY 2017/2018 budget, and cannot lawfully be used for any other purpose.

Currently, State and local retail sales tax in Victorville is 7.75% of the purchase price; but Victorville only receives 1% of this amount. The remainder goes to the State and the San Bernardino County Transportation Authority. Measure K would increase the current total sales tax rate in Victorville from 7.75 to 8.25%, *i.e.*, would add a half cent to the price of an item that costs a dollar. If adopted, collection of the tax is expected to commence April 1, 2018.

Technically, the existing sales tax is a combination of "sales and use tax" and "transactions and use tax." Retailers collect both taxes at the time of sale and remit the funds to the California Department of Tax and Fee Administration, which administers the taxes. Both are levied on the retail sale or use of personal property, with certain exceptions.

The special tax will be collected where the sale is made in Victorville or where the goods are delivered and placed into use in Victorville. Merchandise purchased in a "walk-in" retail store is assumed by the State to be used within the city in which the store is located and the applicable tax will be paid by both residents and nonresidents, unless the retailer is asked to ship the merchandise outside the city as part of the sale or it is a motor vehicle (which is taxed based on the city of registered use). Certain necessities of life, including purchases of food or medicine, are exempt from the tax.

Measure K requires annual City Council review and re-adoption of an expenditure plan consistent with the ordinance's mandate, as well as annual verification by the City's independent auditor to ensure the tax revenues are being used for the specified public safety purposes. The separate fund or account established for deposit of the tax revenues is further subject to annual audit and reporting in the City's financial statement.

Measure K was placed on the ballot by a 2/3 vote of the Victorville City Council. A "Yes" vote is a vote to approve the additional half cent tax for public safety services in Victorville. A "No" vote is a vote against the tax. Measure K will be approved if it receives a two-thirds (2/3) majority of "Yes" votes.

The above statement is an impartial analysis of Measure K. If you desire a copy of the Measure (Ordinance No. 2371), please call the election official's office at (760) 955-5188 and a copy will be mailed, emailed, or provided at no cost to you.

August 21, 2017

Andre de Bortnowsky, City Attorney