

## **CITY ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE P**

**THE PROPOSAL:** Measure P asks the voters whether the City of Fortuna should increase its current three-quarters of one percent (0.75%) transaction and use tax rate (commonly known as the "sales tax") to one-and-one-half percent (1.5%) through March 31, 2033, unless sooner repealed.

**HOW IT GOT HERE:** The existing 0.75% sales tax was adopted by Measure E in 2016 and is currently set to expire on March 31, 2033. By way of Resolution 2024-11, the City Council is proposing to increase the sales tax rate to 1.5% without extending the current expiration date.

**HOW IT WORKS:** The local sales tax in the City of Fortuna, including the additional 0.75% increase proposed by this Measure P, will apply to sales of most retail goods that occur within the boundaries of the City and to certain other items (including vehicles) purchased outside of the boundaries of the City but only if the purchaser resides within the boundaries of the City. The method by which the tax is assessed and procedures for collection are all governed by California state law. The sales tax does not apply to items which state law exempts from sales tax.

**HOW IT IS USED:** The sales tax is a general tax; all revenue generated by the local sales tax goes into the City of Fortuna's General Fund where it is used to fund essential government services. These services include, but are not limited to, police services; nuisance abatement; drainage; park improvements; and street and public facilities construction, maintenance and repair. The increased rate would generate approximately \$1.8 million per year. The revenues would be subject to independent audit and community oversight by the Measure E Board.

A "Yes" vote is a vote to approve the increase in the tax rate through March 31, 2033.

A "No" vote is a vote against the increase in the tax rate.

Measure P requires a majority (i.e., 50.00% + 1) of "yes" votes

**IF YOU DESIRE A COPY OF THE FULL TRANSACTION AND USE TAX RATE RESOLUTION (No. 2024-11), PLEASE CONTACT THE CITY CLERK'S OFFICE (621 11<sup>th</sup> Street, Fortuna, CA; 707-725-7600) AND A COPY WILL BE PROVIDED TO YOU AT NO COST.**

**/s/ Ryan Plotz, City Attorney, City of Fortuna**