



IMPARTIAL ANALYSIS OF MEASURE E

The City Council of the City of Elk Grove placed Measure E on the ballot to ask the City's voters whether to approve a one percent (1%), or 1-cent per dollar, transactions and use tax. Such tax is commonly referred to as a "sales" tax and would be levied on the sale of tangible personal property sold at retail in the City. City retailers would collect the tax and remit the funds to the California Department of Tax and Fee Administration, which administers the tax. Measure E includes various exemptions and procedural provisions typical of this type of tax.

The proposed tax is a general tax, meaning it is a tax for general governmental purposes, and it is not imposed for a specific purpose. Revenues from the tax may be used by the City for any legitimate governmental purpose which may include, without limitation, expenditures for crime reduction; rapid 9-1-1 service; fire, police, medical emergency, and disaster response; cleaning and maintaining public areas, including parks and recreational areas; addressing housing and homelessness; improving and maintaining public streets and roads; addressing youth crime and gang prevention programs; economic development; and other general community purposes. City staff estimates that the proposed tax would generate approximately \$21,300,000 annually in additional revenue.

Measure E requires the establishment of an independent citizen's oversight committee and annual independent audits. Measure E also requires that at least twenty-five percent (25%) of revenue collected from the tax be held in qualified local community banks.

The tax would remain in effect until repealed by a majority vote of the City voters or by the City Council. The City Council could temporarily suspend or reduce the tax. The City Council could also amend the provisions of Measure E, provided that the amendments do not increase the tax, impose a new tax, or extend the tax.

The current sales tax rate in the City of Elk Grove is 7.75%, which includes a base statewide sales tax rate and a previously approved countywide 0.50% tax rate for transportation purposes. If approved, Measure E would increase the sales tax rate in the City of Elk Grove by one percent (1%).

A “Yes” vote is a vote to approve the one percent (1%) City sales tax increase. A “No” vote is a vote against the sales tax increase. To pass, Measure E must be approved by a majority of “Yes” votes of the qualified voters of the City of Elk Grove voting on the measure.

DATED: August 16, 2022

A handwritten signature in blue ink, appearing to read "Jonathan P. Hobbs", is written over a horizontal line.

Jonathan P. Hobbs
Elk Grove City Attorney