

CITY ATTORNEY IMPARTIAL ANALYSIS OF MEASURE U
RIALTO 2014 TANK FARM STORAGE MEASURE

Measure U is a general tax measure of the City of Rialto ("City"). Measure U was placed on the ballot by the governing body of the City. If approved by a majority of the voters who vote in the election on November 4, Measure U will establish a business license tax on businesses engaged in owning, operating, leasing, supplying or providing one or more wholesale liquid fuel storage facilities, commonly known as "tank farms." The Measure will not apply to retail gas stations.

The type of tax proposed by Measure U is an increase to the general tax currently charged to businesses in the City of Rialto, but only on the specific businesses commonly known as tank farms. The rate of the tax is based on the storage capacity of the affected businesses, and not on the actual amount of liquid being stored. The maximum tax rate authorized by Measure U is one dollar (\$1.00) per year per cubic foot of storage capacity. The actual annual tax rate would be established by City Council resolution not to exceed the rate authorized by Measure U, and the increased tax could be, but is not required to be, phased in.

The tax will be collected by the City upon issuance of a new business license or upon the annual renewal of a business license.

The City of Rialto currently imposes a business license tax on any business located in the City, pursuant to Chapter 5.04 of the Rialto Municipal Code. Wholesale liquid fuel storage facilities, or "tank farms," currently pay a business license tax that is based on a wholesale or service rate. In 2013, the total amount of annual business license tax paid by all the tank farms was \$117,377.

The business license tax is a general tax. The tax proceeds will be deposited into the City's general fund and may be used for any municipal purpose.

When and if fully implemented, the business license tax on tank farms generated by Measure U is anticipated to increase tax revenues to as much as approximately \$10 million, based on the capacity of tank farms in the City of Rialto. The tax cannot be increased in the future without voter approval.

A "Yes" vote is a vote in favor of establishing a business license tax on wholesale liquid storage facilities, or tank farms.


A "No" vote is a vote against establishing a business license tax on wholesale liquid storage facilities, or tank farms.

A majority of "Yes" votes is required for Measure U to pass.

s/Fred Galante
City Attorney
City of Rialto

FILED

AUG 21 2014

BY  DEPUTY
REGISTRAR OF VOTERS

The above statement is an impartial analysis of Measure U. If you desire a copy of the proposed Ordinance, please call the City Clerk at (909) 820-2519 and a copy will be mailed at no cost to you.