

IMPARTIAL ANALYSIS FROM CITY ATTORNEY

City of Montclair 2020 General Transactions and Use Tax

If adopted by a majority of the voters, Measure L would enact a one percent (1%) increase in the sales tax rate in the City of Montclair. The measure was placed on the ballot by the Montclair City Council.

The sales tax is also referred to as a "transactions and use tax." The current sales tax rate in the City of Montclair is eight percent (8%). This tax will add 1 cent (\$.01) to each dollar (\$1.00) of taxable sales and transactions in the City of Montclair. Accordingly, if Measure L is adopted, the sales tax rate in the City of Montclair would increase to nine percent (9%). The proposed sales tax increase, like the current sales tax, would be imposed upon the sale of all tangible personal property sold at retail within the jurisdictional limits of Montclair, as well as upon the storage, use or other consumption of tangible personal property purchased from any retailer in the jurisdictional limits of the City. During its first year of operation, the sales tax is estimated to generate approximately \$7 million in revenue. If adopted, the sales tax increase would be effective on April 1, 2021.

All revenue generated from the proposed sales tax increase would be deposited into the City's General Fund, and used by the City to pay for general City operations and services including, but not limited to, fire and police protection, 911 emergency response, preparing for and recovering from public health emergencies, preventing the contamination of local water sources, street and park maintenance, youth and senior citizen programs, planning and engineering services, capital improvements projects, operational expenses, and general obligations of the City. As such, this ballot measure proposes a "general purpose tax," rather than a "special purpose tax." The measure requires a simple majority vote (50% plus 1) for adoption.

Measure L requires an annual audit by an independent auditor of the receipt and expenditures of the revenue generated by the proposed sales tax increase to ensure compliance with requirements of the ballot measure.

The above statement is an impartial analysis of Measure L. If you desire a copy of the ordinance or measure, please call the election official's office at (909) 625-9416 and a copy will be mailed at no cost to you.

Alexander Adams, City Attorney