

Measure E-20: Morro Bay Local Recovery/Emergency Preparedness Measure

IMPARTIAL ANALYSIS

The Morro Bay City Council by unanimous vote placed the Morro Bay Local Recovery/Emergency Preparedness Measure (the "Measure") on the November 3, 2020 ballot. If approved by the voters, the Measure adds Chapter 3.26 to the Morro Bay Municipal Code to establish an additional transactions and use general tax of one cent per dollar, while the City maintains a current half cent per dollar transactions and use general tax. A Citizen Oversight Committee is continued to conduct semi-annual reviews of revenues and expenditures and to provide reports to the City Council.

The Measure is estimated to generate approximately \$2,000,000 annually in revenues for funding of general City services. Funds are placed in the City's general fund and may be used for any City general fund purpose, including, but not limited to:

- Maintaining Morro Bay's local Fire/Police Departments
- Maintaining Morro Bay's 24/7 paramedics and 911 emergency response
- Maintaining Morro Bay's health emergency/disaster preparedness
- Keeping Morro Bay's beaches and public areas safe and clean
- Retaining and attracting local businesses

Food purchased as groceries, prescription medicine and real property will **not** be taxed under the Measure.

City staff estimates approximately 70% of the proposed one cent per dollar tax collected on business to consumer transactions will be paid by tourists and non-residents, and thus they will contribute to the City's ability to maintain general public services used while visiting. Residents and general purchasers of goods in the City will also be subject to the tax.

The one cent per dollar tax is imposed upon gross receipts of retailers from sale of most tangible personal property sold in the City at retail. The Measure also places an excise tax upon the storage, use or consumption in the City of most tangible personal property purchased from any retailer for storage, use or other consumption in the City at a rate of one cent per dollar of the sales price of the property, where "sales price" includes delivery charges when such charges are subject to state sales or use tax, regardless of the place to which delivery is made. Specific transactions and uses subject to the tax are determined under regulations of the California Department of Tax and Fee Administration ("CDTFA"). The tax would be administered by the CDTFA under contract with the City. The City Council may amend the ordinance to further its purpose and intent, but only the voters may approve a tax rate increase. If passed, it will stay in effect until ended by voters.

A "YES" vote is a vote to approve an additional one cent per dollar transactions and use general tax. A "NO" vote is a vote against an additional one cent per dollar transactions and use general tax. The transactions and use general tax proposed by Measure E-20 would take effect only if it receives a majority "YES" vote at the November 3, 2020, election.

The above statement is an impartial analysis of Measure E-20. If you desire a copy of the ordinance or measure, please contact the Morro Bay City Clerk's Office at (805) 772-6205 and a copy will be mailed at no cost to you.



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City of Morro Bay