

CITY ATTORNEY IMPARTIAL ANALYSIS OF MEASURE T

If adopted by voters, Measure T would amend the Lemon Grove Municipal Code (LGMC) to establish a one-cent Transactions and Use Tax (Sales Tax) in the City of Lemon Grove. The Measure was added to the ballot by a four-fifths vote of the City Council and would add Chapter 3.18 (Lemon Grove One Cent Transactions and Use Tax) to Title 3 of the Lemon Grove Municipal Code.

The tax would be assessed on the sale of tangible personal property and the storage, use, or other consumption of such goods. If approved, the sales tax would become effective and begin collection on April 1, 2025, and would remain in effect for 10 years when it will automatically terminate unless decided otherwise by the voters.

This tax would be a general tax, meaning that revenues raised from the tax would go into the City's general fund and could be used for any general governmental purpose of the City, such as keeping local streets, sidewalks, stormdrains, parks, and community facilities safe, clean, and well-maintained; fixing potholes; providing fire protection, paramedic, police, and 911 emergency response; traffic management; addressing homelessness; and removing graffiti/trash.

If passed, Measure T would amend the LGMC to impose the Sales Tax. The tax would be paid in addition to current sales taxes and would be collected at the same time and in the same manner as existing sales taxes. Both City residents and visitors would pay this tax on retail sales activity in Lemon Grove. Certain necessities of life, such as groceries or prescription medicine, would be exempt from the tax. By law, all revenues raised by the Measure would belong to the City of Lemon Grove and could not be taken by the State or any other governmental agency.

The City estimates that the proposed sales tax will generate an additional \$5,957,000 annually.

The Measure would also require that such Sales Tax funds be subject to a Citizens' Oversight Committee and annual independent audits with public review of the City's budget being widely available. The Measure requires that the City:

- Hire an independent auditing firm to analyze the impact of the sales tax and furnish a report to the City Council and the public;
- Direct the City's independent auditors to review the collection and expenditure of sales tax revenues and report to the City Council as part of the annual budget adoption process;
- Appoint a Citizen's Oversight Committee to conduct an annual review of the sales tax and confirm the use of the funds on City priorities.

Measure T requires approval of a simple majority of voters (greater than fifty percent (50%)).

A "yes" vote is a vote to adopt the tax.

A "no" vote is a vote against the tax.

/s/ Kristen S. Steinke, City Attorney
City of Lemon Grove

The above statement is an impartial analysis of Measure T. The full text of Measure T is printed in the voter information guide and is also available on the City of Lemon Grove's website at:

<http://www.lemongrove.ca.gov>. If you desire a copy of the Measure, please call the City Clerk's office at (619) 825-3800 and a copy will be mailed at no cost to you.