

**Impartial Analysis
City of Seal Beach
Measure GG**

Measure GG is entitled the "Seal Beach Services Measure." If approved by the voters, Measure GG would adopt a local Transactions and Use Tax Ordinance (the "Sales Tax Ordinance") that would increase the City of Seal Beach's existing sales tax rate by 0.5%, or 0.5 cents, on every dollar of taxable sales of goods in the City, and on the taxable storage, use or consumption in the City of goods purchased.

The Measure would adopt a general tax, which means the tax revenue could be spent by the City for all general governmental purposes. The City estimated that this Measure will raise approximately \$3,000,000 per year in new local revenue for use in the City. The City Council's adopted ballot question states this new revenue would be used for local purposes such as maintaining emergency, fire, and police response services, keeping public areas and beaches safe and clean, reducing flood risks, protecting local water quality, retaining and supporting local businesses, addressing homelessness, and repairing streets and potholes. The Sales Tax Ordinance would be in effect until ended by the voters. Measure GG was placed on the ballot by a unanimous vote of the City Council.

Similar to other sales tax revenue, the revenue generated by the Measure will be collected by the State of California under a contract with the City, and the revenue will be paid over to the City. Accountability over revenue and expenditures from the Sales Tax Ordinance will be provided through the City's budget process and annual independent audit, which are available to the public. Financial information also is disclosed in the City's Annual Comprehensive Financial Report and other public documents. The total sales tax rate paid in the City of Seal Beach, which includes the sales tax collected for the State of California, Orange County, and other public agencies, is currently 8.75%. If the Measure is approved by the voters, the total sales tax rate paid in the City would be 9.25%, subject to any changes in state law. Sales tax is not collected on certain exempt items such as prescription medications or food bought as groceries.

Article XIIC of the California Constitution, commonly known as Proposition 218, requires that the proposed general tax be approved by a majority of the voters voting on the Measure. A "yes" vote on Measure GG is to adopt the Sales Tax Ordinance. A "no" vote on Measure GG is to not adopt the Sales Tax Ordinance.

Nicholas Ghirelli
City of Seal Beach City Attorney

The above statement is an impartial analysis of Measure GG. If you desire a complete copy of the Sales Tax Ordinance, please call the City Clerk at (562) 431-2527 and a copy will be sent to you at no cost.