

CITY ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE I

The City Council voted to place the measure entitled "City of Bell Transaction and Use Tax Measure" ("Measure") on the March 5, 2024 general municipal election ballot. The Measure adds a new Chapter 3.22 to the City of Bell's Municipal Code, establishing a three quarters of a cent per dollar (0.75%) transactions and use tax (commonly known as a "sales tax") for City general fund purposes.

If approved, the Measure places a tax of 0.75% upon retailers' gross receipts from the retail sale of most tangible personal property sold within the City at retail. Further, the Measure also imposes an excise tax upon the storage, use or other consumption of tangible personal property purchased from any retailer for storage, use or other consumption within the City. The rate permitted is 0.75% 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.

It is estimated that revenues from this tax will generate approximately \$1,500,000 annually for the funding of general City services. Funds generated would be placed in the City's general fund, are not restricted, and may be used for any City general fund purposes, which include, without limitation:

- Public Safety (Police/Fire),
- Youth and Seniors Recreation Programs and Services,
- Funding other general services.

Food purchased as groceries and prescription medication will not be taxed under this measure. Visitors to Bell will bear part of the tax burden imposed by their local activities and thus contribute to the City's ability to maintain general public services they use while visiting. Residents and other purchasers of goods in the City will also be subject to the tax. The specific retail sales and uses subject to the tax would be determined under the regulations of the California Department of Tax and Fee Administration ("CDTFA") and the tax would be administered by the CDTFA under contract with the City of Bell.

While the ordinance permits future amendments by City Council, any actual increase in the tax must be approved by the voters. A "YES" vote is a vote to approve a 0.75% retail transactions and use general tax. A "NO" vote is a vote against a 0.75% retail transactions and use general tax. The Measure would take effect only if it receives a majority "YES" vote at the March 5, 2024, general municipal election.

Dated: December 13, 2023

DAVID J. ALESHIRE
City Attorney
City of Bell

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1/2/2024

The above statement is an impartial analysis of the Measure. If you desire a copy of the ordinance or measure, please call the Bell City Clerk's Office at 323-588-6211 ext. 2615 and a copy will be mailed at no cost to you.