

**TOWN OF APPLE VALLEY
TOWN ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE "O"
1% TRANSACTIONS AND USE (SALES) TAX**

On July 28, 2020, the Town Council unanimously voted to place Measure "O" on the November 3, 2020 general municipal election ballot. By placing Measure "O" on the ballot, the Town complies with Article XIII C of the California Constitution (Proposition 218), which requires a majority of the voters to approve an ordinance which establishes a general tax.

If approved by a majority of Apple Valley voters, this Measure would authorize a one percent (1%) retail transactions and use (sales) tax within the Town of Apple Valley. A 1% rate equates to an extra penny (1¢) for every dollar (\$1) purchased. It is estimated that Measure "O" will provide an additional \$7,000,000 in annual local funding for general Town services. This tax would be a "general tax," meaning that revenues raised from the tax would go into the Town's general fund to pay for any lawful Town program, improvement, or service. Those services include law enforcement, parks, and road improvements.

California Revenue and Taxation Code section 7285.9 authorizes the Town to levy a general transactions and use/sales tax at a rate of one percent (1%) so long as the tax is approved by a majority of the voters voting in an election on that issue. If approved, the tax would remain in effect until repealed by Apple Valley voters voting at a subsequent election.

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. All revenues raised by the tax would remain in the Town and would not be shared with the State, County, or any other agency.

A "yes" vote on Measure "O" will authorize the 1% transactions and use (sales) tax.

A "no" vote on Measure "O" will not authorize the 1% transactions and use (sales) tax.

If Measure "O" is not approved, the General Fund will not receive the sales tax revenues identified in the Measure. The Town Council will then have to decide, as part of the budgeting process, whether other revenues are available to pay for Town programs and services, or whether Town programs and services will have to be reduced.

The above statement is an impartial analysis of Measure "O". If you desire a copy of the Measure, please call the Town's elections official at (760) 240-7000 ext. 7800 and a copy will be mailed at no cost to you.

/s/ THOMAS RICE
Town Attorney

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TOWN CLERK'S OFFICE
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TOWN OF APPLE VALLEY