

## **City Attorney's Impartial Analysis for Measure X**

Measure X was placed on the ballot by the Oceanside City Council and proposes to increase the transactions and use tax (commonly referred to as the "sales tax") by one-half of one percent (0.5%) on retail sales within the City of Oceanside ("City"). The tax would remain in place for seven years and the City Manager estimates the tax would generate approximately \$11 million per year.

Measure X's sales tax would be levied under state law (Revenue and Taxation Code Section 7285.9). As such, it would be collected as a percentage of gross receipts from retail sales and other taxable uses occurring within the City. The current sales tax rate in Oceanside is 7.75%. If Measure X is approved, the sales tax rate would increase to 8.25%. The tax revenues generated from the additional 0.5% would go to the City less a state administrative fee. If approved, the tax would commence on April 1, 2019.

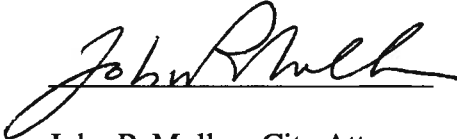
The revenues generated by the passage of Measure X are authorized to be used for any lawful municipal purpose. This includes expenditures for the staffing of police officers, firefighters/paramedics and lifeguards. In addition, the revenues could be spent to maintain and improve city streets, storm drains, park and recreation facilities, libraries, and City infrastructure. Because the revenues raised by Measure X can be used for any general governmental purpose, a majority of voters must approve Measure X for it to go into effect.

Measure X creates a Citizens' Oversight Committee ("COC") who will be responsible for annually making recommendations to the City Council on a spending plan for the revenues generated by Measure X. The COC will also be responsible for reviewing the annual independent audit of the revenues and expenditures of funds generated by Measure X. All expenditures of Measure X fund monies will be tracked and accounted for by City's Financial Services Department as a separate line item in the General Fund and in accordance with Generally Accepted Accounting Principles (GAAP).

A "yes" vote on Measure X favors increasing the sales tax by one-half of one percent for seven years.

A "no" vote on Measure X opposes an increase in the sales tax by one-half of one percent for seven years.

Dated: August 13, 2018



John P. Mullen, City Attorney