

IMPARTIAL ANALYSIS PREPARED BY THE CITY ATTORNEY

Measure __ was placed on the ballot by a unanimous decision of the West Hollywood City Council for the voters to consider an ordinance imposing a $\frac{3}{4}$ cent retail transactions and use (sales) tax within the City of West Hollywood.

Currently, the sales tax in West Hollywood is 9.5%. Most of the proceeds of that tax are allocated to the state, Los Angeles County and to special districts. West Hollywood receives 1% plus an additional allocation from the County which altogether amounted to \$18.2 million in revenue for FY18-19. The FY 18-19 revenue calculations do not reflect more recent reductions in sales tax revenue resulting from the COVID-19 health pandemic. Sales tax revenue represents approximately 16% of the City's general fund revenues.

If approved, Measure __ would increase the total sales tax to 10.25%. which is the maximum sales tax rate allowed in Los Angeles County under state law. If West Hollywood voters approve the $\frac{3}{4}$ cent increase to the city's sales tax rate, all revenue from this increase would go to West Hollywood to be used locally.

A $\frac{3}{4}$ cent rate increase would add tax in the amount of 75¢ per \$100 purchased. It is estimated that Measure ___ will raise an additional \$11 million in annual local revenue. The revenues from this general tax may be used for any municipal purpose. Examples of allowed uses of the revenue would include funding for general City services such as community safety, road maintenance and repair, homelessness programs, senior and health related services, keeping parks and public areas clean and safe, and other City services.

This tax requires approval of the voters to take effect. If approved, the tax would become operative on April 1, 2021. Measure ___ would remain in effect until ended by West Hollywood voters at a subsequent election.

Measure ___ requires annual independent audits of the administration of the tax.

A "yes" vote on Measure ___ approves the $\frac{3}{4}$ cent transactions and use (sales) tax.

A "no" vote on Measure ___ rejects the $\frac{3}{4}$ cent transactions and use (sales) tax.

A majority of "yes" votes is required for the measure to pass.

Michael Jenkins
City Attorney

The above statement is an impartial analysis of the proposed measure. If you desire a copy of the proposed measure, please call the City's elections official at (323) 848-6409 and a copy will be mailed at no cost to you.