CITY ATTORNEY'S IMPARTIAL ANALYSIS – MEASURE ___

A petition signed by the requisite number of San Clemente voters placed Measure ___ on the ballot for voters to decide whether a 1% transactions and use tax (commonly known as "sales tax") should be added to retail sales prices (or 1 cent for an item that costs one dollar).

Because this measure legally restricts the use of revenue to specific purposes, it is a "special tax". Half the proceeds must be deposited into a new City "Beach Protection Fund" and expenditures must directly relate to: (1) sand replenishment, nourishment or retention projects; (2) beach erosion control measures; (3) maintenance, repair or improvement of the Beach Trail, public beach access points, pedestrian bridges, the Pier or beachfront restrooms; or (4) beach water quality protection measures. At least 70% of total Beach Protection Fund expenditures must be for items (1) and (2) above. The other half of the proceeds must be deposited into a new City "Fire Protection and Wildfire Preparedness Fund" and expenditures must directly relate to: (1) support for fire protection or emergency medical response services; (2) citywide wildfire prevention programs on public and private lands; or (3) citywide community outreach, education and engagement programs focused on wildfire prevention and vegetation management across public and private property.

The two dedicated funds will be subject to the same independent annual audit as other City funds. Up to $250,000 from each fund ($500,000 total) may reimburse the City for its actual costs incurred to the Orange County Registrar of Voters for conducting the elections to enact or extend this tax. The City's Investment Advisory Committee will serve as an Oversight Committee, reviewing expenditures of all revenue collected to determine whether funds are properly expended. An accounting of revenues and expenditures will be presented annually to the City Council and made available for public review. The City will be required to publish an "Annual Accountability Report" including breakdowns, summary of progress and outcomes aligned with the required Beach Protection and Wildfire Protection and Preparedness Operational Plans, performance data, unspent funds, proposed future uses, and recommendations for improvements.

Currently, the tax on retail sales within the City of San Clemente is 7.75%, which includes the 7.25% base tax rate and Orange County's 0.5% local transportation tax. Of the 7.25% base tax collected by the State, the City of San Clemente receives 1% directly. The City estimates a new 1% sales tax would result in additional revenue of approximately $15 million annually to the City of San Clemente for 10 years and could be extended for an additional 10 years by another majority vote in 8 years.

A "Yes" vote is a vote in favor of the tax. A "No" vote is a vote against the tax. Measure ___ will be approved if it receives a majority (50% + 1) of "Yes" votes. If approved, the total sales tax rate within the City of San Clemente will increase to 8.75%.

Elizabeth A. Mitchell
City Attorney, City of San Clemente

The above statement is an impartial analysis of Measure ___. If you desire a copy of the ordinance or measure, please call the elections official's office at 949-361-8301 and a copy will be mailed at no cost to you. You may also view the full text of Measure ___ at www.sanclemente.gov/election.