

BALLOT TITLE

Initiative Measure to Amend the Escondido Municipal Code to Establish a One-Cent Local Sales Tax with a Citizen's Oversight Committee.

BALLOT SUMMARY

If approved by a majority of voters, this initiative measure, which proposes an ordinance entitled: "Escondido Community Investment Initiative," would amend the Escondido Municipal Code ("Code") to add Chapter 25, Article 2, Division 2, Sections 25-33.1 through 25-33.14, enacting a local transaction and use tax ("Tax") on non-exempt purchases made within the City of Escondido ("City") to be administered by the California Department of Tax and Fee Administration ("CDTFA") and establish a Citizen's Oversight Committee to review revenue collected from and expenditures made of the Tax proceeds.

The Tax imposed upon all retailers in the City by the initiative for sales of non-exempt tangible personal property would be at the rate of one percent (1%) of the gross receipts of the sale. The imposition of the Tax would start on the first day of the first calendar quarter commencing more than 110 days after the approval of the voters of the City ("Operative Date"), unless a later Operative Date is provided for by contract with the CDTFA.

The authority to levy the Tax imposed by this initiative will expire twenty (20) years after the Operative Date.

The initiative excludes taxation on specifically identified tangible personal property and transactions and any sales or use taxes imposed by the State of California; by any city or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law; and, the amount of any state-administered transactions or use tax.

The City Council may amend the Code without further voter approval except when terminating the Tax; increasing or decreasing the Tax rate; revising the methodology for calculating the Tax, such that a tax increase would result; or, imposing the Tax on transactions and uses not previously subject to the Tax, unless such an amendment would occur automatically by operation of law.

The proceeds from the Tax imposed by this initiative must be received into the general fund of the City and may be used for any lawful general revenue purposes of the City.

The initiative establishes a five-member Citizen's Oversight Committee ("Committee") and mandates its member appointment process, including a residency requirement; length and expiration of member terms; filling of vacancies; meeting rules and requirements compliant with the state open-meeting rules; and, identifies its powers and duties.

Attachment "2"

The Committee is charged with the duty to review the revenue collected from the Tax and production of a yearly audit report on the use of the Tax revenues. Such audit reports will be public records and made available as required by state law.

/s/ Michael McGuinness, City Attorney