

Attachment "3"

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February 1, 2024

VIA FEDERAL EXPRESS OVERNIGHT

Zack Beck  
City Clerk, City of Escondido  
City Hall, Second Floor  
201 North Broadway  
Escondido, CA 92025

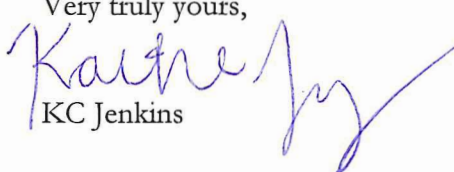
RE: Initiative Measure to Amend the Escondido Municipal Code to Establish a One-Cent Local Sales Tax with a Citizen's Oversight Committee.

Dear Mr. Beck:

Pursuant to Elections Code section 9206, enclosed please find the Proof of Publication for the above-referenced initiative proposal. Pursuant to Elections Code section 9205(a), the Notice of Intent and Title and Summary were published on January 25, 2024 in the *Escondido Times-Advocate*.

Please endorse and return the enclosed copies in the envelope we have provided.

If you have any questions, please do not hesitate to contact me.

Very truly yours,  
  
KC Jenkins

**ESCONDIDO  
TIMES-ADVOCATE**

P.O. Box 461900  
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**KC Jenkins  
612 Henry Street  
Folsom, California 95630**

**PROOF OF PUBLICATION**

State of California  
County of San Diego

I am a citizen of the United States and a resident of the County aforesaid: I am over the age of 18 years, and not a party to or interested in the above-entitled matter. I am the principal clerk of the publisher of the Escondido Times-Advocate, a newspaper of general circulation, published weekly in the city of Escondido, County of San Diego, and which newspaper has been adjudged a newspaper of general circulation by the Superior Court of the County of San Diego, State of California, under the date of May 25, 2018, Case number 2018-18480; that the notice, of which the annexed is a printed copy, has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to wit:

Published in: ESCONDIDO TIMES-ADVOCATE  
Run Dates: 01/25/2024.

Executed on: Jan. 25, 2024

At Escondido, CA

I certify (or declare) under penalty of perjury that the foregoing is true and correct.

Signature

Notice of Intent to Circulate Petition

Notice is hereby given by the persons whose names appear hereon of their intention to circulate the petition within the City of Escondido for the purpose of increasing City revenue. A statement of the reasons of the proposed action as contemplated in the petition is as follows:

The City of Escondido is facing a financial crisis. Revenue has not been able to keep pace with the growing costs of providing services— threatening the City's ability to provide needed services to ensure safe and clean neighborhoods and a high quality of life. In the face of these financial constraints, the City has aggressively responded by reducing its workforce, reducing pension obligations, deferring facility maintenance and equipment purchases, pursuing available grant funding whenever possible, and regrettably, cutting back services despite serving a growing population.

These efforts have not been enough. We are managing decline instead of charting a path to prosperity.

Nearly all the sales taxes that residents in Escondido pay go to the State, County, or SANDAG. Escondido's current sales tax is 7.75 cents on the dollar. Of that amount, less than a penny stays local and goes to the City of Escondido. Escondido has the lowest sales tax in the county.

The Escondido Community Investment Initiative would add a 1-cent sales tax on every dollar spent in Escondido. This new revenue would allow the City to fund critical priorities like addressing homelessness, repairing and maintaining local streets, sidewalks, and infrastructure, and keeping parks and public facilities safe, clean, and well-maintained. Perhaps most importantly, the initiative would allow for continued emergency response capabilities— giving us enough police, firefighters, dispatchers, and paramedics to respond quickly to emergencies and proactively protect public safety.

Despite declining revenue, Escondido is still a destination for retail shoppers— which means a substantial portion of the revenue raised by this measure will be paid by out-of-town visitors.

The Escondido Community Investment Initiative is a citizen's initiative. Escondido residents drafted the measure and are collecting signatures to place it on the ballot, not the politicians and staff at City Hall. This is an initiative by and for the residents, which is why it includes needed accountability measures such as a Citizen's Oversight Committee to ensure the revenue collected would be spent appropriately, as well as a sunset clause, meaning the sales tax will expire in twenty years unless voters reaffirm their support for it.

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Escondido can be a thriving destination for families and small businesses. We can maintain and raise our quality of life by meaningfully investing in our community. It takes citizens stepping up, putting politics aside, and agreeing to do what's best for Escondido. The Escondido Community Investment Initiative will help us reach those goals, avoid further financial crisis, and get our community back on track.

/s/ John Neil Hobbs /s/ Deanna Smith /s/ Richard Aeling  
John Neil Hobbs Deanna Smith Richard Aeling

The city attorney has prepared the following title and summary of the chief purpose and points of the proposed measure:

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.

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

Published in: THE ESCONDIDO TIMES-ADVOCATE  
01/25/2024. AFF#3723