

## CITY ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE J

The City Council has submitted a ballot measure for an ordinance that would raise the current voter-approved local Transactions and Use (“Sales”) tax rate from 0.5¢ to 1.0¢ within the City of Orland. This tax is a general purpose tax requiring a simple majority (50% + 1) vote. If approved by the voters, the tax will be deposited into the City of Orland’s general fund and will be used to support and fund general funded City services. The tax ordinance requires independent auditors to report on the collection, management and expenditure of the revenue generated by the tax. An annual report will be prepared for public review at a public hearing.

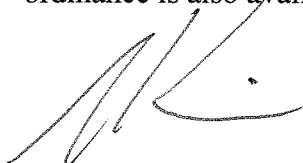
The existing sales tax is a combination of “sales and use tax” and “transactions and use tax.” Retailers collect both taxes at the time of sale and remit the funds to the State of California Department of Tax and Fee Administration, which administers the taxes. Both are levied on the retail sale or use of personal property, with certain exceptions. A sales tax is allocated to the jurisdiction where the sale is negotiated or the order for the sale is taken, but a transactions and use tax is allocated to the City where the merchandise or goods are delivered or placed into use. Merchandise purchased in a retail store is assumed by the state to be used within the city in which the store is located, unless the retailer is asked to ship the merchandise outside the city as part of the sale. This tax on retail sales is paid by non-residents as well as residents. Certain necessities of life, including purchases of food or prescribed medicine, are exempt from the tax.

The state and local tax on retail sales in Orland is currently 7.75% of the purchase price. Of that 7.75%, 1.0% is currently allocated to the City of Orland by state law, and an additional 0.5% is allocated to the City of Orland pursuant to a 2016 voter-approved tax measure (“Measure A”). 6.25% is allocated to the State of California.

Measure J authorizes an additional 0.5% local transactions and use tax, increasing the total sales tax rate in Orland from 7.75% to 8.25%. The City’s share of the sales tax—the local share of the sales tax—would increase from 1.5% to 2.0%. The revenue generated by the tax increase proposed by Measure J would go only to the City of Orland. The proposed local sales tax increase is estimated to provide \$1,500,000 in additional local revenue. If approved, these local funds may not be taken by the State or any other governmental entity.

A “Yes” vote is a vote to approve the additional half-cent sales tax in Orland. A “No” vote is a vote against the additional half-cent sales tax in Orland.

A full copy of the proposed ordinance may be obtained during business hours at the Office of the City Clerk, City of Orland, City Hall Building, located at 815 Fourth St, Orland, CA 95963. The ordinance is also available at: [www.cityoforland.com](http://www.cityoforland.com).



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