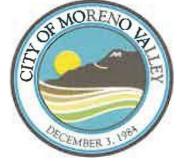
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CITY ATTORNEY IMPARTIAL ANALYSIS

(CALIFORNIA ELECTIONS CODE SECTION 9280)

CITY OF MORENO VALLEY

MEASURE U

Moreno Valley Essential Services Reauthorization Measure

On August 6, 2024, the City Council of the City of Moreno Valley adopted a resolution placing the Moreno Valley Essential Services Reauthorization Measure, a proposed one-cent (1¢) Transaction and Use Tax ordinance on the ballot for voter consideration at the November 5, 2024, General Municipal Election,

Although the tax is called a "Transactions and Use Tax," it is commonly referred to as a sales tax. The tax would be assessed on the sale of tangible personal property and the storage, use, or other consumption of such property, unless and until repealed by the voters of the City. The ordinance would amend Title 3 (Revenue and Finance) of the Moreno Valley Municipal Code by replacing the current text of Chapter 3.37 (Transactions and Use Tax).

Currently, the sales tax rate on retail sales within the City is 7.75%. Measure U would authorize an additional 1.0%, increasing the total sales tax rate within the City to 8.75%. The City estimates the increase would result in approximately \$30 million of additional annual revenue to the City. The California Department of Tax and Fee Administration would administer the tax. City residents and visitors would pay this tax on retail sales. Certain necessary purchases, such as groceries or medicine, would be exempt from the tax. The proposed tax is a "general tax," meaning that proceeds would be deposited into the City's general fund. The proceeds of the one-cent (1¢) Transaction and Use Tax may be used for any local general municipal purpose including, but not limited to, maintaining 9-1-1 emergency response times, robbery/burglary prevention, and neighborhood police patrols/fire engine service levels; addressing homelessness and traffic issues; repairing potholes/streets; keeping public areas safe/clean; helping retain local businesses; and maintaining senior services and youth/afterschool programs.

Approval of Measure U will require a vote of at least 50% plus 1 of the voters voting in the election.

In summary, if approved by the voters, Measure U would enact a one-cent tax to the price of an item that costs a dollar or one percent on gross receipts of any retailer from the sale of tangible personal property sold at retail on and after April 1, 2025, which shall be subject to independent final audits and remain in effect unless the voters repeal it.

A "Yes" vote is to approve the one-cent Transaction and Use Tax Ordinance.

A "No" vote is to reject the one-cent Transaction and Use Tax Ordinance.

The above statement is an impartial analysis of Measure U. If you desire a copy of the one-cent Transaction and Use Tax Ordinance, please call the City Clerk's office at (951) 413-3010 and a copy will be mailed to you at no cost. You may also request a copy of the one-cent Transaction and Use Tax Ordinance, at no cost, via email at PattyR@moval.org.

August 19, 2024

Steven Quintanilla

Steven B. Quintanilla City Attorney City of Moreno Valley