

FILED

AUG 20 2021

**IMPARTIAL ANALYSIS BY CITY ATTORNEY
CITY OF ORANGE COVE
MEASURE U**

[REDACTED]

DEPUTY

Measure U proposes to raise revenue for general city services by adopting an amendment to the municipal code regarding the utility user tax. The measure proposes the current utility user tax on gas, electricity and telephone be increased from seven percent to ten percent and that water use be included as a utility to be taxed at ten percent. The tax would be paid and collected at the same time and in the same manner as the existing utility users tax by being including on the monthly bill sent to the user. It is estimated that the annual revenue raised by the measure, if the measure was approved, is the amount of \$346,842.

California Constitution, Article XIIC, Section 1(a) allows for a general law city to propose a general tax for general government purposes. The purpose of the ordinance and collection of the revenue is to "raise revenue for general governmental purposes" and, the ordinance directs that "All of the proceeds of the tax imposed by this chapter shall be placed in the city's general fund and used for the current expenses of the city as determined by the city council."

The Measure provides for citizen oversight and, like the current utility users tax, does not have a sunset clause and, if approved, the increased revenue for gas, electricity, and telephone, and the newly created revenue from water use will be collected forever or until changed by ordinance or a vote.

Dated: Dated August 19, 2021.

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Daniel T. McCloskey
City Attorney
City of Orange Cove