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TO: Jeremy Green, City Clerk/Elections Official for the City of Culver City

Pursuant to California Elections Code and as directed by the City Council of the City of Culver City, I am providing you with an Impartial Analysis of Proposed Measure __, entitled Culver City Neighborhood Safety and City Services Protection Measure, regarding a proposed increase to the transactions and use (sales) tax rate in Culver City by a quarter-cent (0.25%), until ended by voters, which measure the City Council placed on the ballot of the November 6, 2018, Special Municipal Election.

**CITY ATTORNEY'S IMPARTIAL ANALYSIS OF
MEASURE**

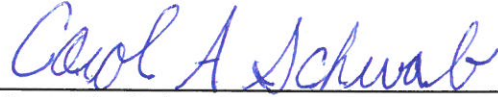
The Culver City City Council has placed Measure __ on the ballot, which would approve an ordinance enacting a one quarter-cent (0.25%) transactions and use tax within the City of Culver City, until ended by the voters. This type of tax is also commonly referred to as a "sales" tax. If the measure is approved by the voters, some of the services and programs that may receive funding include: police, fire, senior services, streets, parks, recreation and other general city services. This tax is a "general tax," not a "special tax," and may be used for any valid municipal purpose. Such general tax revenues will be deposited into the City's General Fund and will not go to the State.

Currently, the State and local sales tax in Culver City is 10% of the purchase price. The City of Culver City receives 1.5%. The remaining 8.5% goes to the State and County. If Measure _ is adopted, the total Culver City sales tax rate would be 10.25%, with the City receiving 1.75% and the remaining 8.5% going to the State and County. The one quarter-cent (0.25%) tax would be effective April, 2019 and would continue unless ended by the voters at a subsequent election.

Technically, the existing "sales tax" is a combination of "sales and use tax" and "transactions and use tax." Both are levied on the retail sale or use of tangible personal property, with certain limited exceptions. Under Measure __, the tax would be collected at the same time and in a similar manner as the existing sales tax, and would be administered by the State Board of Equalization. This retail tax is paid by nonresidents, as well as residents, and would only apply to goods and services that are subject to the existing sales tax. Like other Culver City revenues, the added tax would be subject to annual independent audits.

To be adopted, State law requires that this Measure be approved by a majority of the voters. A "Yes" vote on Measure ____ would adopt the ordinance. A "No" vote would not adopt the ordinance.

Dated: August 16, 2018



Carol A. Schwab
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