

CITY ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE P

The City of Compton Vital City Services and Neighborhood Protection Ballot Measure asks the voters of the City of Compton to approve a transactions and use tax ordinance (the "sales tax ordinance") that would increase the City's existing sales tax rate by 1.0% or one cent for every dollar of taxable sales of goods in the City, and on the taxable storage, use or consumption in the City of goods purchased. The total sales tax rate currently paid in the City of Compton, which also includes the sales tax rate collected for the State of California and the County of Los Angeles, is 9%. If the Measure is approved by the voters, the total sales tax rate in the City will increase to 10%.

The proposed tax is a general tax. The tax revenues will be deposited in the City's general fund and may be used for any municipal purpose. The City Council declared a fiscal emergency and unanimously voted to place this sales tax measure on the ballot at a special election of the City in order to fund public services such as to repair/reconstruct local streets/sidewalks, retain/hire firefighters/paramedics, increase sheriff's staffing to improve response times, expand gang/drug prevention, economic development and youth job training programs, improve parks as well as other general City services. It is estimated by the City's Controller that this measure will raise approximately \$7 million per year in general fund revenue for the City.

The tax is subject to an independent annual financial audit that will review whether the tax is collected, managed and expended in accordance with the requirements of the proposed ordinance. In addition, the sales tax ordinance requires the City Council to establish an independent Compton Taxpayers Committee to review the expenditure of the revenues raised by the proposed tax. If adopted by the voters, the tax would be in effect on an ongoing basis. A full copy of the text of the sales tax ordinance is printed in these ballot materials.

Article XIIC of the California Constitution, commonly known as Prop. 218, requires that the proposed tax be approved by a majority of the voters voting on the ballot measure. A "yes" vote on the Measure enacts the sales tax ordinance. A "no" vote will result in the tax not being adopted.

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