CITY OF ISLETON
MEASURE E

E Shall a one-tenth percent tax on business revenues to pay to pay for general services for the City of Isleton. Including fire, land-use planning and other city services, be adopted?

IMPARTIAL ANALYSIS OF MEASURE E

Prepared by City Attorney

The City Council of the City of Isleton has placed Measure E on the November 4, 2014 ballot. California Government Code section 37101 authorizes the City Council to levy a business license tax via ordinance, provided the ordinance establishing the tax is ultimately approved by the voters. Measure E would, if approved by voters, raise revenue for general services in the City of Isleton by establishing a 0.1 percent (i.e., 1/10 cent) tax on the gross revenue of business operating within the City of Isleton. The business license tax would not apply to organizations and individuals exempt from business license taxation by state or federal law.

The business license tax that would be established by Measure E is considered to be a "general tax." As a "general tax," the revenue generated by Measure E will be deposited in the City's general fund. Further, the ballot question for Measure E states that the 0.1 percent business license tax is to be used for funding general City services "including fire, land-use planning and other city services." Because this business license tax would be a "general tax," the City of Isleton would be able to use tax proceeds for any legal governmental purpose without restriction. The City of Isleton would not be legally bound in any way to use the tax monies for any special purpose or for any particular program or service.

Also, because Measure E is a "general tax," it will be approved if a simple majority (over 50%) of voters vote in favor of it. If approved, Measure E would become effective on December 5, 2014.

A "YES" vote is a vote to approve the ordinance levying the 0.1 percent business license tax. A "NO" vote is a vote against the tax.

s/Jeffrey A. Mitchell, City Attorney

FULL TEXT OF MEASURE E

Exhibit A

ORDINANCE NO. 2013-03

AN AMENDMENT TO ORDINANCE NO. 333 AN ORDINANANCE IMPOSING AN OPERATION TAX ON BUSINESSES IN THE CITY OF ISLETON FOR REVENUE PURPOSES, REPEALING THE BUSINESS LICENSE TAX ORDINANCES IN CONFLICT HEREWITH

• This Ordinance reduces the business license fee and adds one-tenth of one percent operation tax on businesses.

• The complete ordinance is available for viewing at City Hall.

ARGUMENT IN FAVOR OF MEASURE E

This is a general tax to pay for essential basic city services. It will pay for law enforcement, fire protection, street and sidewalk repair and debt reduction, etc.

The Great Recession has left us with declining federal and state funding and declining property tax due to lower assessed values. This has made it a real challenge to provide the most basic of services. We have had to reduce city staff; we have disbanded our police force and contracted with Sacramento County Sheriff Dept. We have had to defer maintenance on our streets, city buildings and storm drains. The Fire Department has aging fire fighting and protective equipment that is well past it useful life and needs replacement.

This measure would lower the base rate for a business license from $100 to $80 and impose a business operations tax of one-tenth of one percent (one dollar per thousand) on gross revenue. This would result in a more equitable price point where the smaller businesses are paying less and the larger and more successful businesses are paying a little more. The fiscal impact on the city will probably be a slight increase in business license revenue, which will increase as the economy and local business improves. The most valuable benefit for the city will be in knowing how big our economy is. Is it growing or is it shrinking? This information is essential for preparing a budget and planning for the future.

Please approve this measure and help move this town toward prosperity.

s/Robert Jankovitz
Vice Mayor

NO REBUTTAL TO ARGUMENT IN FAVOR OF MEASURE E WAS FILED

NO ARGUMENT AGAINST MEASURE E WAS FILED