

CITY OF WILLIAMS
CITY ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE "W"
1% TRANSACTIONS AND USE (SALES) TAX

On July 17, 2024, the City Council unanimously voted to place Measure "W" on the November 5, 2024 general municipal election ballot. By placing Measure "W" on the ballot, the City complies with Article XIII C of the California Constitution (Proposition 218), which requires 2/3 of the voters to approve an ordinance which establishes a special tax.

If this Measure is approved by 2/3 of Williams voters, this Measure would authorize an increase of the retail transactions and use (sales) tax from one-half percent (1/2%) to one percent (1%) within the City of Williams. A 1% rate equates to an extra \$1.00 per \$100 purchased. It is estimated that Measure "W" will provide an additional \$1,000,000 in annual local funding for specific City services, with 80% to fund road repair, 10% to fund parks and recreation, and 10% to fund fire protection services.

The current one-half percent (1/2%) transactions and use (sales) tax is a general sales tax, meaning that revenues raised from the current tax go into the City's general fund to pay for any lawful City program, improvement, or service. This additional one-half percent (1/2%) transactions and use (sales) tax would be a "special tax," meaning that revenues raised from this tax must be used by the City only for the purposes and in the percentages specified in the Measure.

California Revenue and Taxation Code section 7285.91 authorizes the City to levy a special transactions and use (sales) tax so long as the tax is approved by 2/3 of the voters voting in an election on that issue. If approved, the tax would remain in effect until repealed by Williams voters voting at a subsequent election.

The tax would be paid in addition to current sales taxes and would be collected at the same time and in the same manner as existing sales taxes. All revenues raised by the tax would remain in the City and would not be shared with the State, County or any other agency.

A "yes" vote on Measure "W" will authorize the 1% transactions and use (sales) tax.

A "no" vote on Measure "W" will not authorize the 1% transactions and use (sales) tax.

If Measure "W" is not approved, the City will not receive the sales tax revenues identified in the Measure to fund the specific purposes described. The City Council will then have to decide, as part of the budgeting process, whether other revenues are available to fund road repair, parks and recreation, or fire protection services.

The above statement is an impartial analysis of Measure "W". If you desire a copy of the Measure, please call the City's elections official at (530) 473-2955 ext. 111 and a copy will be mailed at no cost to you.

/s/ ANN SIPRELLE
City Attorney