

City Attorney

Impartial Analysis for Measure C

Measure C, if passed by the voters, extends the existing Utility Users' Tax ("UUT") of two percent (2%) on gas and electric utilities for seven years through Ordinance No. 16-1580. The proposed UUT extension will **not** be collected for water, telephone or cable utilities.

The existing UUT raises approximately \$8 million annually for the City. More than 80% of this revenues comes from commercial and industrial consumers. The UUT paid by city residents is estimated on average to be about \$3.00 - \$5.00 monthly. Exempt from the UUT are residential customers who are 62 years or older and "lower income" households.

Measure C was placed on the ballot by the unanimous vote of the City Council because the City continues to experience a fiscal emergency. There is an existing and immediate funding crisis, primarily resulting from the uneven and slow recovery from the Great Recession, unpredictable decreases in revenues, the continued State takeaways of local revenues, and unforeseen increases in the City's operational costs.

The existing UUT comprises approximately 12% of the City's general fund budget. If Measure C is approved, all funds are deposited into the City's general fund. Historically, the largest expenditure from the general fund is contracting for law enforcement services, including the park teams and gang intervention, provided by L.A. County Sheriff's Department. Other typical expenditures include youth and senior programs, street and sidewalk repair, staffing parks, graffiti removal, construction and maintenance of public parks and facilities, city recreational and park programs, the stroke center, and city special events.

If the UUT is not extended then the City's financial ability to sustain these local services and maintain and repair vital infrastructure will be significantly eroded.

An extended 2% UUT rate for Carson will continue to be lower than surrounding cities with UUTs, including: Los Angeles, 10%; Inglewood 10%; Compton, 10%; Torrance, 6.5%; Hermosa Beach, 6%; Lawndale 5.5%; Long Beach, 5%; and, Hawthorne, 5%.

Measure C continues the citizens' oversight committee which receive reports from the City's Tax Administrator and make recommendations to the City Council. This committee will continue to provide oversight recommendations to the City Council.

A "Yes" vote means you support extending by seven years the 2% UUT on electric and natural gas utilities. A "No" vote means you oppose extending by seven years the 2% UUT on electric and natural gas utilities. This measure would take effect only if a majority of those voting on this ballot measure cast a "Yes" vote at the June 7, 2016 special municipal election. The UUT would end seven (7) years from the date of its enactment (or in 2023) unless extended by another vote of the voters of Carson.

The above statement is an impartial analysis of Measure C. If you desire a copy of the ordinance or measure, please call Carson City Hall at (310) 830-7600 and a copy will be mailed to you at no cost.