

IMPARTIAL ANALYSIS BY CITY ATTORNEY

Measure ____

City of Laguna Beach

Laguna Beach Utility Undergrounding and Fire Safety Measure

This ballot measure, if approved by the voters, would adopt an ordinance enacting a one percent (1%) increase in the transactions (sales) and use tax rate in the City of Laguna Beach, hereinafter referred to as “sales tax.” The current sales tax rate in the City is 7.75%. Thus, if the ordinance is adopted, the sales tax rate for taxable purchases would increase to 8.75%. The sales tax increase would be effective for a period of 25 years, unless terminated earlier by the voters.

The sales tax increase is a special tax and therefore requires a 2/3 majority vote for adoption. As a special tax, all new tax proceeds must be placed and accounted for in a separate fund dedicated for overhead utility undergrounding and related and complementary fire safety projects only, including the following:

- A preliminary list of potential undergrounding projects along Laguna Canyon Road and certain key evacuation routes identified in the ordinance. The City Council may remove, modify or prioritize listed projects due to cost, environmental impacts, feasibility, and related considerations.
- Payment for, or construction of, private property utility connections to underground facilities.
- Bond issuance, debt service on indebtedness, and reserve fund costs for approved projects.
- Fire safety measures, with illustrative examples described in the ordinance.
- Projects and programs providing complementary fire safety improvements based on emerging technologies.

The increased sales tax proceeds cannot be used for any other purpose, and specifically cannot be used to add vehicle travel lanes to Laguna Canyon Road, or for salaries of existing personnel, pensions, unfunded pension liabilities, or additional facilities, including fire or police stations. The ordinance also expresses the voters’ intent that increased sales tax proceeds shall supplement, rather than supplant, existing City expenditures for overhead utility undergrounding and fire safety, and that the City shall continue to pursue and utilize alternative sources of funding for those purposes.

The ordinance requires the City Council to establish or designate an audit and oversight committee to review annually the expenditures of the increased sales tax proceeds and to provide a public report regarding the conformity of the expenditures to the provisions of the ordinance.

A “yes” vote on Measure ___ is a vote to adopt an ordinance approving a dedicated 1% increase in the sales tax.

A “no” vote on Measure ___ is a vote against adoption of the ordinance.

/s/ Philip D. Kohn
City Attorney, City of Laguna Beach

The above statement is an impartial analysis of Measure ___. A full copy of the ordinance is printed with the ballot materials. If you desire a copy of the ordinance, please call the City Clerk’s office at (949) 497-0705 and a copy will be provided to you at no cost.

STATEMENT OF AUTHOR

The undersigned author of the impartial analysis of Ballot Measure __ at the election in the City of Laguna Beach, California, to be held on November 6, 2018, hereby states that such analysis is true and correct to the best of his knowledge and belief.

Philip D. Kohn, City Attorney, City of Laguna Beach

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