

Impartial Analysis of Measure U

Measure U would adopt, within the City of Placentia (“Placentia”), a transactions and use tax (“sales tax”) in the amount 1% (one cent per dollar). The tax would be administered and collected by the California Department of Tax and Fee Administration.

The measure requires the tax proceeds to be placed into Placentia’s General Fund. Only the City Council of the City of Placentia could decide how the funds are spent. The Council may expend the funds for any municipal purpose. In its resolution placing the measure before the voters, the City Council declared that the measure would “provide resources to the City that will help the City to maintain its financial viability and provide funding for its local police department and essential city services, including street/pothole repair; quick responses to 911 emergencies; fire protection/emergency medical services; gang, drug, graffiti prevention; public cleanliness; and general services.”

Measure U is expected to generate approximately \$5 million annually.

The collection of the tax will begin on April 1, 2019. The tax will continue until terminated by action of the voters.

Although commonly known as a “sales tax,” this is technically a “transactions and use tax”. The tax is on retailers within Placentia in the amount of one percent (one cent per dollar) of the retailers’ gross receipts from the sale of all tangible personal property sold at retail in the City. The tax is also on the storage, use or other consumption in Placentia, of tangible personal property purchased from any retailer on and after the operative date of the tax for storage, use or other consumption in Placentia.

The measure requires the proceeds of the tax and the expenditure thereof to be annually audited by an independent accounting firm. The measure also requires a Citizens’ Oversight Committee to be formed to review the expenditure of funds generated by this ordinance, and to provide an annual report to the City Council on those expenditures.

This measure was placed on the ballot by the City Council and requires 50 percent voter approval for its passage.

Christian Bettenhausen
City Attorney

The above statement is an impartial analysis of Measure U. If you desire a copy of the measure, please call the election official's office at (714) 993-8231 and a copy will be mailed at no cost to you.