

# MEASURE J

## CITY ATTORNEY IMPARTIAL ANALYSIS

The El Cajon City Council approved Measure J and requested that San Diego County place Measure J on the ballot at the November 5, 2024 general election. Measure J is a transactions and use tax within the City of El Cajon ("City") that would tax retail sales at one-half of one percent (0.5%) of the retail sales price, i.e. one-half cent for an item that costs one dollar, and would become effective upon the expiration of the existing one-half percent (0.5%) tax imposed by Ordinance No. 4919 approved by the voters in 2008. Ordinance No. 4919 is set to expire January 1, 2029.

Measure J is a tax to be collected in the same manner as a traditional sales tax. Measure J would effectively extend Proposition J, leaving the tax on retail sales at eight and one quarter percent (8.25%). Retailers collect the tax from customers at the time of a retail purchase and remit the funds to the State Department of Tax and Fee Administration, which administers the tax. The tax would be paid by anyone purchasing goods at retail establishments within the City. Certain transactions on non-residents are exempt from tax under State law.

Taxes collected pursuant to Measure J would be deposited into the City's general fund and would not be sent to the State or County, allowing the proceeds to be controlled locally.

Measure J is classified as a general tax and not a special tax. General tax proceeds may be used for any municipal purpose, such as law enforcement services, addressing the homeless community, expanding fire/EMS services, increasing funding for roads, and enhancing parks. The City estimates that Measure J would result in net general fund revenue of approximately \$12.5 million annually beginning January 1, 2029, for a period of twenty (20) additional years, expiring on January 1, 2049.

Measure J would (1) establish an oversight committee of five members, one of which would be nominated by the San Diego Taxpayers Association, one person nominated from a local business organization, and the remainder residents selected by the El Cajon City Council, with at least one having a background in accounting, auditing, or finance. and (2) require an independent annual audit, which is required for all other general fund revenue. The auditor's report would be a public record available for inspection by any member of the public.

A "Yes" vote on Measure J is a vote to approve the adoption of an ordinance extending the existing tax imposed by Proposition J beginning in 2029 and continuing for 20 years throughout the City. A "No" vote is a vote to decline this tax, and the one-half percent tax of Proposition J would remain in place until its expiration in January 1, 2029. Measure J will be approved if it receives a simple majority of "Yes" votes.

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City of El Cajon

The above statement is an impartial analysis of Ordinance No. \_\_\_\_\_. If you desire a copy of the ordinance, please call the City's elections official's office at 619-441-1763 and a copy will be mailed at no cost to you.