

City Attorney's Impartial Analysis  
Measure D  
Palm Springs Essential Services / Public Safety Measure

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The measure would adopt a new half-cent transactions and use tax in the City of Palm Springs. This kind of tax is often called a "sales" tax. The money from this tax would go in the City's general fund, and could be used for City purposes such as: fire and police protection, paramedic service, community programs (such as addressing homelessness, and providing senior and youth services), street, park and public facility cleaning, repair and maintenance, police and fire equipment, and other unfunded public needs.

The tax would be in addition to existing sales taxes. It would be collected at the same time and in much the same way as existing sales taxes. It would only apply to purchases of things subject to existing sales taxes. For example, purchases of prescription drugs and most food would not be taxed.

The City Council unanimously approved the proposed tax and the resolution placing this measure on the ballot, but California law requires that a simple majority of the City's voters, *i.e.*, more than 50%, must also approve the tax before it can take effect.

The local share of "sales" tax revenue cannot exceed two cents on the dollar. This tax complies with that cap, and absent a change of state law, neither Riverside County nor the City of Palm Springs can raise the "sales" tax payable in the City any more. The revenue that this tax would generate would belong to and be used by the City, not the federal, state or county government. The tax will be subject to an annual review, through a public and independent audit. A certified public accounting firm with expertise in California municipal finance will perform the audit, including an analysis of the City's tax receipts, and how all "sales" tax revenue is spent. The Council must post the report of this audit on the City's website, and discuss its results at a public meeting.



8/21/17

Edward Z. Kotkin, August 21, 2017  
Palm Springs City Attorney

The above is an impartial analysis of Measure D. A complete copy of the tax ordinance appears on the City's website at [www.palmspringsca.gov](http://www.palmspringsca.gov). If you want a copy of the ordinance, please call (760) 323-8204 and a copy will be mailed at no cost to you.