



# LOCAL BALLOT MEASURE M

## M

City of Nevada City

### BALLOT QUESTION

Shall the measure that, exclusively for the purpose of improving and maintaining Nevada City's streets, sidewalks, pathways, drainage, water distribution and sewer collection systems, allows the City of Nevada City to continue to impose and collect, as it has since 2006, a one-half cent per one-dollar retail transactions and use tax (sales tax), providing approximately \$550,000 annually until repealed by the voters, and monitored by a citizens' oversight committee, be adopted?

### IMPARTIAL ANALYSIS

#### MEASURE M – CITY OF NEVADA CITY

In 2006, Nevada City voters approved a half-cent local transactions and use tax that funds the City's streets, including sidewalks, pathways and street drainage.

This tax is collected along with other state and local sales and use taxes. Because the rate of the tax is 0.5%, the tax on a \$1.00 taxable purchase is one-half cent. The tax will expire on March 31, 2023

Measure M would replace the existing tax and remove the 2023 sunset date. Proceeds of the new tax could be used by the City only to improve and maintain Nevada City's streets, sidewalks, pathways, drainage, water distribution and sewer collection systems and for no other purposes. The rate of the tax would not change.

If Measure M is approved, the existing tax will not be collected after December 31, 2021 and the new tax will start being collected on January 1, 2022.

The combined rate of all state and local sales taxes on a one-dollar purchase in Nevada City is 8.375 cents. Of this, the City levies only:

- (i) the half-cent tax that would be replaced by this measure;
- (ii) a 0.375 cent "fire and police" tax; and
- (iii) a one cent tax known as the Bradley-Bums Tax that is imposed by each city in California.

These taxes levied by Nevada City total 1.875 cents. The remaining 6.5 cents of sales taxes are levied by the State of California and by Nevada County. Measure M would not increase the overall tax rate above the rate currently in place.

Purchases in Nevada that are exempt from the statewide sales tax are also generally exempt from the local sales tax. For example, most groceries, prescription drugs and payments for services are exempt from the tax.

As is currently the case, the tax would be administered by a state agency. Proceeds of the tax, less administration costs, would continue be controlled locally by the City Council. The new tax would continue until repealed. The tax is expected to generate approximately \$550,000 annually for the City.

Measure M requires that an annual report be prepared regarding the proceeds of the tax and the use of those proceeds. The measure also requires that the City Council create a Citizen's Oversight Committee to review the annual report and make recommendations to the City Council. The annual report is a public document. All of the City's revenues and expenditures are annually audited by an independent certified public accountant.

This measure was placed on the ballot by the City Council of Nevada City. It must be approved by a two-thirds vote at the election to go into effect.

**The above statement is an impartial analysis of Measure M. If you desire a copy of the measure, please call the city of Nevada City at (530) 265-2496 and a copy will be mailed at no cost to you.**

<b>Argument in Favor of Measure M</b>
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*Arguments in support or opposition of the proposed laws are the opinions of the authors.*

In 2006 Nevada City's roads and sidewalks were in dire need of replacement. Voters passed a ½-cent sales tax increase for road repair. It expires 12/31/22. To date the City has repaired and rebuilt 22 miles of roadways and sidewalks. \$9 million in improvements have been completed.

Nevada City's roads and sidewalks are in continual need of maintenance and replacement. Our sewer and water pipes are breaking and leaking. Nevada City has ongoing funding needs of \$300k annually for streets/sidewalks and is \$33 million behind in critical sewer and water pipe replacement. Continuing the ½-cent sales tax would provide \$550k annually for streets, sidewalks sewer and water repair and replacement.

If Measure M passes, there will be no new taxes, revenue will pay for repair and maintenance of roads, sidewalks, sewer and water only, the City will have a ten-year infrastructure improvement plan to be updated every ten years with an oversight committee will monitor improvements, collection and expenditures of the ½-cent sales tax.

If Measure M fails, our recently restored roads and sidewalks will fall to disrepair, there will be continued emergency repairs to replace 130 year-old pipes requiring the City to dig up recently restored roadways and failing sewer pipes could trigger costly State and Federal fines.

Measure M will maintain our roads, sidewalks and pipes and will spread the cost of repair fairly for everyone that uses Nevada City's infrastructure. Non-City residents contribute 60% of the sales tax. If we do not pass this sales tax, you, as a City Resident, will pay 100% of the repair and maintenance costs.

We respectfully ask that you vote yes to continue to maintain Nevada City's streets, sidewalks and replace our 130 year-old pipes.

Measure M Signers

Erin Minett, Nevada City Mayor

Duane Strawser, Nevada City Vice-Mayor and Business Owner

Valerie Moberg, Former Nevada City Council Member and Business Owner

Niel Locke, Nevada City, City Clerk

<b>Argument Against Measure M</b>
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(No argument was submitted)