

**CITY ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE HB
¾% TRANSACTIONS AND USE (SALES) TAX FOR 20 YEARS**

The City Council placed Measure HB on the ballot to ask the voters to approve a ¾% (¾¢) retail transactions and use (sales) tax within the City of Hermosa Beach. A ¾% sales tax equals (i) an extra three quarters of a penny (\$0.0075) per \$1 purchased or, put another way, (ii) an extra \$0.75 per \$100 purchased. The tax would be paid in addition to and would be collected with the current sales tax.

If Measure HB is approved, this additional ¾% (\$0.0075 per \$1 purchased) will be added to the sales tax rate in Hermosa Beach for each transaction of goods in the City. All revenues raised by this tax would remain in the City and could not be shared with the State, County, or any other government agency. The tax is estimated to add \$3 million in revenue to be spent locally.

The sales tax would not apply to purchases of groceries, medicine, medical and dental services, rent, real estate, education, utilities, labor or personal services. The current sales tax rate would not change for those products.

The ¾% sales tax increase would be a "general tax," meaning that revenues raised from the tax would go into the City's general fund to pay for City programs, improvements, or services which could include, police, crime prevention, parks, streets and sidewalks, beaches, cleaning of public areas, addressing homelessness, schools, and supporting local businesses. If approved, the tax would take effect April 1, 2025. The tax would remain in effect for a period of 20 years unless ended or extended by Hermosa Beach voters at a subsequent election.

If this measure is defeated, another taxing agency could at any time propose a countywide measure to increase the countywide sales tax by up to ¾% within the City.

A "yes" vote on Measure HB authorizes the ¾% retail transactions and use (sales) tax.

A "no" vote on Measure HB opposes adding the ¾% retail transactions and use (sales) tax. A majority vote is required for the Measure to pass.

The above statement is an impartial analysis of Measure HB. If you desire a copy of the measure, please call the City Clerk's office at (310) 318-0204 or email cityclerk@hermosabeach.gov and a copy will be mailed at no cost to you.

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