



MEASURE "A"

FREQUENTLY ASKED QUESTIONS

What is Measure A?

Measure A establishes a one-cent Transaction and Use Tax with revenues going directly to the City of Avenal. Measure A will be on the November 8, 2022 ballot and would pay for critical unfunded City programs and services such as police, fire, street and sidewalk repair, senior and youth recreation, animal control and other essential city services.

How is this different from existing sales taxes?

The current sales and use tax rate in Avenal is 7.25%. The City receives only 1% of the 7.25%; the rest goes to the State and to Kings County. If Measure A passes, the entire additional 1% Transaction and Use Tax would go to the City.

What purchases would be taxable under Measure A?

The tax would not apply to prescriptions, grocery items, or utility bills (electricity, gas, phone). The one cent tax is added to retail sales such as furniture, giftware, toys, antiques, clothing, prepared food, liquor, automobiles, etc.

How much money would Measure A raise?

Between \$400,000 - \$500,000 annually specifically for the City of Avenal's General Fund, which pays for most City services.

Why does the City need the additional money?

The City never fully recovered from the economic recession that started in 2008 and has experienced further financial burdens from the recent pandemic and high inflation, along with the long-term drought straining the General Fund budget.

Over the last several fiscal years the City's General Fund has suffered from a lack of revenues to meet rising expenses, especially related to critical programs and services such as public safety, parks and recreation, road maintenance, code enforcement, and animal control.

Despite new developments and growth, the City is operating at reduced staffing levels, implemented major cuts in all departments, and deferred maintenance on parks, roads, and other public amenities. Additionally, the City has relied on one-time revenues and General Fund reserves. These short-term and one-time fixes are not reliable solutions.

Based on the City's financial projections, the ongoing revenue deficit in the General Fund could deplete General Fund reserves by FY 2024-2025.

If approved by voters, the monies generated by Measure A would help restore service cuts and improve City services and start addressing the unfunded critical needs of the City.

What would a new sales tax rate be if Measure A passes?

The current sales and use tax rate in Avenal is 7.25%. If Measure A passes, Avenal's sales tax rate would be 8.25%.

What is the average sales and use tax for counties and cities in California?

The California State Legislative Analyst's Office states that the average sales tax rate in California in 2019 was 8.6%.

In **Corcoran** the sales tax rate is **8.25%**; in **Coalinga** and **Huron** the sales tax rate is **8.975%**; in **Fresno** the sales tax rate is **8.35%**; in **Selma** the sales tax rate is **8.475%**; and in **Visalia** the sales tax rate is **8.50%**.

How will these funds be accounted for?

Measure A funds would be tracked and presented to the City Council publicly on a quarterly basis, and audited annually. Staff reports of those presentations to the City Council are available to the public before the Council hears the report.

What specifically would Measure A revenue pay for?

Measure A is a general purpose tax and therefore monies may be used towards police services firefighting services, parks and recreation programs, road maintenance, sidewalk construction and repairs, and other general expenses of the City. If Measure A is approved, the City Council with input from the community, will determine how Measure A funds are spent.

How long would Measure A be in effect?

Measure A would impose an ongoing local one-cent tax. The City Council has the ability to suspend the one-cent tax by resolution if so approved.

What are the impacts on major purchases, like cars?

Measure A would be charged on all tangible personal property that is delivered or placed into use within the Avenal city limits, including vehicles and boats that are purchased elsewhere, but registered to an Avenal resident. Someone who buys a car in Avenal but registers it elsewhere would not pay the Measure A tax.

Can the State take Measure A funds to balance its budget?

No. Measure A funds must stay in Avenal according to the State Constitution.

Questions about Measure A?

If you have additional questions and or concerns about Measure A, please forward those to the City Clerk at the following email address: CityClerk@CityofAvenal.us