

## **CITY ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE E**

**THE PROPOSAL:** Measure E asks the voters whether the City of Trinidad should extend its 0.75% (three quarters of 1%) increase of the transaction and use tax rate (commonly known as the "sales tax") for an additional four years. Voter approval of this Measure would continue the implementation of this 0.75% tax as described below, for a period of four years only, effective April 1, 2021 through March 31, 2025.

**HOW IT GOT HERE:** The City of Trinidad first adopted a 1% increase in the local sales tax by a majority vote of its citizens approving "Measure A" on April 13, 2004, implementing the tax for a period of four years only. The tax first took effect on January 1, 2005, and expired on December 31, 2008. The City of Trinidad then adopted a ¾% increase in the local sales tax by a majority vote of its citizens approving "Measure I". This ¾% tax took effect on April 1, 2009 and expired March 31, 2013. It was renewed again as "Measure G" by the voters in November 2012, expired on March 31, 2017, and renewed for another four years as "Measure G" again, beginning April 1, 2017 and set to expire on March 31, 2021.

**HOW IT WORKS:** The local sales tax in the City of Trinidad--including the additional ¾% approved by the voters--is imposed only on (1) sales of most retail goods that occur within the boundaries of the City of Trinidad, or (2) certain items (e.g., cars) purchased outside of the boundaries but only if the purchaser lives within the boundaries of the City of Trinidad. The way it is imposed, what it is imposed on, and the procedure for collecting it are all governed by state law. It does not apply to items which state law exempts from sales tax.

**HOW IT IS USED:** The sales tax is a general tax; all revenue generated by the local sales tax goes into the City's General Fund where it is used to fund essential government services provided by the City. These services include, but are not limited to, police and fire protection, street and public facilities, park, trail and environmental maintenance and protection, and services provided by the Town Office. Police and fire protection support services are also provided through these funds to surrounding communities on a limited basis. The ¾% sales tax generates approximately \$100,000 per year to the City of Trinidad's General Fund.

**A "YES" VOTE MEANS:** A "Yes" vote will continue the existing additional ¾% local sales tax through March 31, 2025.

**A "NO" VOTE MEANS:** A "No" vote will allow the additional ¾% local sales tax to expire on March 31, 2021.

**REQUIREMENT TO PASS:** Measure E requires a majority (50% + 1) of those voting in order for it to pass.

**IF YOU DESIRE A COPY OF THE FULL TRANSACTION AND USE TAX RATE RESOLUTION (No. 2020-10), PLEASE CONTACT THE CITY CLERK'S OFFICE (409 Trinity St., 677-0223) AND A COPY WILL BE PROVIDED TO YOU AT NO COST.**