

IMPARTIAL ANALYSIS OF MEASURE TO INCREASE TRANSIENT OCCUPANCY TAX
BY CITY ATTORNEY FOR CITY OF DIAMOND BAR

If approved by a majority of the City of Diamond Bar voters at the November 3, 2020 General Election, the Measure to Fund Local Services would enact an ordinance imposing a three quarters cent (3/4%) transactions and use tax in the City of Diamond Bar. Commonly known as a “sales tax”, it is applied to purchases of most goods with some exceptions, such as grocery food and medical prescriptions. It is also applied to certain goods that are stored or consumed in the City although purchased outside the City.

Revenue from the sales tax would be placed in the City of Diamond Bar’s general fund and used for general city functions including public safety, street maintenance, and parks and recreation facilities and programs. If approved, the measure would become effective April 1, 2021.

The City estimates that the sales tax will generate an additional \$3.8 million annually. The measure was placed on the ballot by the City Council of Diamond Bar in order to avoid anticipated cuts to general City services such as those mentioned above, resulting from anticipated revenue shortfalls caused by a variety of factors, including unfunded mandates imposed on the City by the State, shifting of local revenues to the State, increased costs and other economic factors.

The placement of the measure on the ballot by a vote of the City Council is authorized by Revenue and Taxation Code section 7285.9.

Dated: July __, 2020

David A. DeBerry, Diamond Bar City Attorney

The above statement is an impartial analysis of the ordinance that would be adopted. If you desire a copy of the ordinance, please call the office of the City Clerk of the City of Diamond Bar at 909-839-7010 and a copy will be mailed to you at no cost to you.