

CITY ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE P

Measure P proposes to impose an admission tax on paid entry to facilities and events in the City of Pacific Grove (City). This measure was placed on the ballot by majority vote of the City Council.

The California State Controller reports eleven California municipalities presently collect admission taxes. These include San Francisco, Santa Cruz, Indian Wells, San Fernando, Fairfield, Avalon, Pasadena, Inglewood, Pomona, Irwindale and Azusa.

The proposed Pacific Grove admission tax is five percent (5%) of the entry price paid to attend any non-exempt facility or event within the City. This tax would apply to events and venues such as the Pacific Grove Museum, the Pacific Grove Golf Links, the Pacific Grove Triathlon, the Half Marathon, the Monterey Bay Aquarium, Christmas at the Inns and other events for which an entrance price is charged. If no charge is collected for entry, an admission tax will not be collected.

The admission tax would be collected at the time any non-exempt entry charge is paid. If admission privileges are included within a membership fee, season ticket/pass, or subscription, the tax would be charged only for entry of a person to a single event, multiplied by the number of persons for which the membership, season ticket/pass or subscription allows.

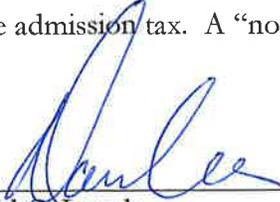
Certain facilities or events are exempt from the proposed tax including registration or participation in public or private school events; membership at health or fitness facilities; and membership in social, fraternal, or clubs where annual membership is the exclusive means to gain admission.

The tax is proposed to apply to all attendees who pay to enter, attend, participate or view non-exempt events or facilities in the City, including those run by non-profit entities or events associated with free expression rights. The proposed tax will be paid by attendees, not by the sponsoring organization. If the privilege of attending an event within the City also includes the right to attend events or facilities outside of the City, the full admission tax would be collected unless it can be shown the patron did not exercise entry to a facility within the City.

Measure P proposes to enact a general tax; proceeds shall be placed in the City's General Fund and may be used for any municipal purpose. The measure is not intended for regulation. City staff estimates potential revenue from the admission tax to approximate \$4.2 million per year. No sunset date is included.

A majority of voters of the City casting ballots in favor of this measure is required to add Chapter 6.13 to the Pacific Grove Municipal Code and authorize the admission tax within the City. If approved, Measure P shall take effect on February 1, 2017.

A "yes" vote on Measure P favors enactment of the admission tax. A "no" vote on Measure P opposes enactment of the admission tax.

By: 
David C. Laredo
City Attorney, City of Pacific Grove