RESOLUTION NUMBER 2016-44

A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF VISALIA CALLING AND PROVIDING FOR A SPECIAL
MUNICIPAL ELECTION TO BE CONSOLIDATED WITH THE STATEWIDE
GENERAL ELECTION TO BE HELD IN THE CITY OF VISALIA ON TUESDAY,
NOVEMBER 8, 2016; INTRODUCING ORDINANCE ENACTING A
TRANSACTIONS AND USE (SALES) TAX TO BE ADMINISTERED BY THE STATE
BOARD OF EQUALIZATION; AND ORDERING THE SUBMITTAL OF THE
ORDINANCE TO THE VOTERS AT THE SPECIAL ELECTION

WHEREAS, Revenue and Taxation Code Sections 7251 and following provide for the establishment of transactions and use taxes by counties; and

WHEREAS, Revenue and Taxation Code Section 7285.9 authorizes the governing board of any city to levy a transactions and use tax for general revenue purposes as required by Sections 7251 and following, in an ordinance approved by a two-thirds vote of all members of the City Council; and

WHEREAS, Section 2(b) of Article XIII C of the California Constitution, added by Proposition 218, effective November 1996, requires that a measure proposing a general tax be submitted to the voters at an election consolidated with a regularly scheduled general election for members of the governing body, except in cases of emergency declared by a unanimous vote of the governing body; and

WHEREAS, the City Council is the governing body for the City of Visalia, and the November 8, 2016, statewide general election will be consolidated with a regularly scheduled general election for members of the City Council; and

WHEREAS, pursuant to California Constitution Article XIII C, Section 2(b) and Elections Code Section 10201, the City Council of the City of Visalia, California desires to submit to the voters of Visalia a measure to enact an ordinance establishing a transactions and use tax to offset state budget cuts and to maintain and restore essential services; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF VISALIA DOES RESOLVE AND PROCLAIM AS FOLLOWS:

Section 2. Calling Special Municipal Election: Pursuant to California Elections Code Sections 9222 and 10201, the City Council hereby orders that a special municipal election in and for the City of Visalia shall be held on Tuesday, November 8, 2016 for the purpose of approving a transaction and use (sales) tax measure. The full text of the Visalia Transaction and Use Tax Ordinance of 2016, attached to this Resolution as Exhibit A shall be available to voters upon request made to the City Clerk. The

measure to be submitted to the voters shall appear and be printed on the ballot as follows:

PROPOSITION " ": Essential City Services Protection Measure

To protect local funding from Sacramento; maintain/improve essential city services including police, fire/9-1-1 emergency/ medical aide response, gang prevention programs/ neighborhood police patrols; maintain streets; reduce criminal street activity; attract/retain businesses/jobs; address homelessness; maintain youth/senior programs, and other services, shall the City of Visalia increase the sales tax by ½- ¢, providing approximately \$10,800,000 annually, until ended by voters; requiring audits, citizen's oversight and all funds used locally?

Yes

No

Section 3. Introduction of Ordinance: The City Council hereby approves the Introduction of Ordinance 2016-XX, the Visalia Transaction and Use Tax Ordinance of 2016, attached to this Resolution as Attachment A, and approves submittal of such Ordinance to the voters of the City of Visalia. The proposed measure is a general tax as defined in Article XIIIC of the California Constitution and shall not take effect unless and until approved, following a second reading consistent with the provisions of the Visalia City Charter, by a two-thirds vote of the Visalia City Council, and until a vote of at least a majority of the voters voting on the question at the election.

<u>Section 4. Impartial Analysis</u>: The City Attorney is hereby directed to prepare an impartial analysis of the measure pursuant to Elections Code Section 9280.

Section 6. Requesting Consolidation of Elections: Pursuant to the State of California Elections Code Sections 10400 — 10403.5, the City Council of the City of Visalia hereby requests the consolidation of the special municipal election described in Section 2 with the statewide general election to be held on November 8, 2016. Within the City of Visalia, the election precincts, polling places, and voting booths shall in every case be the same, and there shall be only one set of election officers in each of the precincts; provided that no person not a qualified elector of the City of Visalia shall be permitted to vote for the measure placed on the ballot by the City Council. The election precincts, polling places, and election officers within the City of Visalia for the special municipal election shall be the same as those selected and designated by the Tulare County Registrar of Voters.

Section 7. Requesting Tulare County to Render Election Services. The Board of Supervisors of Tulare County is hereby requested to permit the County Registrar of Voters to render services to the City of Visalia relating to the conduct of the November 7, 2016, Special Municipal Election as follows:

a. Distribute and file all papers submitted in connection with the proposed ordinance.

- b. Make all required publications.
- c. Prepare, print and mail to the qualified electors of the City of Visalia sample ballots and voter pamphlets. Full text of the ballot measure will be made available upon request at the Visalia City Clerk's Office.
- d. Provide vote by mail ballots for said Municipal Election for use by the qualified electors who may be entitled to vote by mail ballots in the manner provided by law
- e. Order consolidation of precincts, appoint precinct boards, designate polling places and instruct election officer concerning their duties.
- f. Conduct and canvass the returns of the election and certify the votes cast for the proposed measure.
- g. Receive and process Vote By Mail voter applications.
- h. Prepare, print and deliver to the polling places supplies, including the official ballots and a receipt for said supplies.
- i. Recount votes, if requested, in accordance with State law.
- j. Conduct the above election duties in accordance with the Voting Right Act of 1975.
- k. Perform all other pertinent services required to perform for said election other than the requirements of the Fair Political Practices Commission; said Fair Political Practices Commission requirements to be performed by the City Clerk.

The City Clerk is hereby authorized and directed to transmit certified copies of this Resolution to the Board of Supervisors and to the County Registrar of Voters.

PASSED AND ADOPTED: August 1, 2016	MICHAEL OLMOS, CITY CLERK
STATE OF CALIFORNIA)	
COUNTY OF TULARE) ss.	
CITY OF VISALIA)	

I, Michael Olmos, City Clerk of the City of Visalia, certify the foregoing is the full and true Resolution 2016-44 passed and adopted by the Council of the City of Visalia at a regular meeting held on August 1, 2016.

Dated: MICHAEL OLMOS, CITY CLERK

By Michelle Nicholson, Chief Deputy City Clerk

Attachment A

Ordinance 2016-XX City of Visalia Transactions and Use Tax Ordinance of 2016

Ordinance 2016-XX City of Visalia Transactions and Use Tax Ordinance of 2016

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF VISALIA ENACTING A TRANSACTIONS AND USE (SALES) TAX TO BE ADMINISTERED BY THE STATE BOARD OF EQUALIZATION, SUBJECT TO ADOPTION BY THE ELECTORATE, TO PROVIDE FUNDS TO: TO MAINTAIN/IMPROVE ESSENTIAL CITY SERVICES INCLUDING POLICE, FIRE/9-1-1 EMERGENCY/ MEDICAL AIDE RESPONSE, GANG PREVENTION PROGRAMS AND NEIGHBORHOOD POLICE PATROLS; MAINTAIN STREETS; REDUCE CRIMINAL STREET ACTIVITY; ATTRACT/RETAIN BUSINESSES/JOBS; ADDRESS HOMELESSNESS; MAINTAIN YOUTH/SENIOR PROGRAMS, AND OTHER SERVICES

WHEREAS, the City of Visalia prime responsibilities are to protect the public's safety, maintain fiscal stability, and provide a high quality of life for its residents; and

WHEREAS, over the last several years the State of California has gone from one financial crisis to another with no end in sight; and

WHEREAS, the state of California over the last five years has taken over \$ 40 million of Visalia taxpayer dollars without the consent of the Visalia City Council; and

WHEREAS, during each of the past several years the State of California has reduced or taken funding from cities, counties and school districts in order to fund its deficits and may continue to do so into the foreseeable future; and

WHEREAS, the state of California has shifted responsibility for many programs back to cities, like Visalia, without the necessary funds to provide the services residents need and expect; and

WHEREAS, the state of California has recently changed its criminal sentencing laws thereby releasing over 1,400 parolees into Tulare County and negatively impacting the City of Visalia by an increase in crime, substance abuse and homelessness; and

WHEREAS, over the last decade calls to 911 have risen dramatically, and in the year 2105, police responded to 97,000 service calls; and

WHEREAS, the residents have identified their essential city services priorities such as: maintain 911 emergency response times for police and fire service calls, maintain gang prevention efforts, maintain ground water conservation and local drinking water supplies, help attract businesses and jobs, maintain streets and address homelessness; and

WHEREAS, sales tax revenues, which have been the significant source of locally Controlled funds available to pay for essential City services, have been declining due to

changing consumer habits, including increased reliance on internet-initiated sales; and

WHEREAS, the City of Visalia needs dependable and local sources of revenue to fund and to support essential, necessary and appropriate general City services; and

WHEREAS, a local funding measure would provide a protected, local revenue source to limit or prevent additional cuts to essential, necessary and appropriate general City services; and

WHEREAS, this measure requires compliance with the City of Visalia Sales Tax Accountability Ordinance, requiring establishment of annual expenditure plans, citizen oversight and mandatory financial audits to ensure funds will be properly spent; and

WHEREAS, this measure will give the City of Visalia local control over local funds for local needs and no funds from this measure can be taken by Sacramento; and

NOW THEREFORE, the City Council of the City of Visalia does ordain as follows:

SECTION 1 – Sales and Use (Sales) Tax

SECTION 1.010 TITLE

SECTION 1.010 TITLE

This ordinance shall be known as the City of Visalia Transactions and Use Tax Ordinance of 2016.

SECTION 1.020 DEFINITIONS

The following words and phrases shall be defined as set forth in this Ordinance, except that any term or phrase not defined in this Ordinance shall have the same meaning as that term or phrase is defined in Parts 1.6 and 1.7 of the State of California Revenue and Taxation Code:

- (a) "City" means the City of Visalia
- (b) "Operative date" means the first day of the first calendar quarter commencing more than 110 days after the adoption of this ordinance by vote of the electorate on November 7, 2016.
- (c) "Ordinance" means the City of Visalia Transactions and Use Tax Ordinance of 2016.
- (d) "State" means the State of California.

Section 1.030 PURPOSE

This Ordinance is adopted to achieve the following, among other purposes, and the Ordinance shall be interpreted liberally in order to accomplish all of its lawful purposes:

A. To impose a retail transactions and use tax to be applied throughout the entire territory of the City to the fullest extent permitted by law and in accordance with the provisions of the California

Revenue and Taxation Code Sections 7251 et seq., and 7285.9, of Part 1 of Division 2 which authorizes the City to adopt this Ordinance if a majority of the electors voting on the measure vote to approve the imposition of the tax at an election called for that purpose.

- B. To adopt a retail transactions and use tax ordinance that incorporates provisions identical to those of the Sales and Use Tax Law of the State of California insofar as those provisions are not inconsistent with the requirements and limitations contained in Part 1.6 of Division 2 of the California Revenue and Taxation Code.
- C. To adopt a retail transactions and use tax ordinance that imposes a tax and provides a measure that can be administered and collected by the State Board of Equalization in a manner that adapts itself as fully as practicable to, and requires the least possible deviation from, the existing statutory and administrative procedures followed by the State Board of Equalization in administering and collecting the California State Sales and Use Taxes.
- D. To adopt a retail transactions and use tax ordinance that can be administered in a manner that will be, to the greatest degree possible, consistent with the provisions of Part 1.6 of Division 2 of the California Revenue and Taxation Code, minimize the cost of collecting the transactions and use taxes, and at the same time, minimize the burden of record keeping upon persons subject to taxation under the provisions of this ordinance.
- E. To provide transactions and use tax revenue to the City to be used for the general governmental purposes of the City and with any transactions and use tax revenue received being placed into the City's general fund.
- F. To coordinate the imposition and collection of the tax adopted by this Ordinance with a companion Ordinance establishing accountability measures, including a process of establishing an initial and annual spending plans for tax revenues, audit, and citizen review and oversight..

SECTION 1.4.040. CONTRACT WITH STATE

Prior to the Operative Date, the City shall contract with the State Board of Equalization to perform all functions incident to the administration and operation of this Ordinance; provided, that if the City shall not have contracted with the State Board of Equalization prior to the Operative Date, it shall nevertheless so contract and in such a case the operative date shall be the first day of the first calendar quarter following the execution of such a contract.

SECTION 1.050 TRANSACTIONS TAX RATE

For the privilege of selling tangible personal property at retail, a transactions tax is imposed upon all retailers in the incorporated territory of the City at the rate of 0.50% of the gross receipts of any retailer from the sale of all tangible personal property sold at retail within the territory of the City on and after the Operative Date of this Ordinance.

SECTION 1.060 PLACE OF SALE

For the purposes of this Ordinance, all retail sales are consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or his or her agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. The gross receipts from the sale shall include delivery charges, when such charges are subject to the state sales and use tax, regardless of the place to which delivery is made. In the event a retailer has no permanent place of business in the State or has more than one place of business, the place or places at which the retail sales are consummated shall be determined under rules and regulations to be prescribed and adopted by the State Board of Equalization.

SECTION 1.070 USE TAX RATE

An excise tax is hereby imposed on the storage, use or other consumption in the City of tangible personal property purchased from any retailer on and after the Operative Date of this Ordinance for storage, use or other consumption in the territory of the City at the rate of 0.50% of the sales price of the property. The sales price shall include delivery charges when such charges are subject to State sales or use tax regardless of the place to which delivery is made.

SECTION 1.080 ADOPTION OF PROVISIONS OF STATE LAW

Except as otherwise provided in this Ordinance, and except insofar as they are inconsistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, all of the provisions of Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code are adopted, incorporated and made a part of this Ordinance as though fully set forth in it.

SECTION 1.090 <u>LIMITATIONS ON ADOPTION OF STATE LAW AND COLLECTION OF USE TAXES</u>

In adopting the provisions of Part 1 of Division 2 of the California Revenue and Taxation Code:

- A. Wherever the State of California is named or referred to as the taxing agency, the name of the City of Visalia shall be substituted. However, the substitution shall not be made when:
- 1. The word "State" is used as a part of the title of the State Controller, State Treasurer, State Board of Equalization, State Treasury, or the Constitution of the State of California;
- 2. The result of the substitution would require action to be taken by or against the City or any agency, officer, or employee thereof rather than by or against the State Board of Equalization, in performing the functions incident to the administration or operation of this Ordinance;
- 3. In those sections, including, but not necessarily limited to sections referring to the exterior boundaries of the State of California, where the result of the substitution would be to:
- a. Provide an exemption from this taxes of this Ordinance with respect to certain sales, storage, use or other consumption of tangible personal property which would not otherwise be exempt from the tax while such sales, storage, use or other consumption remain subject to tax by the State under the provisions of Part 1 of Division 2 of the Revenue and Taxation Code, or;

- b. Impose this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not be subject to tax by the state under the said provision of that code.
- 4. In Sections 6701, 6702 (except in the last sentence thereof), 6711, 6715, 6737, 6797 or 6828 of the California Revenue and Taxation Code.
- B. The word "City" shall be substituted for the word "State" in the phrase "retailer engaged in business in this State" in Section 6203 and in the definition of that phrase in Section 6203.

SECTION 1.100 PERMIT NOT REQUIRED

If a seller's permit has been issued to a retailer under Section 6067 of the California Revenue and Taxation Code, an additional transactor's permit shall not be required by this Ordinance.

SECTION 1.110 EXEMPTIONS AND EXCLUSIONS

- A. There shall be excluded from the measure of the transactions tax and the use tax the amount of any sales tax or use tax imposed by the State of California or by any city, city and county, or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or the amount of any state-administered transactions or use tax.
- B. There are exempted from the computation of the amount of transactions tax the gross receipts from:
- 1. Sales of tangible personal property, other than fuel or petroleum products, to operators of aircraft to be used or consumed principally outside the county in which the sale is made and directly and exclusively in the use of such aircraft as common carriers of persons or property under the authority of the laws of this State, the United States, or any foreign government;
- 2. Sales of property to be used outside the City, which is shipped to a point outside the City pursuant to the contract of sale by delivery to such point by the retailer or his agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point. For the purposes of this paragraph, delivery to a point outside the City shall be satisfied:
- a. With respect to vehicles (other than commercial vehicles) subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, and undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code by registration to an out-of-City address and by a declaration under penalty of perjury, signed by the buyer, stating that such address is, in fact, his or her principal place of residence; and
- b. With respect to commercial vehicles, by registration to a place of business out-of-City and declaration under penalty of perjury, signed by the buyer, that the vehicle will be operated from that address.
- 3. The sale of tangible personal property if the seller is obligated to furnish the property for a fixed price pursuant to a contract entered into prior to the operative date of this Ordinance.

- 4. A lease of tangible personal property which is a continuing sale of such property, for any period of time for which the lessor is obligated to lease the property for an amount fixed by the lease prior to the operative date of this Ordinance.
- 5. For the purposes of subparagraphs (3) and (4) of this section, the sale or lease of tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.
- C. There are exempted from the use tax imposed by this Ordinance, the storage, use or other consumption in this City of tangible personal property:
- 1. The gross receipts from the sale of which have been subject to a transactions tax under any state-administered transactions and use tax ordinance;
- 2. Other than fuel or petroleum products purchased by operators of aircraft and used or consumed by such operators directly and exclusively in the use of such aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this State, the United States, or any foreign government. This exemption is in addition to the exemptions provided in Sections 6366 and 6366.1 of the Revenue and Taxation Code of the State of California;
- 3. If the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into prior to the Operative Date of this Ordinance;
- 4. If the possession of, or the exercise of any right or power over, the tangible personal property arises under a lease which is a continuing purchase of such property for any period of time for which the lessee is obligated to lease the property for an amount fixed by a lease prior to the Operative Date of this Ordinance.
- 5. For the purposes of subparagraphs (3) and (4) of this section, storage, use, or other consumption, or possession of, or exercise of any right or power over, tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.
- 6. Except as provided in subparagraph (7), a retailer engaged in business in the City shall not be required to collect use tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the City or participates within the City in making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the City or through any representative, agent, canvasser, solicitor, subsidiary, or person in the City under the authority of the retailer.
- 7. "A retailer engaged in business in the City" shall also include any retailer of any of the following: vehicles subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, or undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code. That retailer shall be required to collect use tax from any purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in the City.

D. Any person subject to use tax under this ordinance may credit against that tax any transactions tax or reimbursement for transactions tax paid to a district imposing, or retailer liable for a transactions tax pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code with respect to the sale to the person of the property the storage, use or other consumption of which is subject to the use tax.

SECTION 1.120 AMENDMENTS

All amendments subsequent to the effective date of this ordinance to Part 1 of Division 2 of the Revenue and Taxation Code relating to sales and use taxes and which are not inconsistent with Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, and all amendments to Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, shall automatically become adopted and a part of this Ordinance without further action of the City Council of the City of Visalia or the City's electorate, provided however, that no such amendment shall operate so as to affect the rate of tax imposed by this Ordinance. The City Council may amend this Ordinance to comply with applicable law or as may be otherwise necessary in order to further the Ordinance's stated purposes.

SECTION 1.130 PROHIBITION ON ENJOINING COLLECTION

No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action or proceeding in any court against the State or the City, or against any officer of the State or the City, to prevent or enjoin the collection under this Ordinance, or Part 1.6 of Division 2 of the Revenue and Taxation Code, of any tax or any amount of tax required to be collected under this Ordinance.

SECTION 1.140 SEVERABILITY

If any provision of this Ordinance or the application of it to any person or circumstance is held invalid, the remainder of the Ordinance and the application of such provision to other persons or circumstances shall not be affected thereby.

SECTION 1.150 EFFECTIVE DATE

This ordinance relates to the levying and collection of the City's transactions and use taxes and shall become effective only if approved by a majority of the voters voting on the measure at the November 7, 2016, Special Municipal Election. The Operative Date of this ordinance shall then as defined in Section 1.020(b).

SECTION 1.160 EFFECTIVE PERIOD.

The Authority to levy the tax authorized by this Ordinance shall not expire; however, such authority shall be suspended, and no tax levied thereafter, upon the adoption of a resolution directing such suspension by the Council, by a four-fifths vote. The Council shall receive a report no later than eight (8) years following the Operative Date, and every eight (8) years thereafter, regarding the continuing need for the tax imposed by this ordinance, and upon receiving such report may either take no action, in which

case the authority to impose the tax shall continue uninterrupted, or adopt a resolution to suspend this Ordinance by a four-fifths vote. The tax collection would end at the next available quarter, except for residual payments. In any event that this Ordinance is suspended, such authority shall remain suspended unless and until the Council approves a resolution, by four-fifths vote, which it may consider at any time, to reinstate the authority to levy the tax authorized by this Ordinance, which if so adopted shall be effective without submission to the electorate. The collection would resume at the beginning of the next available quarter.

SECTION 2. COORDINATION WITH PROVISIONS OF SALES TAX ACCOUNTABILITY MEASURES ORDINANCE. The expenditure of funds collected pursuant to the tax imposed by this Ordinance shall be subject to the provisions of Visalia Municipal Code Chapter 3.40 Sales and Use Tax Accountability Measures Ordinance.

SECTION 3 Any provision of the Visalia Municipal Code or appendices thereto inconsistent with the provisions of this Ordinance, to the extent of such inconsistencies and no further, is hereby repealed or modified to that extent necessary to effect the provisions of this Ordinance, except that any existing, duly adopted sales and use tax existing as of date of adoption of this Ordinance shall remain in effect and the sales and use tax imposed by this Ordinance shall be additive thereto.

SECTION 4. The Mayor shall sign and the City Clerk shall attest to the passage of this Ordinance. The City Clerk shall cause the same to be published once in the official newspaper within 15 days after its adoption.

(Certification language will be filled in by City Clerk)

PASSED AND ADOPTED:	STEVE NELSEN, MAYOR
ATTEST:	
A. MICHAEL OLMOS, CITY CLERK	APPROVED BY CITY ATTORNEY
STATE OF CALIFORNIA)	
COUNTY OF TULARE) ss.	
CITY OF VISALIA)	

	I, A. Michael Olmos, City Clerk of the City of Visalia, certify the foregoing is the full and true Ordinance passed and adopted by the Council of the City of Visalia at a regular meeting held on and certify a summary of this ordinance has been published in the Visalia Times Delta.
Dated:	A. MICHAEL OLMOS, CITY CLERK
	By Michelle Nicholson, Chief Deputy