RESOLUTION NO. 19-137, SERIES 2019

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DAVIS DECLARING A FISCAL EMERGENCY; CALLING AND PROVIDING FOR AN ELECTION TO BE HELD IN THE CITY OF DAVIS ON TUESDAY, MARCH 3, 2020; APPROVING AN ORDINANCE EXTENDING THE EXISTING TRANSACTIONS AND USE TAX ADMINISTERED BY THE CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION AND ORDERING THE SUBMITTAL OF SAID ORDINANCE TO THE VOTERS AT SAID ELECTION

WHEREAS, in 2014, the voters of the City of Davis approved an ordinance to authorize the City to impose a local transactions and use tax for general purposes at a rate of one percent (1%) (the "Tax"), pursuant to California Revenue and Taxation Code Section 7285.9; and

WHEREAS, the Tax is set to expire on December 31, 2020 and the City wishes to submit a measure to the voters at an election to be held on March 3, 2020 to extend the Tax before the Tax expires on December 31, 2020; and

WHEREAS, on this date, the City Council has introduced an ordinance entitled "Ordinance of the City Council of the City Of Davis Changing the Date of the City’s General Municipal Election by Amending Section 12.01.090 of the Davis Municipal Code" (the "Election Ordinance") to change the date of the City’s general municipal election date from the statewide direct primary election date to the statewide general election date, in response to the threat of a legal challenge to the City’s at-large election to be held on March 3, 2020; and

WHEREAS, the loss of the $2.2 million anticipated to be collected from January 1-March 31, 2021 would require the City Council to determine how to reprioritize among critical city services, reducing or cutting numerous City programs including public safety (Police and Fire); maintenance of city roads, sidewalks, bike paths and parks; and community programs, such as recreation for youth and seniors; and

WHEREAS, the City Council proposes to submit to the voters of the City an ordinance to extend the Tax by eliminating the December 31, 2020 expiration date (the “Tax Ordinance”); and

WHEREAS, Section 7285.9 of the California Revenue and Taxation Code authorizes any city to levy, increase or extend a transactions and use tax for general purposes at a rate of 0.125 percent, or a multiple thereof, subject to approval by a two-thirds vote of all of the members of the City Council and by a majority of the qualified voters of the city voting in an election on the issue; and

WHEREAS, Section 2(b) of Article XIIIC of the California Constitution requires the election for the Tax measure to be consolidated with a regularly scheduled general election for members of the City Council, except in cases of emergency declared by a unanimous vote of the City Council; and

WHEREAS, upon the City Council’s unanimous declaration of a fiscal emergency, the City Council is permitted to submit the Tax measure to the voters at a special election; and
WHEREAS, the City Council wishes to call an election on March 3, 2020, which election will be either: (i) a general municipal election or (ii) upon the effective date of the Election Ordinance, a special election.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Davis does hereby resolve as follows:

SECTION 1. Declaration of Fiscal Emergency: The City Council hereby finds and declares by a unanimous vote that a fiscal emergency exists in the City of Davis for the reasons specified herein and provided by the City Manager at the meeting of the City Council herewith. Loss of tax revenue will require cuts or reductions to public safety (Police and Fire); maintenance of city roads, sidewalks, bike paths and parks; and community programs, such as recreation for youth and seniors. For the reasons provided above, the City Council must submit the Tax to the voters at an election to be held on March 3, 2020, and in the event that the Election Ordinance becomes effective, the City Council cannot wait until the November 3, 2020 general municipal election.

SECTION 2. Calling Election: Pursuant to California Elections Code Sections 9222 and 10201, the City Council hereby orders that an election shall be held in and for the City of Davis on Tuesday, March 3, 2020, for the purpose of approving the Tax Ordinance. The election shall be a general municipal election; provided, however, that upon the effective date of the Election Ordinance, the election shall instead be a special election. The full text of the Tax Ordinance is attached to this Resolution as Exhibit A, hereby incorporated in this Resolution by this reference, and shall be printed in the voter pamphlet. The measure to be submitted to the voters shall appear and be printed on the ballot as follows:

<table>
<thead>
<tr>
<th>City of Davis</th>
<th>YES</th>
<th>NO</th>
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<tbody>
<tr>
<td>Shall the Ordinance extending the existing one percent sales tax with no increase to the current rate, providing approximately $8,600,000 annually until repealed by the voters, subject to annual review, with all funds staying local, and continuing existing funding for city services such as police, fire, recreation programs, city roads, sidewalks, bike path maintenance, and other city services, be adopted?</td>
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SECTION 3. Approval of Tax Ordinance: The City Council hereby approves the proposed Tax Ordinance, attached to this Resolution as Exhibit A, to be submitted to the voters. 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 by a vote of at least a majority of the voters voting on the question at the election.

SECTION 4. Impartial Analysis: The City Attorney is hereby directed to prepare an impartial analysis of the measure pursuant to Elections Code Section 9280.
SECTION 5. **Ballot Argument**: The City Council hereby authorizes one or more of its members to submit a ballot argument in favor of the measure pursuant to Elections Code Section 9282.

PASSED AND ADOPTED by the City Council of the City of Davis on this 3rd day of September, 2019, by the following vote:

AYES: Arnold, Carson, Frerichs, Partida, Lee

NOES: None

ATTEST:

Brett Lee
Mayor

Lee S. Mirahee, CMC
City Clerk
ORDINANCE NO. 2563

AN ORDINANCE OF THE CITY OF DAVIS AMENDING ARTICLE 15.19 OF CHAPTER 15 OF THE DAVIS MUNICIPAL CODE TO EXTEND THE EXISTING TRANSACTIONS AND USE TAX ADMINISTERED BY THE CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION

THE PEOPLE OF THE CITY OF DAVIS DO HEREBY ORDAIN AS FOLLOWS:

SECTION 1. Code Amendment. Article 15.19 of the Davis Municipal Code is hereby amended as follows:

a. Sections 15.19.040 and 15.19.050 are amended by replacing the term “State Board of Equalization” with the term “California Department of Tax and Fee Administration.

b. Paragraph A.1. of Section 15.19.090 is amended in its entirety to read as follows: “The word ‘State’ is used as a part of the title of the State Controller, State Treasurer, State Treasury, or the Constitution of the State of California.”

c. Paragraph B. of Section 15.19.090 is amended in its entirety to read as follows:

“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.

1. ‘A retailer engaged in business in the District’ shall also include any retailer that, in the preceding calendar year or the current calendar year, has total combined sales of tangible personal property in this state or for delivery in the State by the retailer and all persons related to the retailer that exceeds five hundred thousand dollars ($500,000). For purposes of this section, a person is related to another person if both persons are related to each other pursuant to Section 267(b) of Title 26 of the United States Code and the regulations thereunder.”

d. Section 15.19.150 (Effective Date) is repealed in its entirety.

e. Section 15.19.160 (Termination Date) is repealed in its entirety.

f. Section 15.19.150 A new Section 15.19.150 is added to read as follows: Annual Review. As part of the City’s annual budget process, City staff shall review the tax revenues collected pursuant to this Article.”

SECTION 2. This ordinance relates to the levying and collecting of the City transactions and use taxes and shall take effect immediately.
SECTION 3. The City Clerk shall certify the passage of this ordinance and forward a copy of
the adopted ordinance to the California Department of Tax and Fee Administration.

APPROVED by the City Council of the City Davis on this 3rd day of September, 2019, by the
following vote:

AYES: Arnold, Carson, Frerichs, Partida, Lee

NOES: None

ADOPTED upon its approval by the People of the City of Davis, State of California, at an

Brett Lee
Mayor

ATTEST:

Joe S. Mirabile, CMC
City Clerk