

## STAFF REPORT

**DATE:** February 11, 2013  
**TO:** City Council  
**FROM:** Steve Pinkerton, City Manager  
**SUBJECT:** Consideration of Revenue Measures for June/November 2014 Ballots

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### **Recommendation**

1. If the Council wishes to place (a) measure(s) on the June 2014 ballot,
  - A. Determine which tax measure should be submitted to the voters and adopt the Ordinance Approving the Tax measure subject to the approval of the voters;
  - B. If a tax measure will be submitted at the June election, approve the ballot language
  - C. If the Council determines to submit a general sales tax measure, determine if the council would also like to submit an advisory measure providing nonbinding direction of how the proceeds of the tax should be used.
  - D. Determine if the council will write the pro argument for the tax measure and if so, whether the council would like to appoint a subcommittee to draft the argument.
2. Direct staff to continue with community outreach to explain the City's financial condition, options moving ahead and the financial strategy in the context of targeted economic development activities.

### **Fiscal Impact**

There appears to be general agreement that the City needs to address its shortfall through a combination of (a) revenue measure(s), reductions/cost controls and a focused economic development strategy (on agenda tonight). The amount of revenue raised will depend on whether a tax measure is selected and for what amount and for what duration. Attachment A provides various scenarios. In general, each 1/8 cent of new Sales Tax would raise \$902,500 and each \$1 of Parks/Parcel Special Tax, as currently structured, would raise \$27,760 per year.

The FY 2014-15 Budget process is underway and it is being constructed on the premise that no revenue measure passes. This will mean a 12.5 percent reduction for General Fund and Internal Service Fund operations (like Police, Fire, Parks and Recreation) or up to 25 percent if Safety Services are held harmless. These proposed reductions will be presented to the Council in April. Even if a revenue measure passes, the City will still be proposing some level of reductions as it continues to reshape its operations. In addition, staff will be examining the City's current fee structure and policies to see what options may be available to bring in additional revenue.

## **Background**

Tonight the Council will be considering whether to place (a) measure(s) on the June 2014 ballot to bring in additional revenue. The projected shortfall for Fiscal year 2014-2015 is \$5.1 million. Due to the timing of getting (a) measure(s) on the ballot, this will be the last meeting to make a decision for the June ballot. Under Proposition 218, general taxes, such as a sales tax, must be placed on the same ballot that council members are elected in the absence of an emergency. Therefore, a general sales tax would need to be placed on the June 2014 ballot, or wait until June 2016, unless there is an emergency. Special Taxes, such as the Parks Tax may be submitted to the voters at any duly called election.

Over the last several months meetings have been held with a Council Subcommittee, a Revenue Focus Group and members of the community concerning the City's finances and alternatives. There has been healthy discussion over the way forward and the following bullet points address some of the related questions and issues:

**Projections:** There is general agreement that the City needs new revenue. In making budget projections, staff aimed for middle-of-road revenue and expenditure projections—neither too liberal nor conservative. Two of the largest sources of revenue for the City are Sales Tax and Property Tax. This year, the City expects to receive more in Sales Tax than was originally budgeted and will present updated figures in April. In FY 2012-13, Sales tax growth was robust. However, we cannot continue to assume last year's high growth rate will continue. Recent returns show that Sales Tax is down 1.3 percent from the same quarter last year. In updating the fiscal model, the property turnover rates were examined and Davis has a 3-4 percent turnover rate, while it tends to be 7 percent or higher in the rest of the State, meaning that a greater than average number of local properties are generating property taxes at a lower rate. The City is seeing a \$300,000 increase in property tax in the residual pass-through which was factored into the December estimate.

On the expenditure side, while the City experiences salary and operational savings, there are other costs which are uncertain or unknown at this time. The City has been cutting positions for six years and there is less available salary savings. Also, what the City will pay for water is unclear because the budget charges were based on estimates and this year has been extremely dry. Other unbudgeted costs like expenses from negotiations taking longer than expected have to be covered. Taking out the salary and cost savings provides some flexibility for all types of expected and unexpected expenditures. Less flexibility increases the likelihood needing to raise more funds.

The \$5.1 million structural deficit was arrived at by subtracting the revenue growth (projected to be \$920,000) from the projected increase in expenditures. It mainly consists of an additional \$2.5 million for infrastructure (from all funds there is a total of \$4 million budgeted), \$360,000 for negotiated wage increase which resulted in employees picking up more of their costs and restructuring retiree medical benefits, removing a \$447,000 salary savings factor and restoring a budget cut of \$250,000 in Police. In addition there is approximately \$1.2 million in various benefit costs largely outside of the City's control. In terms of benefits, some of these costs would have been higher except for the employee cost share in the current Memoranda of Understanding which are projected to save \$5.2 million over the contract life.

This \$5.1 million structural deficit is \$1.2 million larger than what was presented at the budget hearings in June 2013. In the hearings, staff indicated that they in the process of analyzing all the City funds. It is a standard practice to periodically review funds held in the City's accounts to see if adjustments need to be made. Of the \$1.2 million, about \$700,000 is a result of the analysis, while the remaining amount is the result of including an increase in costs from PERS (increase of \$242,000) as well as a portion of negotiated wage increase which was set at 1% in original forecast and adjusted to 2% based on the actual MOU agreement.

### **Focus Group/Community Feedback.**

- The Focus Group which consisted of a broad range of community members met twice and recommended a  $\frac{3}{4}$  cent increase in Sales Tax and up to \$150 in a Parcel Tax for a period of up to 10 years as part of a larger overall financial strategy to include targeted economic development activities. The reasoning was that extended time frame will allow economic development efforts to take root and assumes that the City will continue to make spending reductions. The Focus Group thought it was important that the City continue to meet with community members and interested groups. Another point raised by the Focus Group was that they did not want the City to return in a year or two to ask for more money.
- In a meeting with City Staff, a request was made by the Davis Chamber of Commerce Executive Director and the Yolo County Visitors Bureau Executive Director that the City explore revenue and economic development options centered on hotel room rentals. They suggest that the process should begin with outreach to all hoteliers.

A two-percent increase (from current 10 percent to 12 percent) in the Transient Occupancy Tax (TOT) on a future ballot (November or later) was discussed as a potentially feasible option. Raising TOT by 1 percent would bring in approximately \$113,000 per year.

The Visitors Assessment District (VAD) raised \$112,885 last year and directly funds the YCVB. A 1 to 3 percent increase is deemed feasible. Every 1 percent increase in VAD would increase YCVB funding by \$113,000 and would be used to attract more visitors and conferences to Davis. According to the City Attorney, any proposed VAD increase may require review and possibly restructuring to comply with Proposition 26 considerations. Since the meeting, discussions continue and other options for raising revenue are being put forward by the Yolo Visitors Bureau.

- Staff reached out to some other community members who have a perspective on the way forward. While there seems to be general agreement that the City needs to take action, there are different viewpoints on how it should be accomplished. Some people believe the City should contract out more services, some believe the solution is in the lowest possible revenue increases and more reductions, while some people want to lend their expertise to the City.

### **Sales Tax**

- The local rate in Davis is currently 8 percent. Of this 8 percent, the majority of it goes to the State, 1 percent automatically comes to Davis, and the community in 2010 renewed an

additional ½ cent amount which stays in Davis. The ½ cent raises about \$3.6 million and will sunset in 2016, unless extended by the voters. As of October 1, 2013, the rate in Woodland is 8.25 percent, in Sacramento it is 8.5 percent and in West Sacramento it is 8 percent.

- Any new, increased or extended sales tax must be passed by a two-thirds vote of the entire council (four affirmative votes) before submittal to the voters.
- Simply majority vote plus one of the voters would be required to pass a general Sales Tax.
- Unless there is a finding of an emergency, a general tax measure must be placed on the ballot in a regular election (June 2014). The next opportunity to place a new Sales Tax measure on the ballot without the emergency finding would be June 2016.
- An additional ½ or ¾ cent would add 50 or 75 cents to a \$100 purchase and generate an additional \$3.6 or \$5.4 million. This would raise the rate to 8.5 percent or 8.75 percent.
- As per State law, the rate may be raised in 1/8 cent increments (approximately \$902,500 per 1/8 cent increment).
- Purchases, such as automobiles or appliances which are delivered, are taxed on the home address of the buyer. Therefore, a consumer will not save money on Sales Tax by purchasing a vehicle in another city.
- The effective date of the proposed tax would be October 1, 2014 and the City would probably see revenue from the Measure in early 2015.
- The proposed length of the tax is 10 years, which allows time to let economic development measures take hold. If a different time period is proposed, it should be in even years to match the voting cycle (e.g. six or eight years).
- Various scenarios are presented in Attachment A. Based on Council direction, Option I would extend and replace the existing 1/2 cent sales tax with a sales tax in the amount determined by Council with a ten year sunset of 2024. Alternative A- would enact a new sales tax with a ten year sunset of 2024. The existing 1/2 cent sales tax would sunset on December 31, 2016, unless extended by the voters in June 2016
- In the Ordinances related to Sales Tax, the Council can change the “whereases”, the length of time and the percentage, but nothing else because the rest of the language is prescribed by the Board of Equalization.

### **Parcel/Parks Tax**

- The Parks tax currently raises about \$1,359,995, which covers only 20 percent of the Parks \$6.8 million operating budget. The current General Fund subsidy to the Parks budget is about \$4.2 million. A Parks Maintenance Tax of approximately \$200 (\$49 +\$151) per year would be required to cover the unfunded General Fund portion of the Parks budget. This amount does not include money for the replacement capital needs of the parks and recreational facilities.
- Currently the Parks Tax can be used for the maintenance of community parks, greenbelts, open space, street lighting, swimming pools and related public facilities. It can also be used for Davis Joint Unified or other public agencies on a joint-use basis so long as the property is available for residents for parks, open space and recreational uses.
- The new proposed Parks Maintenance Tax Ordinance has been expanded to include repair, rehabilitation and replacement (see Attachment F).
- Increasing the Parks Tax would require 2/3 vote of the voters voting on the tax.
- Proposed 10 year sunset date.

- The current Parks Tax does not have a CPI adjustment. If the Council decides to submit a revised Parks Tax to the voters, the Council may want to consider whether to include a CPI adjustment.
- Property owners would pay the tax and each \$1 increase in Parks/Parcel Tax would raise approximately \$27,760.
- The current ordinance allows for non-profits to be billed for the tax at a multifamily or commercial rate. The County does not bill nonprofits for property taxes and the City has not been charging nonprofits the Parks tax. It can be hand-billed. If the language in the ordinance is followed, nonprofit organizations would receive a bill. Examples of nonprofits would be nursing homes or churches. Billing nonprofits would bring in an estimated \$100,000 in additional revenue.
- A parcel tax could be targeted to address infrastructure needs such as recreation amenity needs like repairs and/or enhancements to existing pools, purchase of Nugget Fields from the Davis Joint Unified School District, etc.; money-saving irrigation expenditures in the parks, road and bike path maintenance and rehabilitation and other potential enhancements to the community.
- A Parcel tax may be used for different expenditures such as infrastructure and will bring in approximately the same amount of revenue as the Parks Tax.
- The City could propose a General Obligation Bond to address the capital needs noted above. A General Obligation Bond requires a 2/3rd's vote of the voters. A general obligation bond would be secured by an additional ad valorem property tax, which is usually structured as X cents per hundred dollars. However, the types of expenditures allowed with this type of financing are more limited, and maintenance costs would not be able to be funded via a general obligation bond. Road repair and reconstruction would be permitted under a general obligation bond. In addition, the tax would have to be imposed for the complete length of the bond repayment period, generally between 20 and 30 years.

#### **Advisory Measure(s) Related to a General Sales Tax**

- Advisory measures may be placed on the ballot that seek the voters' input on how the general revenue raised by a general sales tax should be used by the City. Advisory measures are not binding. Under the California Constitution, general taxes raise revenue that goes into the general fund for general governmental purposes and are approved by majority vote. If a tax measure mandates that the revenue be used for a specific or special purpose, the tax becomes a special tax and requires a 2/3rd's vote of the voters. Therefore, if there is a desire to seek the guidance of the community on how to use a general tax, the guidance must be in the form of a non-binding advisory measure.
- Attachment H has examples.

#### **Summary**

There seems to be general agreement that the City needs to address its shortfall through a combination of (a) revenue measure(s), cost controls, reductions and a focused economic development strategy.

- The City will continue meeting with community members to explain the overall financial strategy, how City finances work, what is the road ahead and the steps we are taking to preserve the resources entrusted to us.
- In April, staff will be bringing an updated General Fund forecast and the updated list of General Fund reductions to the Council as part of the budget process and community education. In tandem with this process, there will be a discussion about current fee and fee policies.
- While the City is working with the business community on ways to rapidly increase revenue through accelerated economic development, this process takes time to yield results at levels that can address the structural deficit. Because economic development requires considerable focus and leveraging of networks and partnerships, it is expected that it will likely require five to ten years to achieve substantial results. Specific focus will be given to facilitating the growth of technology and manufacturing businesses and collaboration with industry that may lead to an innovation and technology park.

### **Process**

If the Council decides to put a measure on the June 2014 election, it must act on February, 11, 2014. This is the deadline imposed by the County and is consistent with State requirements for this election. The actions required to place a tax measure on the ballot are:

- (1) Adoption of the tax measure by the Council by a minimum of 4 affirmative votes;
- (2) Approval of the ballot measure language for the tax measure;
- (3) If a Sales Tax Measure is approved, a decision on advisory measures.
- (4) If desired, appointment of a Council subcommittee to write the pro ballot argument.

If the Council wishes to pursue (a) measure(s) this is the information which staff will need to prepare the materials for signature tonight.

### **Sales Tax**

- June 2014 general election
- What percentage?
- How long (term)? Needs to be in even numbers to coincide with general election.
- Sunset or not sunset current ½ cent which expires in 2016?
- Effective Date is set at October 1, 2014
- Advisory measure?

### **Parcel/Parks Tax**

- When to place on the ballot?
- Amount?
- How long?
- Sunset or not sunset current Parks Tax which expires in 2018
- Include CPI adjustment up to 3 percent per year?
- Amend ordinance to include repair, rehabilitation and replacement?
- Whether to bill nonprofits?

**Attachments**

Attachment A: Revenue Options

Attachment B: (i) Ordinance Adopting Supplemental Sales Tax with 10 year term, existing ½ cent sunsets in 2016

(ii) Ordinance Increasing and Extending Existing Sales tax with 10 year term, (sample rate 1.25 total (existing 1/2 cent and new 3/4 cent) sunsets 2025

Attachment C: Proposed Sales Tax Ballot language

Attachment D: Proposed Advisory Measure Language

Attachment E: Parks Operating Budget

Attachment F: Revised Park Maintenance and Rehabilitation Ordinance (without CPI)

Attachment G: Revised Park Maintenance and Rehabilitation Ordinance (with CPI)

Attachment H: Ballot Language for Parks Tax

Attachment I: Examples from other Jurisdictions

Stockton Advisory Measure Example

Plymouth TOT Measure

Woodland Sales Tax Measures (June 2014)

**Attachment A**

**Sales Tax and Parks/Parcel Tax Revenue Options--Amount Generated Per Year**

***Sales Tax Revenue***

Percentage		Est. Annual Revenue
1/8	0.125	\$ 902,500
1/4	0.250	\$ 1,805,000
1/2	0.500	\$ 3,610,000
3/4	0.750	\$ 5,415,000
1.0	1.000	\$ 7,220,000

***Parcel/Parks Tax Revenue***

Amount	Est. Annual Revenue
\$ 1	\$ 27,760
\$ 25	\$ 694,000
\$ 50	\$ 1,388,000
\$ 75	\$ 2,082,000
\$ 100	\$ 2,776,000
\$ 150	\$ 4,163,000
\$ 175	\$ 4,857,000
\$ 200	\$ 5,551,000

**Parks Operating Budget**

Total Current Parks Budget	\$ 6,823,119										
<table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td>Other Funds</td> <td>\$ 1,064,583</td> </tr> <tr> <td>User Fees</td> <td>\$ 208,583</td> </tr> <tr> <td><b>General Fund</b></td> <td><b>\$ 4,189,953</b></td> </tr> <tr> <td>Parks Maint Tax</td> <td>\$ 1,360,000</td> </tr> <tr> <td style="text-align: right;">Total</td> <td>\$ 6,823,119</td> </tr> </table>		Other Funds	\$ 1,064,583	User Fees	\$ 208,583	<b>General Fund</b>	<b>\$ 4,189,953</b>	Parks Maint Tax	\$ 1,360,000	Total	\$ 6,823,119
Other Funds	\$ 1,064,583										
User Fees	\$ 208,583										
<b>General Fund</b>	<b>\$ 4,189,953</b>										
Parks Maint Tax	\$ 1,360,000										
Total	\$ 6,823,119										

<b>Current Unfunded Parks Budget Amount that could be paid for with Parks Maint. Tax</b>	<b>\$ 4,189,953</b>
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**Attachment A**

<b>Option I - Sales Tax 3/4 cent increase and Parks Maint. Tax increase by \$101 to \$150 per year</b>												
	2014-15*	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24		
Current addtl sales tax	Exp 12/31/16	\$ 3,610,000	\$ 1,850,000									
<b>New Sales Tax*</b>	June 2014	\$ 4,061,250	\$ 5,550,000	\$ 5,689,000	\$ 5,831,000	\$ 5,977,000	\$ 6,126,000	\$ 6,279,000	\$ 6,436,000	\$ 6,597,000	\$ 6,762,000	
Current Parks Maint. tax	Exp 6/30/18	\$ 1,360,000	\$ 1,366,000	\$ 1,370,000	\$ 1,381,000							
<b>New Park Maint. tax**</b>	June 2014	\$ 2,803,000	\$ 2,815,000	\$ 2,824,000	\$ 2,846,000	\$ 2,855,000	\$ 2,857,000	\$ 2,859,000	\$ 2,859,000	\$ 2,859,000	\$ 2,859,000	
Total Revenues		\$ 11,834,250	\$ 11,581,000	\$ 9,883,000	\$ 10,058,000	\$ 8,832,000	\$ 9,985,000	\$ 9,138,000	\$ 9,295,000	\$ 9,456,000	\$ 9,621,000	
<b>Total New Sales and Parks Maint. Tax Revenue</b>												
Total New Sales + Nov. Ballot Parks Maint. Tax (effective 1/15)		\$ 8,365,000	\$ 8,513,000	\$ 8,677,000	\$ 8,832,000	\$ 8,983,000	\$ 9,138,000	\$ 9,295,000	\$ 9,456,000	\$ 9,621,000	\$ 9,786,000	
Total New Sales and Parks Tax Revenue + continuation of current 0.5 cent Sales Tax		\$ 10,215,000	\$ 12,306,000	\$ 12,565,000	\$ 12,817,000	\$ 13,068,000	\$ 13,325,000	\$ 13,587,000	\$ 13,855,000	\$ 14,130,000	\$ 14,414,000	
<b>Option II - Sales Tax 3/4 cent increase and Parks Tax increase by \$51 to \$100 per year</b>												
	2014-15*	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24		
Current addtl sales tax	Exp 12/31/16	\$ 3,610,000	\$ 1,850,000									
<b>New Sales Tax*</b>	June 2014	\$ 4,061,250	\$ 5,550,000	\$ 5,689,000	\$ 5,831,000	\$ 5,977,000	\$ 6,126,000	\$ 6,279,000	\$ 6,436,000	\$ 6,597,000	\$ 6,762,000	
Current Parks Maint. tax	Exp 6/30/18	\$ 1,360,000	\$ 1,366,000	\$ 1,370,000	\$ 1,381,000							
<b>New Park Maint. tax**</b>	June 2014	\$ 1,416,000	\$ 1,421,000	\$ 1,426,000	\$ 1,437,000	\$ 1,442,000	\$ 1,443,000	\$ 1,443,000	\$ 1,443,000	\$ 1,443,000	\$ 1,443,000	
Total Revenues		\$ 10,447,250	\$ 10,187,000	\$ 8,485,000	\$ 8,649,000	\$ 7,419,000	\$ 7,569,000	\$ 7,722,000	\$ 7,879,000	\$ 8,040,000	\$ 8,205,000	
<b>Total New Sales and Parks Maint. Tax Revenue</b>												
Total New Sales + Nov. Ballot Parks Maint. Tax (effective 1/15)		\$ 6,971,000	\$ 7,115,000	\$ 7,268,000	\$ 7,419,000	\$ 7,569,000	\$ 7,722,000	\$ 7,879,000	\$ 8,040,000	\$ 8,205,000	\$ 8,370,000	
Total New Sales and Parks Tax Revenue + continuation of current 0.5 cent Sales Tax		\$ 8,821,000	\$ 10,908,000	\$ 11,156,000	\$ 11,404,000	\$ 11,654,000	\$ 11,909,000	\$ 12,171,000	\$ 12,439,000	\$ 12,714,000	\$ 13,000,000	
<b>Option III - Sales Tax 1/2 cent increase and Parks Tax increase by \$151 to \$200 per year</b>												
	2014-15*	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24		
Current addtl sales tax	Exp 12/31/16	\$ 3,610,000	\$ 1,850,000									
<b>New Sales Tax*</b>	June 2014	\$ 2,707,500	\$ 3,700,000	\$ 3,793,000	\$ 3,888,000	\$ 3,985,000	\$ 4,085,000	\$ 4,187,000	\$ 4,292,000	\$ 4,399,000	\$ 4,509,000	
Current Parks Maint. tax	Exp 6/30/18	\$ 1,360,000	\$ 1,366,000	\$ 1,370,000	\$ 1,381,000							
<b>New Park Maint tax**</b>	June 2014	\$ 4,191,000	\$ 4,208,000	\$ 4,222,000	\$ 4,255,000	\$ 4,269,000	\$ 4,272,000	\$ 4,274,000	\$ 4,274,000	\$ 4,274,000	\$ 4,274,000	
Total Revenues		\$ 11,868,500	\$ 11,124,000	\$ 9,385,000	\$ 9,524,000	\$ 8,254,000	\$ 8,357,000	\$ 8,461,000	\$ 8,566,000	\$ 8,673,000	\$ 8,783,000	
<b>Total New Sales and Parks Maint. Tax Revenue</b>												
Total New Sales + Nov. Ballot Parks Maint. Tax (effective 1/15)		\$ 6,898,500	\$ 7,908,000	\$ 8,015,000	\$ 8,143,000	\$ 8,254,000	\$ 8,357,000	\$ 8,461,000	\$ 8,566,000	\$ 8,673,000	\$ 8,783,000	
Total New Sales and Parks Tax Revenue + continuation of current 0.5 cent Sales Tax		\$ 2,707,500	\$ 7,908,000	\$ 8,015,000	\$ 8,143,000	\$ 8,254,000	\$ 8,357,000	\$ 8,461,000	\$ 8,566,000	\$ 8,673,000	\$ 8,783,000	
Total New Sales and Parks Tax Revenue + continuation of current 0.5 cent Sales Tax		\$ 9,758,000	\$ 11,808,000	\$ 12,031,000	\$ 12,239,000	\$ 12,442,000	\$ 12,648,000	\$ 12,858,000	\$ 13,072,000	\$ 13,292,000	\$ 13,522,000	

**Option IV - Sales Tax 1/2 cent increase and Parks Tax increase by \$101 to \$150 per year**

	2014-15*	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Current addtl. sales tax	Exp 12/31/16 0.500	\$ 3,610,000	\$ 1,850,000							
<b>New Sales Tax*</b>	June 2014 0.500	\$ 2,707,500	\$ 3,700,000	\$ 3,793,000	\$ 3,888,000	\$ 4,085,000	\$ 4,187,000	\$ 4,292,000	\$ 4,399,000	\$ 4,509,000
Current Parks Maint. tax	Exp 6/30/18 \$49	\$ 1,360,000	\$ 1,366,000	\$ 1,370,000	\$ 1,381,000					
<b>New Park Maint. tax**</b>	June 2014 \$101	\$ 2,803,000	\$ 2,815,000	\$ 2,824,000	\$ 2,846,000	\$ 2,857,000	\$ 2,859,000	\$ 2,859,000	\$ 2,859,000	\$ 2,859,000
Total Revenues		\$ 10,480,500	\$ 9,731,000	\$ 7,987,000	\$ 8,115,000	\$ 6,942,000	\$ 7,046,000	\$ 7,151,000	\$ 7,258,000	\$ 7,368,000
<b>Total New Sales and Parks Maint. Tax Revenue</b>		\$ 5,510,500	\$ 6,515,000	\$ 6,617,000	\$ 6,734,000	\$ 6,942,000	\$ 7,046,000	\$ 7,151,000	\$ 7,258,000	\$ 7,368,000
Total New Sales + Nov. Ballot Parks Maint. Tax (effective 1/15)		\$ 2,707,500	\$ 6,515,000	\$ 6,617,000	\$ 6,734,000	\$ 6,942,000	\$ 7,046,000	\$ 7,151,000	\$ 7,258,000	\$ 7,368,000
Total New Sales and Parks Tax Revenue + continuation of current 0.5 cent Sales Tax		\$ 8,365,000	\$ 10,410,000	\$ 10,622,000	\$ 10,825,000	\$ 11,027,000	\$ 11,233,000	\$ 11,443,000	\$ 11,657,000	\$ 11,877,000

**Option V - Sales Tax 1/2 cent increase and Parks Tax increase by \$51 to \$100 per year**

	2014-15*	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Current addtl. sales tax	Exp 12/31/16 0.500	\$ 3,610,000	\$ 1,850,000							
<b>New Sales Tax*</b>	June 2014 0.500	\$ 2,707,500	\$ 3,700,000	\$ 3,793,000	\$ 3,888,000	\$ 4,085,000	\$ 4,187,000	\$ 4,292,000	\$ 4,399,000	\$ 4,509,000
Current Parks Maint. tax	Exp 6/30/18 \$49	\$ 1,360,000	\$ 1,366,000	\$ 1,370,000	\$ 1,381,000					
<b>New Park Maint. tax**</b>	June 2014 \$51	\$ 1,416,000	\$ 1,421,000	\$ 1,426,000	\$ 1,437,000	\$ 1,443,000	\$ 1,443,000	\$ 1,443,000	\$ 1,443,000	\$ 1,443,000
Total Revenues		\$ 9,093,500	\$ 8,337,000	\$ 6,589,000	\$ 6,706,000	\$ 5,528,000	\$ 5,630,000	\$ 5,735,000	\$ 5,842,000	\$ 5,952,000
<b>Total New Sales and Parks Maint. Tax Revenue</b>		\$ 4,123,500	\$ 5,121,000	\$ 5,219,000	\$ 5,325,000	\$ 5,528,000	\$ 5,630,000	\$ 5,735,000	\$ 5,842,000	\$ 5,952,000
Total New Sales + Nov. Ballot Parks Maint. Tax (effective 1/15)		\$ 2,707,500	\$ 5,121,000	\$ 5,219,000	\$ 5,325,000	\$ 5,528,000	\$ 5,630,000	\$ 5,735,000	\$ 5,842,000	\$ 5,952,000
Total New Sales and Parks Tax Revenue + continuation of current 0.5 cent Sales Tax		\$ 6,971,000	\$ 9,012,000	\$ 9,213,000	\$ 9,412,000	\$ 9,613,000	\$ 9,817,000	\$ 10,027,000	\$ 10,241,000	\$ 10,461,000

\*Sales Tax revenue in FY 2014-15 is for 3 Quarters only (collection would begin in October following election)

\*Sales Tax estimate shows sunseting of current addtl. 1/2 cent in 2015-16

\*Sales Tax includes 2.5 Percent growth per year.

\*\*Parks Tax includes additional parcels from the development of the Cannery site consistent with the absorption schedule developed by the City's Community Development Department November Ballot measure with Parks Tax effective 1/15 assumes full year collection in FY2015-16

**Attachment B(i)**

**ORDINANCE NO. \_\_\_\_\_**

**ORDINANCE OF THE CITY OF DAVIS ADDING ARTICLE 15.21 TO  
CHAPTER 15 OF THE DAVIS MUNICIPAL CODE IMPOSING A SUPPLEMENTAL  
TRANSACTIONS AND USE TAX ADMINISTERED BY THE STATE BOARD OF  
EQUALIZATION, SUBJECT TO APPROVAL OF A MAJORITY OF THE ELECTORS  
VOTING ON THE TAX MEASURE AT THE GENERAL MUNICIPAL ELECTION  
TO BE HELD ON TUESDAY, JUNE 3, 2014**

WHEREAS, pursuant to California Revenue and Taxation Code § 7285.9, the City of Davis (“City”) has the authority to levy a local transactions and use tax for general purposes (“TUT”); and

WHEREAS, a majority of the City’s voters approved a one-half of one percent (0.5%) TUT terminating on December 31, 2010 at the election held on March 2, 2004, thus adding Article 15.19 of Chapter 15 to the Davis Municipal Code; and

WHEREAS, a majority of the City’s voters approved an extension of the 0.5% TUT termination date to December 31, 2016 at the election held on June 8, 2010; and

WHEREAS, given the fiscal challenges that the City has faces in recent years, the TUT provides essential funds for protecting vital City services from further budget cuts; and

WHEREAS, after study of the financial issues facing the City, and after extensive efforts to gauge the public’s opinions and priorities, the City Council has determined that the most prudent, reasonable, and financially reasonable action it can take to preserve the fiscal stability of the City and to protect vital services and facilities in our City, is to place before the voters a ballot measure to supplement the existing TUT with a new 0.75% rate also with a termination date of **December 31, 2024**, and to recommend its adoption to the voters; and

WHEREAS, the proposed supplemental TUT will not affect the existing 0.5% TUT, which will remain in effect until it terminates on December 31, 2016; and

WHEREAS, the proposed supplemental TUT of 0.75% will be submitted to the voters at the general municipal election on June 3, 2014.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF DAVIS DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. Code Addition. Article 15.21 of the Davis Municipal Code is hereby added to the Davis Municipal Code to read as follows:

**ARTICLE 15.21  
SUPPLEMENTAL TRANSACTIONS AND USE TAX**

<b>15.21.010</b>	Title
<b>15.21.020</b>	Operative Date
<b>15.21.030</b>	Purpose
<b>15.21.040</b>	Contract with State
<b>15.21.050</b>	Transactions Tax Rate
<b>15.21.060</b>	Place of Sale
<b>15.21.070</b>	Use Tax Rate
<b>15.21.080</b>	Adoption of Provisions of State Law
<b>15.21.090</b>	Limitations on Adoption of State Law and Collection of Use Taxes
<b>15.21.100</b>	Permit Not Required
<b>15.21.110</b>	Exemptions and Exclusions
<b>15.21.120</b>	Amendments
<b>15.21.130</b>	Enjoining Collection Forbidden
<b>15.21.140</b>	Severability
<b>15.21.150</b>	Effective Date
<b>15.21.160</b>	Termination Date

**15.19.010.** TITLE. This article shall be known as the City of Davis Supplemental Transactions and Use Tax Ordinance. The City of Davis hereinafter shall be called "City." This ordinance shall be applicable in the incorporated territory of the City.

**15.19.020.** OPERATIVE DATE. "Operative Date" means the first day of the first calendar quarter commencing more than 110 days after the adoption of this ordinance, the date of such adoption being as set forth below.

**15.19.030.** PURPOSE. This ordinance is adopted to achieve the following, among other purposes, and directs that the provisions hereof be interpreted in order to accomplish those purposes:

- A. To impose a supplemental retail transactions and use tax in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Section 7285.9 of Part 1.7 of Division 2 which authorizes the City to adopt this tax ordinance which shall be operative 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 supplemental 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 Revenue and Taxation Code.
- C. To adopt a supplemental retail transactions and use tax ordinance that imposes a tax and provides a measure therefore 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 supplemental 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 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.

**15.19.040.** 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 supplemental transactions and use tax 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.

**15.19.050.** TRANSACTIONS TAX RATE. For the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all retailers in the incorporated territory of the City at the rate of **three quarters of one-percent (0.75%)** of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in said territory on and after the operative date of this ordinance.

**15.19.060.** 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 agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. The gross receipts from such sales 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.

**15.19.070.** 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 said territory at the rate of **three quarters of one-percent (0.75%)** 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.

**15.19.080.** 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 hereby adopted and made a part of this ordinance as though fully set forth herein.

**15.19.090. LIMITATIONS ON ADOPTION OF STATE LAW AND COLLECTION OF USE TAXES.** In adopting the provisions of Part 1 of Division 2 of the Revenue and Taxation Code:

A. Wherever the State of California is named or referred to as the taxing agency, the name of this City shall be substituted therefor. 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 Control, State Board of Equalization, State Treasury, or the Constitution of the State of California;
2. The result of that substitution would require action to be taken by or against this 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 tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not otherwise be exempt from this 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 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.

**15.19.100. PERMIT NOT REQUIRED.** If a seller's permit has been issued to a retailer under Section 6067 of the Revenue and Taxation Code, an additional transactor's permit shall not be required by this ordinance.

**15.19.110. 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.

**15.19.120. 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 a part of this ordinance, provided however, that no such amendment shall operate so as to affect the rate of tax imposed by this ordinance.

**15.19.130. ENJOINING COLLECTION FORBIDDEN.** 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.

**15.19.140. SEVERABILITY.** If any provision of this ordinance or the application thereof 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.

**15.19.150. EFFECTIVE DATE.** This ordinance relates to the levying and collecting of the City supplemental transactions and use taxes and shall take effect only if approved by a majority of the voters voting on the measure at the June 3, 2014 General Municipal Election and shall become effective ten (10) days after the City Council declares and certifies by resolution the results of the election and that the measure was approved by a majority of the voters voting thereon. This ordinance shall then become operative as provided in Section 15.19.020.

**15.19.160. TERMINATION DATE.** The authority to levy the supplemental TUT imposed by this ordinance shall expire on **December 31, 2024**.

SECTION 2. Notice. The City Clerk is hereby directed to publish this ordinance at least once, within fifteen (15) days of its adoption, in a newspaper of general circulation published and circulated in the City of Davis.

INTRODUCED on the 11<sup>th</sup> day of February, 2014, and PASSED AND ADOPTED by the City Council of the City of Davis on this \_\_\_ day of \_\_\_\_\_, 2014 by the following vote:

AYES:  
NOES:  
ABSENT:

Joseph F. Krovoza  
Mayor

ATTEST:

Zoe S. Mirabile, CMC  
City Clerk

**Attachment B(ii)**

**ORDINANCE NO. \_\_\_\_\_**

**ORDINANCE OF THE CITY OF DAVIS AMENDING ARTICLE 15.19 OF  
CHAPTER 15 OF THE DAVIS MUNICIPAL CODE EXTENDING AND INCREASING  
THE EXISTING TRANSACTIONS AND USE TAX ADMINISTERED BY THE STATE  
BOARD OF EQUALIZATION, SUBJECT TO APPROVAL OF A MAJORITY OF  
THE ELECTORS VOTING ON THE TAX MEASURE AT THE GENERAL  
MUNICIPAL ELECTION TO BE HELD ON TUESDAY, JUNE 3, 2014**

WHEREAS, pursuant to California Revenue and Taxation Code § 7285.9, the City of Davis (“City”) has the authority to levy a local transactions and use tax for general purposes (“TUT”); and

WHEREAS, a majority of the City’s voters approved a one-half of one percent (0.5%) TUT terminating on December 31, 2010 at the election held on March 2, 2004, thus adding Article 15.19 of Chapter 15 to the Davis Municipal Code; and

WHEREAS, a majority of the City’s voters approved an extension of the 0.5% TUT termination date to December 31, 2016 at the election held on June 8, 2010; and

WHEREAS, given the fiscal challenges that the City has faces in recent years, the TUT provides essential funds for protecting vital City services from further budget cuts; and

WHEREAS, after study of the financial issues facing the City, and after extensive efforts to gauge the public’s opinions and priorities, the City Council has determined that the most prudent, reasonable, and financially reasonable action it can take to preserve the fiscal stability of the City and to protect vital services and facilities in our City, is to place before the voters a ballot measure to extend the existing 0.5% TUT termination date to **December 31, 2024** and to increase the TUT by a rate of 0.75% also with a termination date of **December 31, 2024**, for a total TUT of 1.25%, and to recommend its adoption to the voters; and

WHEREAS, the proposed extension and increase of the City’s TUT will be submitted to the voters at the general municipal election on June 3, 2014; and

WHEREAS, if the increased and extended TUT totaling 1.25% is approved by the City’s voters at the June 3, 2014 municipal election, the existing 0.5% TUT would remain in effect until the operative date of the extended and increased TUT.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF DAVIS DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. Code Amendment. Article 15.19 of the Davis Municipal Code is hereby amended in its entirety and reenacted as follows:

Article 15.19 Transactions and Use Tax

15.19.010	Title
15.19.020	Operative Date
15.19.030	Purpose
15.19.040	Contract with State
15.19.050	Transactions Tax Rate
15.19.060	Place of Sale
15.19.070	Use Tax Rate
15.19.080	Adoption of Provisions of State Law
15.19.090	Limitations on Adoption of State Law and Collection of Use Taxes
15.19.100	Permit Not Required
15.19.110	Exemptions and Exclusions
15.19.120	Amendments
15.19.130	Enjoining Collection Forbidden
15.19.140	Severability
15.19.150	Effective Date
15.19.160	Termination Date

**15.19.010. TITLE.** This article shall be known as the City of Davis Transactions and Use Tax Ordinance. The City of Davis hereinafter shall be called "City." This ordinance shall be applicable in the incorporated territory of the City.

**15.19.020. OPERATIVE DATE.** "Operative Date" means the first day of the first calendar quarter commencing more than 110 days after the adoption of this ordinance, the date of such adoption being as set forth below.

**15.19.030. PURPOSE.** This ordinance is adopted to achieve the following, among other purposes, and directs that the provisions hereof be interpreted in order to accomplish those purposes:

- A. To impose a retail transactions and use tax in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Section 7285.9 of Part 1.7 of Division 2 which authorizes the City to adopt this tax ordinance which shall be operative 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 Revenue and Taxation Code.
- C. To adopt a retail transactions and use tax ordinance that imposes a tax and provides a measure therefore 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 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.

**15.19.040. 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 transactions and use tax 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.

**15.19.050. TRANSACTIONS TAX RATE.** For the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all retailers in the incorporated territory of the City at the rate of **one and one-quarter of a percent (1.25%)** of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in said territory on and after the operative date of this ordinance.

**15.19.060. 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 agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. The gross receipts from such sales 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.

**15.19.070. 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 said territory at the rate of **one and one-quarter of a percent (1.25%)** 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.

**15.19.080. 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 hereby adopted and made a part of this ordinance as though fully set forth herein.

**15.19.090. LIMITATIONS ON ADOPTION OF STATE LAW AND COLLECTION OF USE TAXES.** In adopting the provisions of Part 1 of Division 2 of the Revenue and Taxation Code:

- A. Wherever the State of California is named or referred to as the taxing agency, the name of this City shall be substituted therefor. 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 Control, State Board of Equalization, State Treasury, or the Constitution of the State of California;
  2. The result of that substitution would require action to be taken by or against this 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 tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not otherwise be exempt from this 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 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.

**15.19.100. PERMIT NOT REQUIRED.** If a seller's permit has been issued to a retailer under Section 6067 of the Revenue and Taxation Code, an additional transactor's permit shall not be required by this ordinance.

**15.19.110. 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.

**15.19.120. 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 a part of this ordinance, provided however, that no such amendment shall operate so as to affect the rate of tax imposed by this ordinance.

**15.19.130. ENJOINING COLLECTION FORBIDDEN.** 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.

**15.19.140. SEVERABILITY.** If any provision of this ordinance or the application thereof 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.

**15.19.150. EFFECTIVE DATE.** This ordinance relates to the levying and collecting of the City transactions and use taxes and shall take effect only if approved by a majority of the voters voting on the measure at the June 3, 2014 General Municipal Election and shall become effective ten (10) days after the City Council declares and certifies by resolution the results of the election and that the measure was approved by a majority of the voters voting thereon. This ordinance shall then become operative as provided in Section 15.19.020.

**15.19.160. TERMINATION DATE.** The authority to levy the TUT imposed by this ordinance shall expire **December 31, 2024**.

SECTION 2. Notice. The City Clerk is hereby directed to publish this ordinance at least once, within fifteen (15) days of its adoption, in a newspaper of general circulation published and circulated in the City of Davis.

PASSED AND ADOPTED by the City Council of the City of Davis on the 11th day of February, 2014, by at least a two-thirds vote of the City Council, as follows:

AYES:

NOES:

Joseph F. Krovoza  
Mayor

ATTEST:

Zoe S. Mirabile, CMC  
City Clerk

**Attachment C**

PROPOSED SALES TAX BALLOT LANGUAGE

New Sales Tax and Leaving Existing Sales Tax in Place

Shall Ordinance No. \_\_\_\_\_, which would authorize the City of Davis to impose and collect a \_\_\_\_\_ cent sales and use tax for general government purposes from \_\_\_\_\_ 2014 until December 31, 201\_\_\_\_, be adopted?

Alternatives to amend, increase and extend Sales Tax (may use any of the three)

**Sample 1**

Shall Ordinance No. \_\_\_\_\_, which would authorize the City of Davis continue to collect a sales and use tax for general government purposes at the increased rate of \_\_\_\_\_ percent through December 31, 201\_\_\_\_, be adopted?

**Sample 2**

Shall Ordinance No. \_\_\_\_\_ which would authorize the City of Davis to continue to collect, though December 31, 20\_\_\_\_, the one-half cent sales and use tax currently in effect and increase the rate, beginning on \_\_\_\_ 2014, to \_\_\_\_\_ cent, be adopted?

**Sample 3**

Shall Ordinance No. \_\_\_\_\_ which would authorize the City of Davis to continue to collect the one-half cent sales and use tax for general governmental purposes, at the increased rate, of \_\_\_\_\_ cent, be adopted?

**Attachment D**

**Proposed Advisory Ballot Measure Format and Sample Language**

**Sample 1**

MEASURE \_\_\_\_: Advisory Vote Only: If the voters approve a \_\_\_\_% City sales tax increase, should the additional revenues be used primarily for the purpose of [ repairing and maintaining the City's streets, parks and facilities]?

**Sample 2**

Measure \_\_\_\_ Advisory Vote Only: Should the City Council allocate \_\_\_\_% of the new tax revenue from collected from any sales tax measure approved at the June 2014 election to enhance [ public safety....]?

**Sample 3**

Measure \_\_\_\_ Advisory Vote Only: Should \_\_\_\_percent (\_\_\_\_%) of revenue from the increase in the sales tax approved at the June 2014 ballot be used for [ i.e. streets, parks, public safety] and the remaining \_\_\_\_ percent (\_\_\_\_%) for \_\_\_\_\_?

**Sample 4**

"If Measure \_\_\_\_\_ is approved by the voters, shall (i) \_\_\_\_% of its proceeds be used only to pay for [i.e. public safety services] and (ii) \_\_\_\_% of its proceeds be used only to pay for \_\_\_\_\_ and general governmental services?"

Attachment E

PARKS MAINTENANCE PROGRAMS OPERATING BUDGETS

Department/Program	FUNDING SOURCES				FY 13/14 TOTAL Adopted Budget 7/1/13
	General Fund Support	General Fund Fees & Charges	Park Tax	Other Funds	
<b>CURRENT PARK MAINTENANCE PROGRAMS</b>					
7931 - Manor Swim Pool Maint	95,691	13,725	50,000	7,000	166,416
7932 - Civic Center Swim Pool Maint	50,164	82,525	50,000	48,000	230,689
7933 - Aryo Pool Maintenance	154,312	14,275	50,000	82,000	300,587
7950 - Facilities Vandalism Repair	55,872	0	0	3,910	59,782
7980 - Community Parks Maintenance	457,591	12,875	400,000	12,500	882,966
7982 - Greenbelt Maintenance	544,923	0	370,000	12,500	927,423
7985 - Streetscapes & Misc Landscape Maint	270,785	0	190,000	12,500	473,285
7986 - Street Tree Planting & Maintenance	505,486	3,090	200,000	0	708,576
7990 - Open Space/Habitat Management	163,618	300	50,000	0	213,918
7257 - Street Lighting	0	0	0	829,173	829,173
7930 - Community Swim Pool Maint	74,437	7,954	0	0	82,391
7981 - Neighborhood Parks Maintenance	1,010,803	12,360	0	12,500	1,035,663
7984 - Little League Baseball Athletic Facility	(7,605)	20,279	0	0	12,674
7989 - Playfields Park Maintenance	191,767	41,200	0	0	232,967
7940 - Veteran's Memorial Center Maint	213,776	0	0	0	213,776
7941 - Veteran's Memorial Theatre Maint	107,693	0	0	29,000	136,693
7942 - Senior Citizen Center Maint	214,896	0	0	12,000	226,896
7943 - Civic Center Gym Maintenance	43,679	0	0	0	43,679
7944 - Chestnut Park Roundhouse Maint	14,430	0	0	0	14,430
7945 - Alternative Rec Facility Maint	10,657	0	0	0	10,657
7946 - Hattie Weber Museum Maint	13,443	0	0	3,500	16,943
7983 - Civic Center Athletic Field Maintenance	3,535	0	0	0	3,535
<b>PROGRAM TOTALS</b>	<b>4,189,953</b>	<b>208,583</b>	<b>1,360,000</b>	<b>1,064,583</b>	<b>6,823,119</b>

**Attachment F(a): DRAFT Revised Parks Maintenance Tax Ordinance to add rehab and replacement; tax amount to be added; no CPI; add new sunset date**

ORDINANCE NO. \_\_\_\_

**AN ORDINANCE OF THE CITY OF DAVIS AMENDING ARTICLE 15.14 OF CHAPTER 15 OF THE DAVIS MUNICIPAL CODE ESTABLISHING A PARK MAINTENANCE TAX TO FUND MAINTENANCE OF PARKS, STREET TREES, GREENBELTS, BIKE PATHS, MEDIANS, PUBLIC LANDSCAPING, URBAN WILDLIFE AND HABITAT, SWIMMING POOLS, AND RECREATIONAL FACILITIES TO INCREASE THE AMOUNT OF THE TAX; MODIFY THE USES OF THE TAX AND EXTEND THE TERM OF THE TAX SUBJECT TO THE APPROVAL OF THE VOTERS**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DAVIS, as follows:

Section 1. Article 15.14 of Chapter 15 of the Davis City Code is hereby amended to read as follows:

ARTICLE 15.14. PARK MAINTENANCE AND REHABILITATION TAX

15.14.010. Findings.

The Park Maintenance Tax currently provides funding to supplement the General Fund for the maintenance of community parks, greenbelts, open space, street lighting, swimming pools, and related public facilities. The Park Maintenance Tax, which was approved by the voters in 1998, 2002 ~~and again in 2006~~ ~~and will expire in June of 2012.~~ This tax will expire in June 2018 unless extended by the voters. The modifications of the Park Maintenance Tax, including the change in its name, the modification of the allowable uses of the tax funds, the amount of the tax and the further extension of this special tax, if approved by an affirmative vote of two-thirds of Davis voters, will modify and continue the Park Maintenance Tax for an additional \_\_\_\_\_ ~~six~~ years to provide funding for the maintenance and the rehabilitation of these facilities and amenities.

Our parks and greenbelts reflect the very character of Davis and are instrumental in making Davis the type of community that its citizens appreciate and support. The City Council strongly believes that it is in the public interest to continue funding maintenance and to fund the rehabilitation and replacement of the parks, greenbelts, open space, street lighting, swimming pools, and public facilities. The special tax extended and levied herein, if approved by a two-thirds vote of the voters, will continue the existing Park Maintenance Tax. This tax, if approved, will also provide for revenue which may be used to maintain and operate property owned by the Davis Joint Unified School District or other public agencies so long as the property is available, on a joint use basis, for use by the residents of the City for park, open space, and recreational uses.

15.14.020. Legal Authority.

This special tax is levied under each of the following legal authorities: Government Code section 37100.5, which authorizes general law cities to levy any tax that may be levied by charter cities, subject to voter approval; and Government Code section 50075 through section 50077, which authorizes cities to impose special taxes. This tax is a special tax authorized under Article 13A, section 4 of the California Constitution and Proposition 218. This tax is an excise tax and is based, to the extent practicable, upon the use to which a property is put and the benefit that the use of property receives from the public facilities supported by this tax. This tax is based, among other things, on the benefit that different land uses of property receive from the availability of properly maintained parks, open space, greenbelts, medians, public facilities, and public lighting. This tax is not a property tax; it is not based on the status of ownership of property; nor is it based on the value of property.

#### 15.14.030. Definitions.

The following terms shall have the following definitions when used in this article:

"Assessor's parcel" or "parcel" means a lot or parcel shown in an assessor's parcel map with an assigned assessor's parcel number.

"Assessor's parcel map" means an official map of the county assessor of the county of Yolo designating parcels by assessor's parcel number.

"City" means the city of Davis as its jurisdictional boundaries exist on July 1st of each year that this tax is in effect.

"Commercial property" means all parcels that are used for nonresidential land uses that do not classify the parcel as industrial property or day care property, as defined below.

"Common area" means a separate legal or assessor's parcel owned by a common interest development association or as tenants in common by the owners of separate interests in a common interest development provided that the common area: (1) in the case of residential property, cannot be used as an independent residential dwelling unit; or (2) in the case of commercial or industrial property is not improved building space.

"Day care property" means all property that is used as a commercially operated day care center and is not used as a residence.

"Developed property" means, in any fiscal year, all parcels of taxable property with a structure that has been cleared for occupancy before March 1st of the prior fiscal year. For purposes of levying the special tax, each parcel of developed property shall be assigned to one of the land use classes identified in Table 1 below.

"Fiscal year" means the period starting on July 1 and ending the following June 30th.

"Group living property" means all parcels of developed property that have been issued conditional use permits from the city's planning division for a group living use.

"Improved building space" means the greater of (i) gross building area as shown on building permits issued for any property, or (ii) gross building area as measured or determined by an engineer retained by the city.

"Industrial property" shall generally include but not be limited to, all parcels of developed property with a building or structure that is used for assembling, disassembling, fabricating, finishing, manufacturing, packaging, repair or processing operations, as classified by the city's planning division.

"Land use class" means any one of the six classes listed in Table 1 below.

"Maximum special tax" means the maximum special tax, determined in accordance with Section 15.14.050, that can be levied by the City Council in any fiscal year.

"Multifamily residential property" means all parcels of developed property with a residential structure or structures consisting of five or more residential units on a single parcel.

"Public improvements" means those facilities, improvements, and amenities that will be constructed, installed, operated, serviced, maintained, ~~and~~ repaired, rehabilitated and replaced from proceeds of the special tax and shall include, but not be limited to, the following: public lighting, landscaping, parks, public areas, recreational facilities, open space, and bike trails.

"Public property" means property owned by a public agency, public rights-of-way, unoccupied public utility property and property encumbered with a public or utility easement that makes impractical utilization of the property for other than the public or utility purpose set forth in the easement.

"Single-family residential property" means all parcels of developed property with a residential structure or structures consisting of less than five residential units on a single parcel.

"Special tax" means that tax levied pursuant to application of the special tax formula set forth below to pay for the construction, installation, operation, servicing, maintenance, and repair of the public improvements.

"Taxable property" means all assessor's parcels within the city as the boundaries of the city exist on July 1st of each year which are not exempt from the special tax pursuant to law or section 15.14.090 below.

"Vacant land" means all parcels of taxable property that have either no structures or a structure or structures that have not been cleared for occupancy.

15.14.040. Park Maintenance and Rehabilitation Tax.

a. If approved by the voters, commencing July 1, 201~~2~~<sup>4</sup> for fiscal year ~~2011-2012~~ 2013-2014, the city shall continue collecting funding for parks, open space, public lighting and related public facilities in the form of a special park tax in the manner and at the rates set forth herein.

1. Developed Property. The maximum special tax for all parcels of developed property shall be determined by reference to Table 1 below:

Table 1		
Maximum Special Tax Rates		
Land Use Class	Description	Maximum Special Tax
1	Single-family residential	<del>\$49.00</del> per unit
2	Multifamily residential	<del>\$49.00</del> per unit
3	Group living	<del>\$20.00</del> per resident
4	Commercial	<del>\$40.00</del> per 1,000 square feet of Improved Building Space up to a maximum of 10,000 square feet
5	Industrial	<del>\$12.80</del> per employee up to a maximum of 30 employees
6	Day care	<del>\$14.30</del> per 1,000 square feet of Improved Building Space up to a maximum of 10,000 square feet

2. Vacant Land. The maximum special tax rate for vacant land shall be ~~forty-nine~~ \_\_\_\_\_ dollars per assessor's parcel.

b. Method of Apportionment of the Special Tax.

1. For fiscal year ~~2013+20142~~, the City shall levy the special tax at the maximum tax rates set forth above. For fiscal years ~~20142-20153~~ and each fiscal year thereafter, the City Council shall set the actual tax rate for the applicable fiscal year, not to exceed the maximum tax rates set forth above, and the special tax shall be levied at the amount set by the City Council.

2. The special tax shall be levied on each parcel of land in the amount determined by reference to this Section 15.14.040:

A. On each parcel of taxable property in Land Use Classes 1 through 6, inclusive.

B. If there is more than one land use class on a parcel, the special tax shall be determined by separately applying the appropriate special tax for each land use class on the parcel and levying the sum total of the combined special taxes.

15.14.050. Collection.

The park maintenance and rehabilitation tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes and shall be subject to the same penalties for non-payment. If necessary to meet financial obligations or if it becomes more cost-efficient as determined by the City Council, the City may collect the park maintenance and rehabilitation tax in the same manner and at the same time as City taxes, fees and/or charges provided that the total annual tax imposed shall not exceed the maximum amounts set forth in this article.

15.14.060. No Annual Adjustment of Tax Rate

The tax rates set forth in this article shall be the maximum allowable tax rates permitted unless modified or changed by a further vote of the electorate of the City. There shall be no cost of living or COLA permitted.

15.14.070. Limitation on Disposition of Revenue.

Revenues collected under the provisions of this article shall be deposited in a special fund called the park maintenance and rehabilitation special tax fund and shall be used only for the operation and maintenance of landscaping, park, open space, median, greenbelt, swimming pools, recreational and public facility and public lighting improvements within the City of on property owned by the City, and for the repair, rehabilitation and replacement of these facilities within the City and for the incidental expenses incurred in the administration of this tax, including, but not limited to the cost of elections, and the cost of collection. Revenues may be used to operate and maintain property owned by the Davis Joint Unified School District or other public agencies so long as the property so maintained is available for use by the residents of the City for the purposes set forth herein.

15.14.080. Exemptions.

- a. Public Property. No special tax shall be levied against public property.
- b. Low Income Exemption. To avoid undue hardship, the City Council shall continue the existing low-income refund program subject to such terms and conditions as the City Council may, from time to time, determine.
- c. Common Areas. No special tax shall be levied against common areas.

15.14.090. Effective Date; Renewal Provision.

- a. This article shall take effect immediately upon its approval by a two-thirds vote of the voters voting in the election called to approve the ordinance.
- b. If an extension or re-authorization of this article is approved by the voters of the City at an election called for that purpose by or on June 30, -----2018, and every \_\_\_\_ ~~six~~ years thereafter, this article shall be extended or re-authorized. If this article is not so extended or re-authorized by the voters, this article shall no longer be in effect.
- e. ~~It is the current intent of the City Council to replace this Park Maintenance Tax with another type of revenue measure. In the event that another type of revenue measure is approved by the voters prior to the expiration of the Park Maintenance Tax, and the ordinance that implements the new~~

~~revenue measure declares that it shall replace or supersede this Park Maintenance Tax, the city shall cease collecting this Park Maintenance Tax~~ consistent with the provisions of the replacement measure as approved by the voters.

15.14.100. Appeals.

The imposition of this tax and/or amount of the tax imposed based on the use of property may be appealed to the City Council under such procedures as the council shall, by ordinance, adopt. The City Council may modify the appeals process from time to time in order to facilitate the hearing and resolution of appeals.

15.14.105. Annual Report. The City Finance Director shall file a report with the City Council no later than January 1, 2015, and at least once a year thereafter. The annual report shall contain both of the following:

(a) The amount of funds collected and expended.

(b) The status of any project required or authorized to be funded with use of the funds of this special tax.

15.14.110. Severability.

If any sentence, clause, article, section, subsection, phrase or portion of this Ordinance is for any reason held to be invalid, such decision shall not affect the validity of the remaining portion of this ordinance. The voters of the City hereby declare that they would have adopted the remainder of this Ordinance, including each sentence, clause, article, section, subsection, phrase or portion of this Ordinance, irrespective of the invalidity of any other sentence clause, article, section, subsection, phrase or portion of this ordinance.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF DAVIS ON  
\_\_\_\_\_ BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

\_\_\_\_\_  
Joe Krovoza, Mayor

ATTEST:

\_\_\_\_\_  
Zoe Mirabile, Deputy City Clerk

**Attachment G**

**Park Tax with CPI**

**ORDINANCE NO. \_\_\_\_\_**

**ORDINANCE OF THE CITY OF DAVIS AMENDING ARTICLE 15.14 OF CHAPTER 15 OF THE DAVIS MUNICIPAL CODE ESTABLISHING A PARK MAINTENANCE TAX TO FUND MAINTENANCE OF PARKS, STREET TREES, GREENBELTS, BIKE PATHS, MEDIANS, PUBLIC LANDSCAPING, URBAN WILDLIFE AND HABITAT, SWIMMING POOLS, AND RECREATIONAL FACILITIES TO INCREASE THE AMOUNT OF THE TAX; MODIFY THE USES OF THE TAX AND EXTEND THE TERM OF THE TAX SUBJECT TO THE APPROVAL OF THE VOTERS**

THE CITY COUNCIL OF THE CITY OF DAVIS DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. Article 15.14 of Chapter 15 of the Davis City Code is hereby amended to read as follows:

**ARTICLE 15.14. PARK MAINTENANCE AND REHABILITATION TAX**

**15.14.010. Findings.**

The Park Maintenance Tax currently provides funding to supplement the General Fund for the maintenance of community parks, greenbelts, open space, street lighting, swimming pools, and related public facilities. The Park Maintenance Tax, which was approved by the voters in 1998, 2002 2006 and, 2012. This tax will expire in June 2018 unless extended by the voters. The modifications of the Park Maintenance Tax, including the change in its name, the modification of the allowable uses of the tax funds, the amount of the tax and the further extension of this special tax, if approved by an affirmative vote of two-thirds of Davis voters, will modify and continue the Park Maintenance Tax for an additional \_\_\_\_\_ years to provide funding for the maintenance and the rehabilitation of these facilities and amenities.

Our parks and greenbelts reflect the very character of Davis and are instrumental in making Davis the type of community that its citizens appreciate and support. The City Council strongly believes that it is in the public interest to continue funding maintenance and to fund the rehabilitation and replacement of the parks, greenbelts, open space, street lighting, swimming pools, and public facilities. The special tax extended and levied herein, if approved by a two-thirds vote of the voters, will continue the existing Park Maintenance Tax. This tax, if approved, will also provide for revenue which may be used to maintain and operate property owned by the Davis Joint Unified School District or other public agencies so long as the property is available, on a joint use basis, for use by the residents of the City for park, open space, and recreational uses.

**15.14.020. Legal Authority.**

This special tax is levied under each of the following legal authorities: Government Code section 37100.5, which authorizes general law cities to levy any tax that may be levied by charter cities,

subject to voter approval; and Government Code section 50075 through section 50077, which authorizes cities to impose special taxes. This tax is a special tax authorized under Article 13A, section 4 of the California Constitution and Proposition 218. This tax is an excise tax and is based, to the extent practicable, upon the use to which a property is put and the benefit that the use of property receives from the public facilities supported by this tax. This tax is based, among other things, on the benefit that different land uses of property receive from the availability of properly maintained parks, open space, greenbelts, medians, public facilities, and public lighting. This tax is not a property tax; it is not based on the status of ownership of property; nor is it based on the value of property.

**15.14.030. Definitions.**

The following terms shall have the following definitions when used in this article:

"Assessor's parcel" or "parcel" means a lot or parcel shown in an assessor's parcel map with an assigned assessor's parcel number.

"Assessor's parcel map" means an official map of the county assessor of the county of Yolo designating parcels by assessor's parcel number.

"City" means the city of Davis as its jurisdictional boundaries exist on July 1st of each year that this tax is in effect.

"Commercial property" means all parcels that are used for nonresidential land uses that do not classify the parcel as industrial property or day care property, as defined below.

"Common area" means a separate legal or assessor's parcel owned by a common interest development association or as tenants in common by the owners of separate interests in a common interest development provided that the common area: (1) in the case of residential property, cannot be used as an independent residential dwelling unit; or (2) in the case of commercial or industrial property is not improved building space.

"Day care property" means all property that is used as a commercially operated day care center and is not used as a residence.

"Developed property" means, in any fiscal year, all parcels of taxable property with a structure that has been cleared for occupancy before March 1st of the prior fiscal year. For purposes of levying the special tax, each parcel of developed property shall be assigned to one of the land use classes identified in Table 1 below.

"Fiscal year" means the period starting on July 1 and ending the following June 30th.

"Group living property" means all parcels of developed property that have been issued conditional use permits from the city's planning division for a group living use.

"Improved building space" means the greater of (i) gross building area as shown on building permits issued for any property, or (ii) gross building area as measured or determined by an engineer retained by the city.

"Industrial property" shall generally include but not be limited to, all parcels of developed property with a building or structure that is used for assembling, disassembling, fabricating, finishing, manufacturing, packaging, repair or processing operations, as classified by the city's planning division.

"Land use class" means any one of the six classes listed in Table 1 below.

"Maximum special tax" means the maximum special tax, determined in accordance with Section 15.14.050, that can be levied by the City Council in any fiscal year.

"Multifamily residential property" means all parcels of developed property with a residential structure or structures consisting of five or more residential units on a single parcel.

"Public improvements" means those facilities, improvements, and amenities that will be constructed, installed, operated, serviced, maintained, repaired, rehabilitated and replaced from proceeds of the special tax and shall include, but not be limited to, the following: public lighting, landscaping, parks, public areas, recreational facilities, open space, and bike trails.

"Public property" means property owned by a public agency, public rights-of-way, unoccupied public utility property and property encumbered with a public or utility easement that makes impractical utilization of the property for other than the public or utility purpose set forth in the easement.

"Single-family residential property" means all parcels of developed property with a residential structure or structures consisting of less than five residential units on a single parcel.

"Special tax" means that tax levied pursuant to application of the special tax formula set forth below to pay for the construction, installation, operation, servicing, maintenance, and repair of the public improvements.

"Taxable property" means all assessor's parcels within the city as the boundaries of the city exist on July 1st of each year which are not exempt from the special tax pursuant to law or section 15.14.090 below.

"Vacant land" means all parcels of taxable property that have either no structures or a structure or structures that have not been cleared for occupancy.

**15.14.040. Park Maintenance and Rehabilitation Tax.**

a. If approved by the voters, commencing July 1, 2014 for fiscal year 2013-2014, the city shall continue collecting funding for parks, open space, public lighting and related public facilities in the form of a special park tax in the manner and at the rates set forth herein

1. Developed Property. The maximum special tax for all parcels of developed property shall be determined by reference to Table 1 below:

Table 1 Maximum Special Tax Rates		
Land Use Class	Description	Maximum Special Tax
1	Single-family residential	\$ _____ per unit
2	Multifamily residential	\$ _____ per unit
3	Group living	\$ _____ per resident
4	Commercial	\$ _____ per 1,000 square feet of Improved Building Space up to a maximum of 10,000 square feet
5	Industrial	\$ _____ per employee up to a maximum of 30 employees
6	Day care	\$ _____ per 1,000 square feet of Improved Building Space up to a maximum of 10,000 square feet

2. Vacant Land. The maximum special tax rate for vacant land shall be \_\_\_\_\_ dollars per assessor's parcel.
- b. Method of Apportionment of the Special Tax.
1. For fiscal year 2013-2014, the City shall levy the special tax at the maximum tax rates set forth above. For fiscal years 2014-2015 and each fiscal year thereafter, maximum tax rate for the applicable fiscal year, the maximum tax rates shall be increased at the beginning of each fiscal year in accordance with Section 15.14.060.
  2. The special tax shall be levied on each parcel of land in the amount determined by reference to this Section 15.14.040:
    - A. On each parcel of taxable property in Land Use Classes 1 through 6, inclusive.
    - B. If there is more than one land use class on a parcel, the special tax shall be determined by separately applying the appropriate special tax for each land use class on the parcel and levying the sum total of the combined special taxes.

**15.14.050. Collection.**

The park maintenance and rehabilitation tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes and shall be subject to the same penalties for non-payment. If necessary to meet financial obligations or if it becomes more cost-efficient as determined by the City Council, the City may collect the park maintenance and rehabilitation tax in the same manner and at the same time as City taxes, fees and/or charges provided that the total annual tax imposed shall not exceed the maximum amounts set forth in this article.

**15.14.060. Annual Adjustment of Tax Rate**

The tax rates set forth in this article shall be adjusted at the beginning of each fiscal year in accordance with the annual change in the Consumer Price Index for Consumer Price Index for all Urban Consumers San Francisco-Oakland-San Jose, Ca for the period January 1 through December 31 of the year immediately prior to the date of the adjustment, not to exceed 3%.

**15.14.070. Limitation on Disposition of Revenue.**

Revenues collected under the provisions of this article shall be deposited in a special fund called the park maintenance and rehabilitation special tax fund and shall be used only for the operation and maintenance of landscaping, park, open space, median, greenbelt, swimming pools, recreational and public facility and public lighting improvements within the City of on property owned by the City, and for the repair, rehabilitation and replacement of these facilities and for the incidental expenses incurred in the administration of this tax, including, but not limited to the cost of elections, and the cost of collection. Revenues may be used to operate and maintain property owned by the Davis Joint Unified School District or other public agencies so long as the property so maintained is available for use by the residents of the City for the purposes set forth herein.

**15.14.080. Exemptions.**

- a. Public Property. No special tax shall be levied against public property.
- b. Low Income Exemption. To avoid undue hardship, the City Council shall continue the existing low-income refund program subject to such terms and conditions as the City Council may, from time to time, determine.
- c. Common Areas. No special tax shall be levied against common areas.

**15.14.090. Effective Date; Renewal Provision.**

- a. This article shall take effect immediately upon its approval by a two-thirds vote of the voters voting in the election called to approve the ordinance.
- b. If an extension or re-authorization of this article is approved by the voters of the City at an election called for that purpose by or on June 30, -----, and every \_\_\_ years thereafter, this article shall be extended or re-authorized. If this article is not so extended or re-authorized by the voters, this article shall no longer be in effect.

**15.14.100. Appeals.**

The imposition of this tax and/or amount of the tax imposed based on the use of property may be appealed to the City Council under such procedures as the council shall, by ordinance, adopt. The City Council may modify the appeals process from time to time in order to facilitate the hearing and resolution of appeals.

**15.14.105. Annual Report.**

The City Finance Director shall file a report with the City Council no later than January 1, 2015, and at least once a year thereafter. The annual report shall contain both of the following:

- (a) The amount of funds collected and expended.
- (b) The status of any project required or authorized to be funded with use of the funds of this special tax.

**15.14.110. Severability.**

If any sentence, clause, article, section, subsection, phrase or portion of this Ordinance is for any reason held to be invalid, such decision shall not affect the validity of the remaining portion of this ordinance. The voters of the City hereby declare that they would have adopted the remainder of this Ordinance, including each sentence, clause, article, section, subsection, phrase or portion of this Ordinance, irrespective of the invalidity of any other sentence clause, article, section, subsection, phrase or portion of this ordinance.

INTRODUCED on the 11<sup>th</sup> day of February, 2014, and PASSED AND ADOPTED by the City Council of the City of Davis on the \_\_\_ day of \_\_\_\_\_, 2014, by the following vote:

AYES:

NOES:

ABSENT:

Joseph F. Krovoza

Mayor

ATTEST:

Zoe S. Mirabile, CMC  
City Clerk

**Attachment H**  
**Sample Ballot Language for Park Tax**

“MEASURE \_\_\_\_\_

Shall Ordinance No. \_\_\_\_\_, which would authorize the City of Davis to continue to impose a parcel tax and increase the amount to \$\_\_\_\_ per year on residential units and on non-residential units in amounts specified in the Ordinance, to fund maintenance, repair, rehabilitation and replacement of parks, street trees, greenbelts, bike paths, medians, public landscaping, urban wildlife and habitat, swimming pools, and recreational facilities be adopted?

\_\_\_\_\_ YES \_\_\_\_\_ NO”

## **Attachment I**

- **City of Stockton Tax and Advisory Measure**

### **Measure B (City of Stockton, November 5, 2013 election)**

Voters will also be asked to consider a non-binding advisory measure on the same ballot, which may prove helpful in communicating the priorities and will of the people. Measure B will provide an opportunity for voters to express an opinion about how the money from the tax will be used.

### **Measure B - Ballot Question (As it appeared on the November 5, 2013 Ballot)**

#### **Advisory Measure**

"If Measure A is approved by the voters, shall (i) 65% of its proceeds be used only to pay for law enforcement and crime prevention services in the City such as those described in the City's Marshall Plan on Crime and (ii) 35% of its proceeds be used only to pay for the City's efforts to end the bankruptcy and for services to residents, businesses, and property owners?"

This question requires the approval of a majority of those casting votes. It is an advisory measure only.

- A "Yes" vote expresses an opinion that 65% of the tax proceeds should be used to pay for law enforcement and crime prevention services, such as those described in the City's Marshall Plan on Crime, and 35% should be used only to pay for the City's efforts to end bankruptcy and for services to residents, businesses and property owners.
- A "No" vote may be viewed as an opinion against the uses or as neutral, as to the uses proposed.

### **Measure B - City Attorney's Impartial Analysis (Provided in the Voter Information Guide)**

The Stockton City Council has placed Measure "B" on the November 5, 2013, general election ballot asking voters to consider a non-binding, advisory measure concerning the use of revenues that may arise from the voters' approval of a new transactions and use (sales) tax being presented to the City's voters on this same ballot as Measure "A."

Under state law the City Council may place an advisory measure on the ballot in order to receive general voter opinion on an issue. The results of this advisory vote are not controlling on the City, but may prove helpful in communicating the will of the voters to the City Council when making decisions concerning how funds from Measure A will be spent.

Measure "B" provides an opportunity for the voters to offer their opinion regarding the use of revenues that may arise from the approval of the new transactions and use (sales) tax being presented to the City's electorate on this same ballot as Measure "A." A "Yes" vote expresses an opinion supporting the uses of the tax proceeds proposed in the ballot question for Measure "B," which are as follows: 65% of the proceeds would be used only to pay for law enforcement and crime prevention services in the City such as those described in the City's Marshall Plan on Crime and 35% of the proceeds would be used only to pay for the City's efforts to end the bankruptcy and for services to residents, businesses, and property owners. A "No" vote may be viewed as expressing an opinion against the uses of the revenue that have been proposed or as a neutral opinion, neither in favor of, nor in opposition to, the uses proposed.

**Attachment I**

- **City of Plymouth Tax and Tax Advisory Resolution**

**RESOLUTION NO. 2012-04**

**A RESOLUTION CALLING AN ELECTION TO ASK THE VOTERS OF THE CITY OF PLYMOUTH TO APPROVE AN INCREASE TO THE TRANSIENT OCCUPANCY TAX CONTAINED IN SECTION 3.30.030 OF CHAPTER 3.30 OF THE PLYMOUTH MUNICIPAL CODE TO TEN PERCENT (10%) OF THE RENT CHARGED BY HOTEL OPERATORS; AND FURTHER SUBMITTING AN ADVISORY MEASURE TO THE VOTERS REGARDING THE USE OF SUCH PROPOSED TAX REVENUES; AND REQUESTING THE BOARD OF SUPERVISORS OF AMADOR COUNTY TO CONSOLIDATE THE ELECTION WITH THE STATEWIDE GENERAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 6, 2012, AND DIRECTING THE COUNTY ELECTIONS DEPARTMENT TO CONDUCT THE ELECTION ON BEHALF OF THE CITY**

**WHEREAS**, the City of Plymouth (“City”) requires additional revenue to fund important municipal programs; and

**WHEREAS**, the City Council may propose that voters approve an increase to the transient occupancy tax contained in Chapter 3.30 of the Plymouth Municipal Code from six percent (6%) to ten percent (10%) of the rent charged by hotel operators within the City to raise additional funds for general municipal purposes; and

**WHEREAS**, a transient occupancy tax is a type of general tax collected by hotel operators and remitted to the City tax collector that may be increased to achieve these purposes; and

**WHEREAS**, California Constitution Article XIIC, Section 2(b) requires that an election on an increase to general tax, including a transient occupancy tax, be consolidated with a statewide general election at which members of the City Council will be elected; and

**WHEREAS**, pursuant to Government Code Sections 53723 and 53724 an ordinance proposing to increase a general tax, including a transient occupancy tax, must be approved by two-thirds vote of all members of the City Council, and thereafter be approved by a majority vote of qualified voters of the City voting in an election in order for the increase to the transient occupancy tax to become effective; and

**WHEREAS**, November 6, 2012 is the date of the statewide general election at which members of the City Council will be elected; and

**WHEREAS**, pursuant to Elections Code Section 9603, the City may place an advisory measure on the ballot for the purpose of allowing voters to voice their opinion on a substantive issue or to indicate approval or disapproval of a ballot proposal and such vote will not be controlling upon the City Council; and

**WHEREAS**, the City would like to place an advisory measure on the ballot to seek voter input regarding how revenue from the proposed increase to the transient occupancy tax should be used; and

**WHEREAS**, Elections Code Section 9282 sets forth the procedures for arguments in favor of or

in opposition of City measures; and

**WHEREAS**, Elections Code Sections 9285 set forth the procedures for rebuttal arguments; and

**WHEREAS**, The City Council finds that under CEQA Guidelines 15060(c)(2) and (c)(3) and 15378, subdivisions (b)(2) and (b)(4), that a measure to increase the transient occupancy tax contained in Chapter 3.30 of the Plymouth Municipal Code to ten percent (10%) does not constitute a project under CEQA and therefore review under CEQA is not required.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PLYMOUTH DOES HEREBY RESOLVE:**

1. The foregoing Recitals are true and correct and are hereby adopted by the City Council.
2. Pursuant to California Constitution Article XIII C, Section 2; Government Code Section 53724, and Elections Code Section 9222, the City Council of the City of Plymouth hereby calls an election at which it shall propose to the voters of the City, a measure that, if approved, would increase the City's existing transient occupancy tax contained in Chapter 3.30 of the Plymouth Municipal Code from a rate of six percent (6%) of the rent charged by hotel operators to ten percent (10%) of the rent charged by hotel operators, pursuant to the provisions of Revenue and Taxation Code Section 7280 *et seq.* This measure shall be designated by letter by the Amador County Elections Department. Pursuant to Election Code Section 10400 *et seq.*, the City Council hereby requests that the Board of Supervisors of the Amador County consolidate the election for this measure with the statewide election to be conducted on November 6, 2012, which is also the date of the City's regular municipal election, at which an election for members of the City Council will also occur.
3. The ordinance authorizing the increase to the transient occupancy tax contained in Chapter 3.30 of the Plymouth Municipal Code to be approved by the voters pursuant to Section 2 is as set forth in Exhibit A hereto. The City Council hereby approves the ordinance, subject to the approval of a majority of the voters voting on the measure at the election called by the adoption of this resolution, further approves its submission to the voters of the City at the November 6, 2012 election. The entire text of the ordinance attached hereto as Exhibit A shall be printed in the voter information portion of the sample ballot. The ordinance specifies that transient occupancy tax shall be increased from six percent (6%) of the rent charged by hotel operator to ten percent (10%) of the rent charged by hotel operators within the City.
4. The proposed increase to the transient occupancy tax shall be submitted to the voters on the ballot in the form of the following question:

<b>MEASURE _____ : APPROVAL OF INCREASE TO THE TRANSIENT OCCUPANCY TAX.</b>		
<b>Shall City of Plymouth Ordinance No. 2012-03 increasing the transient occupancy tax to ten percent (10%) of the rent charged by hotel operators within the city limits, with tax revenues to be used for general municipal purposes, be approved?</b>	<b>YES</b>	
	<b>NO</b>	

5. The proposed advisory measure shall be submitted to the voters on the ballot in the form of the following question.

<b>MEASURE _____ :      ADVISORY VOTE ONLY.</b>		
<b>Should two percent (2%) of revenue from the increase in the transient occupancy tax be used for streets, parking and landscaping, and the remaining two percent (2%) for tourism including promotions, events, signage, advertising, and other related expenses?</b>	<b>YES</b>	
	<b>NO</b>	

6. The official ballot to be used at said election shall conform to the provisions of the laws of the State of California.
7. The City Attorney shall prepare an impartial analysis of tax ballot measure and the advisory measure, not to exceed five hundred words in length, showing the effect of each measure on the existing law and the operation of the measure.
8. Arguments for and against the ballot measures may be filed with the City Clerk in accordance with the Elections Code 9280 *et seq.* The arguments shall not exceed 300 words in length, and shall be signed by not more than five persons. Rebuttal arguments shall be filed with the City Clerk in accordance with the Elections Code 9280 *et seq.*, and shall not exceed 250 words in length and shall be signed by not more than five persons; those persons may be different persons than the persons who signed the direct arguments. Pursuant to Section 9285 of the California Elections Code, when the City Clerk has selected the arguments for and against the measures, which will be printed and distributed to the voters, the City Clerk shall send copies of the arguments in favor of the measure to the authors of the arguments against, and copies of the arguments against to the authors of the arguments in favor. Rebuttal arguments shall be printed in the same manner as the direct arguments. Each rebuttal argument shall immediately follow the direct arguments, which it seeks to rebut.
9. The City authorizes and requests the County Registrar of Voters to consolidate this election with the statewide general election on November 6, 2012.
10. The City Clerk may request the assistance of the Amador County Elections Department in regard to this election, as the City Clerk deems necessary, and the City shall pay the incurred cost of such assistance.
11. In accordance with Section 12111 of the Elections Code, the City Clerk is hereby authorized and directed to cause notice of the measures to be posted and published once in a daily newspaper of general circulation, printed, published, and circulated in the City of Plymouth at least one week prior to the statewide general election. The City Clerk may request that the Amador County Elections Department prepare and publish the required notice.
12. The election on the measures set forth above shall be held and conducted, the votes canvassed and the returns made, and the results ascertained and determined as provided for herein. In all particulars not prescribed in this resolution, the election shall be held as prescribed in accordance

with the Elections Code of the State of California. The Board of Supervisors of the Amador County is authorized and requested to canvas the returns of that election with respect to the votes cast in the City of Plymouth and certify the results to the City Council. At the next regular meeting of the City Council occurring after the returns of the election have been canvassed and the certification of the results to the City Council, the City Council shall cause to be entered in its minutes a statement of the results of the election.

13. The City Manager is hereby authorized and directed to expend the necessary funds to pay for the City's cost of placing the measures on the election ballot.
14. The City Clerk is hereby authorized and directed to certify the adoption of this resolution and to transmit a copy hereof so certified to the Board of Supervisors and the Registrar of Voters of Amador County. The City Clerk is further directed to take all steps necessary to place the measures on the ballot and to cause the ordinance attached as Exhibit A to be printed and published. A copy of the ordinance shall be made available to any voter upon request.

PASSED AND ADOPTED this 26<sup>th</sup> day of April, 2012, by the following vote:

**AYES:** Peter Amoruso, Jon Colburn, Patricia Shackleton, Greg Baldwin, Sandy Kyles

**NOES:** None

**ABSTAIN:** None

**ABSENT:** None

\_\_\_\_\_  
Sandy Kyles, Mayor

ATTEST:

\_\_\_\_\_  
Gloria Stoddard, City Clerk

**Attachment I**

• **Draft City of Woodland Tax and Tax Advisory Resolution**

RESOLUTION NO. \_\_\_\_\_

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WOODLAND CALLING A GENERAL MUNICIPAL ELECTION FOR THE ELECTION OF TWO COUNCIL MEMBERS AND CALLING A SPECIAL ELECTION FOR THE PURPOSE OF SUBMITTING A GENERAL TAX MEASURE TO CONTINUE A ONE QUARTER CENT SALES TAX THAT WOULD EXPIRE IN EIGHT YEARS AND FOUR ADVISORY MEASURES, SAID ELECTIONS TO BE HELD IN THE CITY OF WOODLAND ON JUNE 3, 2014, AND DIRECTING THE CONSOLIDATION OF THE ELECTIONS WITH THE STATEWIDE PRIMARY ELECTION AND ALL OTHER ELECTIONS

WHEREAS, the City Council of the City of Woodland, by adoption of Ordinance 1299 on December 16, 1997, established that the City's regular municipal election would be consolidated with the Statewide primary election; and

WHEREAS, on October 6, 1997, Assembly Bill 1472 became law, adding Chapter 2.93 (commencing with Section 7286.52) to Part 1.7 of Division 2 of the Revenue and Taxation Code; and

WHEREAS, Assembly Bill 1472 authorizes the City of Woodland (hereinafter "the City"), subject to approval by a majority vote of the qualified voters of the City voting in an election on the issue, to continue to levy a transactions and use tax pursuant to the Transactions and Use Tax Law at a rate of 0.25%, not to exceed a total of 2.0% in any County, for general revenue purposes; and

WHEREAS, Section 2(b) of Article XIII C of the California Constitution, added by Proposition 218 effective November, 1996, requires that the 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 of the local government; and

WHEREAS, pursuant to California Constitution Article XIII C, Section 2(b) and Elections Code section 10201, the City has determined to submit a proposition to enact an Ordinance re-authorizing a supplemental transactions and use tax to the voters at the City's next regular election; and

WHEREAS, pursuant to Elections Code section 9603, the City has determined to submit to the voters, concurrent with the proposed Ordinance re-authorizing a transactions and use tax in the City, four advisory measures concerning the City services, programs and facilities that could be funded by the transactions and use tax fund, if approved; and

WHEREAS, the City may request the Yolo County Board of Supervisors to direct the County Elections Official to render services to the City relating to the conduct of an election.

THE CITY COUNCIL OF THE CITY OF WOODLAND DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Calling of the General Municipal Election. Pursuant to the requirements of the laws of the State of California relating to municipal elections, there shall be, and there is hereby called and ordered held in the City of Woodland, County of Yolo, State of California, on June 3, 2014, a general municipal election of the qualified electors of the City of Woodland, for the purpose of electing two (2)

members of the City Council for a full term of four (4) years each. The general municipal election shall be held and conducted as provided for by law for the holding of municipal elections in the City.

Section 2. Calling of the Special Election. Pursuant to the requirements of the laws of the State of California relating to municipal elections, including municipal elections consolidated with other elections, the City Council of the City of Woodland hereby calls and orders held a special municipal election to be held in the City of Woodland, County of Yolo, State of California, on June 3, 2014, for the purpose of placing on the ballot five ballot measures. Pursuant to Elections Code section 9222, a measure to enact an Ordinance continuing a transactions and use tax, and four advisory measures, shall be submitted to the voters at the City's next regular municipal election on June 3, 2014.

Section 3. Consolidation of the Election. The City Council hereby requests the Yolo County Board of Supervisors to consolidate the general municipal election and the special election on the proposition and the advisory measures with the Statewide election and all other elections to be held within the City on June 3, 2014.

Section 4. Election Related Services. Pursuant to Elections Code section 10002, the City requests and authorizes the Yolo County elections official to provide the services necessary to implement the election and to consolidate the election on the June 3, 2014 Election Ballot for the County of Yolo. Such services include the publication of notices calling the election and calling for ballot arguments, provision of precinct maps, provision of voter lists, obtaining and staffing polling places, hiring and training of precinct workers, provision and delivery of precinct supplies, provision of microfiche of voters and poll locations, if desired, counting of ballots and certification of the election, and all other aspects of elections not specified herein that may be agreed upon between the County Clerk and the City Clerk.

Section 5. Impartial Analysis. Pursuant to Elections Code section 9280, the City Elections Official shall transmit a copy of the measure to the City Attorney, who shall prepare an impartial analysis of the measure showing the effect of the measure on existing law and the operation of the measure.

Section 6. Arguments. The Yolo County Clerk shall fix the dates for submittal of arguments concerning the measure and rebuttal arguments. The City hereby adopts the provisions of Elections Code section 9285, regarding the acceptance of rebuttal arguments.

Section 7. Ballot Measures. Pursuant to Elections Code section 10403, the ballot forms shall have printed on them the following words with regard to the measures:

“**MEASURE** \_\_\_: Shall Ordinance No. \_\_\_\_\_, which would authorize the City of Woodland to continue to collect a one-quarter cent sales tax for general city services, for a period of eight years, and would not increase taxes, be adopted?

\_\_\_\_\_ YES \_\_\_\_\_ NO”

“**MEASURE** \_\_\_: Advisory Vote Only. Shall the City Council allocate 60% of the tax revenue collected from any sales tax measure re-authorized in the City of Woodland via the June 2014 ballot to expand and enhance youth and teen programs and facilities, including funding to support the re-opening of Hiddleson Pool, and reduction of fees charged for youth programs and use of city recreation facilities?

\_\_\_\_\_ YES \_\_\_\_\_ NO”

“**MEASURE** \_\_\_: Advisory Vote Only. Shall the City Council allocate 20% of the tax revenue collected from any sales tax measure re-authorized in the City of Woodland via the June 2014

ballot to the Woodland Public Library to enhance educational and youth literacy programs and expand hours of operation?

\_\_\_\_\_ YES \_\_\_\_\_ NO”

“**MEASURE**\_\_\_: Advisory Vote Only. Shall the City Council allocate 15% of the tax revenue collected from any sales tax measure re-authorized in the City of Woodland via the June 2014 ballot to enhance public safety through expanded crime prevention programs such as Neighborhood Watch and services supporting at-risk youth including gang intervention strategies?

\_\_\_\_\_ YES \_\_\_\_\_ NO”

“**MEASURE**\_\_\_: Advisory Vote Only. Shall the City Council allocate up to 5% of the tax revenue collected from any sales tax measure re-authorized in the City of Woodland via the June 2014 ballot to support a city water and sewer utility ratepayer assistance program for low-income residents?

\_\_\_\_\_ YES \_\_\_\_\_ NO”

A full and complete copy of Ordinance No. \_\_\_\_\_ is attached hereto as Exhibit 1 and incorporated herein.

Section 8. City’s Reimbursement of Costs. The City of Woodland shall reimburse the County of Yolo for all costs and expenses incurred by the County in conducting said election upon presentation of a bill to the City.

Section 9. Forwarding of Resolution to the County. The City Clerk is authorized and directed to file a copy of this Resolution with the Board of Supervisors and the County Clerk upon its adoption by the City Council.

Section 10. Implementation Actions. The City Manager and the City Clerk, as authorized by the City Manager, are further authorized and directed to take such further actions and execute such documents as are necessary to cause the election to be conducted on behalf of the City of Woodland.

PASSED AND ADOPTED this 7th day of January, 2014, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
Marlin H. Davies, Mayor

APPROVED AS TO FORM:

\_\_\_\_\_  
Kara K. Ueda, City Attorney

ATTEST:

\_\_\_\_\_  
Ana B. Gonzalez, City Clerk