ORDINANCE NO. 21-002

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PACIFIC GROVE AMENDING THE PACIFIC GROVE MUNICIPAL CODE TO IMPLEMENT THE GENERAL TAX INCREASE APPROVED AT THE ELECTION HELD ON NOVEMBER 3, 2020

FACTS

1. The City of Pacific Grove (City) is a Charter City. As such, the City holds the power to make and enforce all ordinances and regulations about municipal affairs, including the conduct of City elections. (Cal Const art XI, §5(b).) California Constitution Article XI, §5(a), the “home rule” provision, affirmatively grants charter cities supremacy over “municipal affairs.”

2. On July 1, 2020, the Pacific Grove City Council adopted Resolution 20-027 directing the Monterey County Elections Department to conduct an election on November 3, 2020 seeking approval of a tax measure (Measure L) to increase the City’s 1% sales tax to 1.5% as a general tax. On November 3, 2020, 5,368 voters (59.84%) cast “yes” ballots; 3,603 voters (40.16%) cast “no” ballots on that ballot measure.

3. The effect of the Measure L was to enable an increase to the City Transaction and Use Tax by amending Pacific Grove Municipal Code (PGMC) Chapter 6.07.

4. The City Council affirms its intent, and that of the majority of voters in the City who cast ballots on Measure L, to adopt a 0.5% increase to the City sales tax by causing amendment of PGMC Chapter 6.07, Transactions and Use Tax. The effect of Measure L is thus to amend PGMC Chapter 6.07. No change shall be made to PGMC Chapter 6.08, Uniform Sales and Use Tax.

5. Enactment of this Ordinance does not constitute a “project” under California Environmental Quality Act (CEQA) Section 15378 because it has no potential to result in physical change in the environment, directly or indirectly.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PACIFIC GROVE DOES ORDAIN AS FOLLOWS:

SECTION 1. The above Facts are adopted as findings of the City Council as though set forth fully herein. In addition, the Facts set forth in Resolution No. 20-040 are concurrently adopted as additional findings as though set forth fully herein.

SECTION 2. The text set forth in existing Section 6.07.050 of Chapter 6.07 of the Pacific Grove Municipal Code shall be changed by the addition of all text shown in bold, italic, underscored text (bold, italic, underscored text), as follows:
6.07.050    Imposition of 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
\textit{and one-half} percent of the gross receipts of any retailer from the sale of all
tangible personal property sold at retail in the city on and after the operative date
of the ordinance codified in this chapter.

SECTION 3. The proceeds deriving from the provisions of Section 2 shall be a
“general tax,” the revenue from which shall be placed into the City’s General Fund and
be available for any and all Municipal purposes.

SECTION 4. If any provision, section, paragraph, sentence, clause, or phrase of
this ordinance, or any part thereof, or the application thereof to any person or
circumstance is for any reason held to be invalid or unconstitutional by a court of
competent jurisdiction, or by this City, such decision shall not affect the validity of the
remaining portions of this ordinance, or any part thereof, or its application to other
persons or circumstances.

SECTION 5. This ordinance shall take effect 30 days following its passage and
adoption on second reading.

**PASSED AND ADOPTED** BY THE COUNCIL OF THE CITY OF PACIFIC
GROVE this 20\textsuperscript{th} of January, 2021, by the following vote:

AYES: Mayor Peake, Councilmembers Amelio, Coletti, McAdams, Poduri,
Smith, and Tomlinson

NOES: None.

ABSENT: None.

APPROVED:

\begin{center}
\textbf{Bill Peake, Mayor}
\end{center}

\begin{center}
\textbf{1/21/2021}
\end{center}

\textbf{ATTEST:}  
\textbf{DATED:}  

\begin{center}
\textbf{SANDRA KANDELL, City Clerk}
\end{center}
APPROVED AS TO FORM:

David C. Laredo

DAVID C. LAREDO, City Attorney