RESOLUTION NO. 21-036

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PACIFIC GROVE CALLING A SPECIAL ELECTION ON APRIL 12, 2022, PLACING A BALLOT MEASURE ON THE SPECIAL ELECTION, AND REQUESTING COUNTY ELECTIONS CONDUCT THE ELECTION FOR THE CITY OF PACIFIC GROVE

WHEREAS, general municipal elections shall be held in the City on the first Tuesday after the first Monday in November in each even numbered year under and pursuant to the provisions of the General Laws of the State of California so far as the same may be applicable, except as herein otherwise provided. All other municipal elections that may be held by authority of this Charter or of the General Law shall be known as special municipal elections; and

WHEREAS, the City Council has concurrently with this resolution declared an existence of an emergency that requires the immediate and urgent enactment of a tax measure to preserve public peace, health, and safety of the City; and

WHEREAS, pursuant to Elections Code Section 10002, the governing body of the City of Pacific Grove requests the Board of Supervisors of Monterey County to permit Monterey County Elections to provide any and all services necessary for conducting a special election on April 12, 2022, for purposes of placing a ballot measure before the electorate; and

WHEREAS, pursuant to Elections Code Section 10002, Monterey County Elections shall supply the elections official with a list of its precincts, or consolidated precincts, as applicable; and

WHEREAS, pursuant to Elections Code Section 10002 the City shall reimburse the county in full for the services performed upon presentation of a bill; and

WHEREAS, the City Clerk and County Registrar of Voters are authorized to print forms, publish notices, and provide information as may be necessary or convenient to assure the orderly conduct of the special election, and they shall do all other things necessary to facilitate the holding of the special election in a manner consistent with law; and

WHEREAS, pursuant to Elections Code Section 10400, whenever two or more elections, including bond elections, of any legislative or congressional district, public district, city, county, or other political subdivision are called to be held on the same day, in the same territory, or in territory that is in part the same, they may be consolidated upon the order of the governing body or bodies or officer or officers calling the elections; and

WHEREAS, pursuant to Elections Code Section 10403, whenever an election called by a district, city or other political subdivision for the submission of any question, proposition, or office to be filled is to be consolidated with a statewide election, and the question, proposition, or office to be filled is to appear upon the same ballot as that provided for that statewide election, the district, city or other political subdivision shall, at least 88 days prior to the date of the election, file with the board of supervisors, and a copy with the elections official, a resolution of its governing board requesting the consolidation, and setting forth the exact form of any question, proposition, or office to be voted upon at the election, as it is to appear
on the ballot. Upon such request, the Board of Supervisors may order the consolidation. The resolution requesting the consolidation shall be adopted and filed at the same time as the adoption of the ordinance, resolution, or order calling the election;

WHEREAS, pursuant to Elections Code Section 10400, such election for cities and special districts may be either completely or partially consolidated; and

WHEREAS, except as otherwise recited in this resolution, the election shall be held and conducted as provided by the law for holding special elections.

WHEREAS, the City Council desires to call a special municipal election on the tax measure for April 12, 2022.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PACIFIC GROVE:

SECTION 1. The foregoing recitals are adopted as findings of the City Council as though set forth fully herein.

SECTION 2. Pursuant to Pacific Grove Article 8, and Elections Code Sections 10401 and 10403, the governing body of the City of Pacific Grove hereby orders an special election be called and consolidated with any and all elections also called to be held on April 12, 2022, insofar as said elections are to be held in the same territory or in territory that is in part the same as the territory of the Board of Supervisors of the County of Monterey.

SECTION 3. Pursuant to Elections Code Section 10002 said governing body hereby requests the Board of Supervisors of the County of Monterey to permit the Monterey County Elections Department to provide any and all services necessary for conducting an election and agrees to pay for said services in full.

SECTION 4. The City Manager is authorized to execute all documents and to perform all other necessary City acts to enter into a service agreement for the provision of election services with Monterey County Registrar of Voters.

SECTION 5. The text of the ballot measure is attached to this Resolution as Exhibit 1. A copy of the measure shall be available for public inspection in the City Clerk’s office at 300 Forest Avenue, Pacific Grove, and on the City’s website at www.cityofpacificgrove.org. Upon request, copies will be sent at the expense of the City.

SECTION 6. The Monterey County Elections Department shall conduct the election to be held on April 12, 2022, and submit to the electorate the following ballot measure question:

CITY MEASURE (   )

Shall Pacific Grove Municipal Code be amended to increase the City’s current 1% transactions and use tax to 1.5%, until amended by subsequent vote, as a general tax to generate an estimated $1,126,000 or $1.1
million annually, to fund capital needs; maintain public safety and
emergency preparation; enhance City infrastructure including roads,
parks, trees, trails, and beaches, and invest in community facilities; and
provide general City services, with all revenues requiring an annual
independent audit?

Yes (____)  
No (____)

SECTION 7. The Monterey County Elections Department is requested to not print the attached full
measure text in the voter information guide but send a copy to voters upon request at the cost of the city (EC
§9280). In addition, the full text will be available at the following website address
www.cityofpacificgrove.org.

SECTION 8. The ballots to be used at the election shall be in form and content as required by
law.

SECTION 9. The last day to submit arguments (300 words) for or against the proposed measure
shall be January 20, 2022. Submittals are to be delivered to the City Clerk on or before 12:00 p.m.

SECTION 10. The last day to submit rebuttal arguments (250 words) for the proposed
measure shall be January 27, 2022. Submittals are to be delivered to the City Clerk on or before 12:00
p.m.

SECTION 11. The City Council directs the City Clerk to transmit a copy of the measure to the City
Attorney and directs the City Attorney to prepare an impartial analysis (500 words) of the measure pursuant
to Elections Code section 9280 no later than 12:00 p.m. January 20, 2022.

SECTION 12. The tax measure shall pass only if a majority of the votes cast on the measure are
“yes” votes.

SECTION 13. In all particulars not recited in this resolution, the election shall be held and
conducted as provided by general law for holding special municipal elections.

SECTION 14. The City Clerk and the County Registrar of Voters are authorized to print such forms,
publish such notices, and provide such information as may be necessary or convenient to assure the orderly
holding of the election, and they shall do all other things necessary to facilitate the holding of the election in
a manner harmonious and consistent with law.

SECTION 15. The Monterey County Election Department is authorized to canvass the returns of
the Special Municipal Election.

SECTION 16. The City Council shall meet to declare the results of the election called for by this
Resolution at their first regular meeting following certification of election results.
SECTION 17. The City Clerk is hereby directed to file a certified copy of this Resolution with the Board of Supervisors and the Monterey County Elections Department.

SECTION 18. The City Clerk shall publish a copy of this resolution in a newspaper of general circulation within the City once within fifteen (15) days after the adoption of this resolution.

SECTION 19. The City Council finds that this is not a project under the California Environmental Quality Act by virtue of the State CEQA Guidelines, 14 Code of California Regulations section 15378, subdivision (b)(3) and, therefore, no environmental impact assessment is necessary.

SECTION 20. If any provision of this resolution, or any provision of the measure authorized by this resolution, is for any reason held to be invalid or unconstitutional, the remaining provisions shall not be affected, but shall remain in full force and effect, and to this end the provisions of this measure are severable.

SECTION 21. This resolution shall become effective immediately following passage and adoption.

PASSED AND ADOPTED by the Council of the City of Pacific Grove on this 15th day of December 2021 by the following vote:

AYES: Mayor Peake, Mayor Pro Tem Smith, Councilmembers Amelio, Coletti, McCAdams, Poduri, and Tomlinson.

NOES: None.

ABSENT: None.

APPROVED:

BILLY PEACE, Mayor

ATTEST: 12/16/2021

DATED: __________________________

SANDRA KANDELL, City Clerk

APPROVED AS TO FORM:

DAVID C. LAREDO, City Attorney
EXHIBIT 1
ORDINANCE NO. 21-032

AN URGENCY ORDINANCE OF THE COUNCIL OF THE CITY OF PACIFIC GROVE AMENDING CHAPTER 6.07 OF THE PACIFIC GROVE MUNICIPAL CODE TO INCREASE THE GENERAL PURPOSE TRANSACTIONS AND USE TAX (SALES TAX) RATE BY AN ADDITIONAL HALF-PERCENT (0.50%) THEREBY ESTABLISHING A NEW TRANSACTIONS AND USE TAX RATE OF ONE AND ONE-HALF PERCENT (1.5%) TO BE ADMINISTERED BY THE CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION, SUBJECT TO ADOPTION BY THE ELECTORATE

FACTS

1. The City Council has the authority under Elections Code Section 9222, Revenue and Taxation Code Section 7285.9, and Government Code Sections 53723 and 53724 to place a ballot measure before the voters to establish a local transactions and use tax (sales tax) for general municipal purposes; and

2. The City currently imposes a 1% local transactions and use tax as previously approved by the electorate of the City, which is a significant revenue source for the City as it generates an estimated $2.3 million a year; and

3. Pursuant to Revenue and Taxation Code Sections 7251.1, the combined rate of all transaction and use taxes imposed by the City and County is capped at 2%, there is remaining capacity within the local transactions and use tax cap, and the City is authorized to increase and extend the tax contingent on voter approval; and

4. The City seeks to increase the local transactions and use tax rate by an additional one-half percent (0.5%) to establish a new transaction and use tax rate of one and one-half percent (1.5%) (replacing the former one percent (1.0%) tax), in order to generate additional revenue that may be used immediately to mitigate spending reductions that will need to be enacted as part of the upcoming budget to assist with long-term financial stability; and

5. Article XIII C of the California Constitution requires new or increased taxes be submitted to the voters prior to becoming effective. Article XIII C, Section 2(b) also requires that an election to approve a general tax measure be consolidated with a City Council election unless an emergency is declared by a unanimous vote of the City Council; and

6. The City faces an emergency that necessitates the placement of this measure on the ballot prior to the next regularly scheduled City Council municipal election; and

7. Voter approval on April 12, 2022 would provide the City with financial certainty regarding the long-term viability of this revenue; and

8. Pacific Grove Municipal Charter, Article 15, paragraph (g), provides in part “no action… levying of any tax… shall be taken except by ordinance.”; and
9. Pacific Grove Municipal Charter, Article 15, paragraph (d), provides in part "any ordinance declared by the Council to be necessary as an emergency measure for preserving the public peace, health, safety or public welfare, and containing the reasons for its urgency, may be introduced and if passed by a vote of no fewer than five members of the Council shall become effective immediately."

10. The City Council unanimously declares this ordinance is necessary as an emergency measure; reasons for this declaration of urgency are that financial circumstances of the City immediate and urgent enactment of a new tax measure to increase revenues to the City and to preserve the public peace, health, safety and welfare of the community, to avoid work stoppages and service disruptions that may result from additional staff cuts or reductions in force, and to avoid permanent impairment of valued community services provided by the library, recreation department, and other cultural resources within the City. The financial emergency may also result in the crippling consequence of budget depletion; and

11. The City Council finds this ordinance is not a project under the California Environmental Quality Act by virtue of the State CEQA Guidelines, 14 Code of California Regulations section 15378, subdivision (b)(3) and, therefore, no environmental impact assessment is necessary.

THE COUNCIL OF THE CITY OF PACIFIC GROVE DOES ORDAIN, SUBJECT TO ADOPTION BY THE ELECTORATE, as follows:

SECTION 1: The foregoing Facts are adopted as findings of the City Council as though set forth fully herein.

SECTION 2: The provisions of Chapter 6.07 of the Pacific Grove Municipal Code shall be deleted in their entirety, and in its place, the following provisions shall be enacted as Chapter 6.07.

6.07.010. TITLE. The ordinance enacting this Chapter shall be known as the Pacific Grove General Transactions and Use Tax Ordinance. The City of Pacific Grove hereinafter shall be called "City." Title 6.07 shall be applicable in the incorporated territory of the City.

6.07.020. PURPOSE. This Chapter is enacted to achieve, among other purposes, the following, and directs its provisions be interpreted in order to accomplish those purposes:

A. To impose a retail Transactions and Use Tax increase 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 increase 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 increase and provides a measure therefore that can be administered and collected by the California Department of Tax and Fee Administration 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 California Department of Tax and Fee Administration 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.

6.07.030. CONTRACT WITH STATE. Prior to the operative date, the City shall contract with the California Department of Tax and Fee Administration 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 California Department of Tax and Fee Administration 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.

6.07.040. 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 1.5% 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.

6.07.050. 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 California Department of Tax and Fee Administration.

6.07.060. 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 1.5% 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.
6.07.060. 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.

6.07.070. 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 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 California Department of Tax and Fee Administration, 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.

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

6.07.080. 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.

6.07.090. 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.

6.07.100. 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.

6.07.110. TERMINATION. The taxes imposed by this article shall continue until terminated by a majority of the electors voting in an election.

SECTION 3. 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.

SECTION 4. 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.

SECTION 5. 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.

SECTION 6. EFFECTIVE DATE. This ordinance relates to the levying and collecting of the City Transactions and Use Taxes and shall take effect immediately if the tax is imposed by a simple majority of the voters voting on the question at the April 12, 2022, election. Taxes authorized by this measure shall be collected at the first date allowed by the California Revenue and Taxation Code, section 7265.

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF PACIFIC GROVE this 15th day of December, by the following vote:

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

NOES: None.

ABSENT: None.

APPROVED:

[Signature]
BILL PEAKE, Mayor
ATTEST: 12/16/2021
DATED: ____________________________

SANDRA KANDELL, City Clerk

APPROVED AS TO FORM:

DAVID C. LAREDO, City Attorney