



APPROVED BY
CITY MANAGER

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

**FROM: OFFICE OF THE CITY MANAGER
BY: ROGER BRADLEY, CITY MANAGER**

DATE: JULY 23, 2024

SUBJECT: ADOPTION OF RESOLUTIONS PERTAINING TO A PROPOSED BALLOT MEASURE ESTABLISHING A SUPPLEMENTAL TRANSACTIONS AND USE (SALES) TAX IN THE CITY OF DOWNEY OF ¼ CENT TO BE SUBMITTED TO THE VOTERS AT THE NOVEMBER 5, 2024 GENERAL MUNICIPAL ELECTION

EXECUTIVE SUMMARY

The City Council will consider adopting a resolution to place on the ballot for the general municipal election on November 5, 2024 a measure establishing a supplemental ¼ cent transactions and use (sales) tax in the City of Downey to enhance and maintain City-owned public safety services, and overall City operations and programing.

RECOMMENDATION

That the City Council adopt:

1. Adopt Resolution 24-8258, Calling for the Placement of a General (Sales) Tax Measure on the Ballot for the November 5, 2024 General Municipal Election for the submission to the Qualified Voters of an Ordinance to Enact a Supplemental General Transactions and Use Tax (Sales Tax) At the Rate of One-Quarter Cent (1/4¢); and
2. Adopt Resolution 24-8259, Requesting the Board of Supervisors of the County of Los Angeles to Consolidate a General Municipal Election to be held on November 5, 2024 with the Statewide General Election to be held on that date pursuant to Section 10403 of the Elections Code; and
3. Adopt Resolution 24-8260, Providing for the Filing of Primary and Rebuttal Arguments and Setting Rules for the Filing of Written Arguments Regarding a City Measure to be Submitted at the November 5, 2024 General Municipal Election.

BACKGROUND

The City continues to be a strong fiscal steward of taxpayer dollars, including the City's transaction and use sales tax. The City strives to continue providing the level of services residents expect and deserve; yet, at the same time, the costs of providing these services continue to increase.

Last year, the City began exploring locally controlled revenue and cost cutting options to ensure the City's long-term financial stability while maintaining the high quality of life residents enjoy in Downey.

Over the last seven months, the City engaged over 1,200 residents through community surveys, several community presentations, and interactive community engagement efforts throughout the City, known as *the Downey Discussion*. More specifically, in May, a total of 23,471 surveys were mailed to households in the City of Downey to gather input about city services and future spending priorities. As of July 16, 2024, a total of 941 surveys were received (261 by mail and 680 online).

Based on the survey responses, residents identified their top four community priorities as follows:

- Preventing crimes including theft and burglaries
- Maintaining 911 emergency and medical response times
- Helping ensure children have safe places to play
- Maintaining medical emergency ambulance services

The majority of comments mentioned in the surveys focused on enhancing and maintaining public safety services, as well as repairing City streets.

In a community survey conducted by an independent research firm last month, as much as 71% of respondents felt there was a need for additional funding for City services. Furthermore, 62% of respondents said they would support a ¼ cent locally controlled sales tax measure (50 +1% threshold needed for passage) to fund Downey City services such as public safety, public works, and quality of life services.

DISCUSSION

Proposed Ballot Measure

In 2023, Downey saw a five year high in reported property crimes, including over a combined 3,100 robberies, burglaries, and thefts including auto thefts.

The proposed measure would provide locally controlled funding to help maintain 911 emergency response times and police patrols in neighborhoods and business areas to keep residents and their property safe.

Additionally, over 70% of calls to the Downey Fire Department are related to medical emergencies, and the proposed measure will help maintain and improve response times and ensure the City is able to recruit and retain well-qualified firefighters, paramedics, as well as ensure they have lifesaving equipment to respond to emergencies and save lives.

Further, Downey is one of the few cities in the region to be a full-service City, including having its own police and fire departments, and without sufficient funding to maintain these services, the look, feel, and safety of the community may be impacted.

The proposed measure will help maintain local control of vital services; ensure adequate funding and resources for first responders, parks, and road maintenance; help ensure children have safe places to play; preserve youth and senior programs; and maintain the highest quality of life in the area.

Local Control

The State of California maximum sales tax rate is 10.25%, unless approved by voters. The following is the breakdown of the Los Angeles sales tax rate:

Entity	Rate
California State Tax Rate	7.25%
Los Angeles County Tax Rate	1.00%
Special Tax Rate	1.25%
Total LA County Tax Rate	9.50%

With the City's Measure S ½ percent sales tax, Downey's sales tax is 10%.

It should be noted that part of the 9.50% LA County sales tax rate includes Measure H.

In November 2016, LA County voters approved a ¼ percent transaction and use tax, known as Measure H, to prevent and combat homelessness. Measure H became effective in March 2017. Downey residents contribute approximately \$6 million annually to Measure H, but the City has received \$0 in direct benefits. Measure H is set to expire in 2027; however, the County is pursuing its reauthorization this coming November.

In the last few elections, there has been an increase in the number of local agencies attempting to capture the remaining ¼ percent sales tax rate where they have not yet reached the State's tax limit of 10.25%, such as Downey.

The proposed ballot measure would capture the remaining ¼ percent, removing the ability of other entities to pass a measure that would draw money from Downey while having no direct benefits to the City (such as Measure H), and ensuring that additional revenues to the City be fully locally controlled and spent to benefit Downey residents only. That is,

one-hundred percent of the funds from the City’s proposed measures will remain here and belong to the City of Downey.

City Comparison

As of July 1, 2024, 450 municipalities and 37 counties in California levy a transaction and use tax beyond the California State Tax Rate of 7.250%, with rates ranging from 0.125% to 3.25%.

Below is the current sales tax rates of surrounding communities in comparison to Downey.

City	Rate
Bell Gardens	10.250%
Bellflower	10.250%
Lakewood	10.250%
Montebello	10.250%
Norwalk	10.250%
Paramount	10.250%
Pico Rivera	10.250%
Santa Fe Springs	10.50% * Voters approved rate above the state limit of 10.25%
South Gate	10.250%
Whittier	10.250%
Downey	10.00%

Increasing the City’s transactions and use tax by ¼ cent would align the City with neighboring jurisdictions.

Ballot Measure Language

The ballot question for the transactions and use tax reads as follows:

<u>Public Safety/Local Control Measure.</u> To maintain Downey’s long-term financial stability and general city services such as 911 response and fire/police protection; prevent crimes/thefts; recruit/retain well-trained firefighters/police officers; help ensure children have safe places to play; repair streets/potholes; shall an ordinance establishing a ¼¢ sales tax providing approximately \$6,000,000 annually until ended by voters; requiring audits, public spending disclosures/ all funds locally controlled benefiting Downey residents, be adopted?	Yes No
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Exemptions to the Transactions and Use Tax

As required by State law, certain items are exempted from the proposed transactions and use tax ordinance:

1. Sales of tangible personal property, other than fuel or petroleum products, to operators of aircraft to be used and consumed principally outside Los Angeles County;
2. Sales of property to be used outside the City and shipped to a point outside the City by the retailer or his/her agent;
3. Sales 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 April 1, 2025;
4. A lease of tangible personal property which is a continuing sale of such property, for any period of time for which the lesser is obligated to lease the property for an amount fixed by the lease prior to April 1, 2025; and
5. Other exemptions and exclusions required by state law (i.e. food, medicine).

By adopting the attached Resolutions, the City Council would be approving the transactions and use tax ordinance attached to the primary Resolution as “Exhibit A” and submitting the ordinance as a ballot measure for voter approval at the November 5, 2024 election – as required by State law. The Ordinance would be known as the “City of Downey Supplemental General Transactions and Use Tax Ordinance” and be codified as new Chapter 1F to Article VI of the Downey Municipal Code. Approval of the resolution requires a 2/3 vote per State Law.

The transactions and use tax is a general tax requiring approval by a majority of voters voting on the ballot measure. If approved by the voters, the transactions and use tax would take effect on April 1, 2025 and is estimated to generate \$6 million annually for the City’s general fund budget.

FISCAL IMPACT

Should the additional ¼ cent transactions and use sales tax rate be approved by the voters, it could result in approximately \$6,000,000 of new revenue to the City, annually. There are also costs associated with placing the measure on the November 5, 2024 ballot. The City is required to reimburse Los Angeles County for the actual costs incurred in administrating the election on behalf of the City. The County estimates the additional cost to include this measure on the November 2024 ballot to be approximately \$35,000.

CITY COUNCIL PRIORITIES

Fiscal Responsibility
Quality of life, Safety and Infrastructure

ADOPTION OF RESOLUTIONS PERTAINING TO A PROPOSED BALLOT MEASURE ESTABLISHING
A SUPPLEMENTAL TRANSACTIONS AND USE (SALES) TAX IN THE CITY OF DOWNEY OF ¼ CENT
TO BE SUBMITTED TO THE VOTERS AT THE NOVEMBER 5, 2024 GENERAL MUNICIPAL
ELECTION
July 23, 2024
Page 6

ATTACHMENT

Attachment A – Resolution No. 24-8258
Attachment B – Resolution No. 24-8259
Attachment C – Resolution No. 24-8260

RESOLUTION NO. 24-8258

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DOWNEY CALLING FOR THE PLACEMENT OF A GENERAL (SALES) TAX MEASURE ON THE BALLOT FOR THE NOVEMBER 5, 2024 GENERAL MUNICIPAL ELECTION FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF AN ORDINANCE TO ENACT A SUPPLEMENTAL GENERAL TRANSACTIONS AND USE TAX (SALES TAX) AT THE RATE OF ONE-QUARTER CENT (1/4¢)

WHEREAS, the City of Downey (“City”) is authorized to levy a Transactions and Use (sales) Tax (“TUT”) for general purposes pursuant to California Revenue and Taxation Code Section 7285.9, subject to approval by a majority vote of the electorate pursuant to Article XIII C, Section 2 of the California Constitution (“Proposition 218”); and

WHEREAS, pursuant to California Elections Code section 9222, the City Council has authority to place local measures on the ballot to be considered at a Municipal Election; and

WHEREAS, the City Council would like to submit to the voters at the November 5, 2024 General Municipal Election a measure establishing a supplemental general TUT of one-quarter cent (1/4¢) on the sale and/or use of all tangible personal property sold at retail in the City until it is repealed by voters, as more specifically set forth in the attached proposed ordinance adding Chapter 1F to Article VI of the City’s Municipal Code; and

WHEREAS, the one-quarter cent (1/4¢) TUT is a general tax, the revenue of which will be placed in the City’s general fund and will be used to pay for general City services; and

WHEREAS, Downey is a full service City with its own police and fire departments; and

WHEREAS, last year saw a five year high in reported property crimes in Downey, and in 2023 there were over a combined 3,100 robberies, burglaries and thefts including auto thefts; and

WHEREAS, the proposed measure would provide locally controlled funding that could help maintain 911 emergency response times and police patrols in neighborhoods and business areas; and

WHEREAS, over 70% of calls to the Downey Fire Department are related to medical emergencies; and

WHEREAS, funding from the proposed measure could help maintain and improve emergency response times as well as recruit, retain, and equip firefighters and paramedics to respond to emergencies; and

Resolution No. 24-8258

Page 2

WHEREAS, the proposed measure will provide locally controlled funds that could be used for maintaining 911 emergency response times, resources for first responders, preventing crimes including thefts and burglaries, ensuring children have safe places to play, parks, road maintenance, playgrounds, and youth and senior programs and maintaining Downey's quality of life; and

WHEREAS, all funds from the measure would be locally controlled and must be spent to benefit Downey residents; and

WHEREAS, on November 6, 1996, the voters of the State of California approved Proposition 218, an amendment to the State Constitution that requires that all general taxes which are imposed, extended or increased must be submitted to the electorate and approved by a majority vote of the qualified electors voting in the election; and

WHEREAS, pursuant to Proposition 218 (California Constitution, Article XIII C, section 2(b)), the general rule is that any local election for the approval of an increase to a general tax must be consolidated with a regularly scheduled general election for members of the governing body of the local government; and

WHEREAS, the next regularly scheduled general election at which City Council members will be elected is November 5, 2024; and

WHEREAS, pursuant to Revenue and Taxation Code section 7285.9, a two-thirds (2/3) vote of all members of the City Council is required to place the Measure on the November 5, 2024 ballot; and

WHEREAS, the ordinance to be considered by the qualified voters and the terms of approval, collection and use of the general TUT are described and provided for in the ordinance/measure attached hereto as Exhibit "A" (the "Measure") and by this reference made an operative part hereof, in accordance with all applicable laws.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF DOWNEY DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. Incorporation of Recitals. The foregoing recitals are true and correct and are hereby incorporated and made an operative part of this Resolution.

SECTION 2. Submission of Ballot Measure. Pursuant to California Elections Code Section 9222, Revenue and Taxation Code Section 7285.9, and any other applicable requirements of the laws of the State of California relating to the City, the City Council, **by a two-thirds (2/3) vote of all members**, hereby orders the Measure to be submitted to the voters of the City at the General Municipal Election to be held on **Tuesday, November 5, 2024.**

SECTION 3. The City Council, pursuant to California Elections Code section 9222, hereby orders that the ballot question for the Measure shall be presented and printed upon the ballot submitted to the qualified voters in the manner and form set

forth in this Section 3. On the ballot to be submitted to the qualified voters at the General Municipal Election to be held on Tuesday, November 5, 2024, in addition to any other matters required by law, there shall be printed substantially the following ballot question:

Public Safety/Local Control Measure To maintain Downey’s long-term financial stability and general city services such as 911 response and fire/police protection; prevent crimes/thefts; recruit/retain well-trained firefighters/police officers; help ensure children have safe places to play; repair streets/potholes; shall an ordinance establishing a 1/4¢ sales tax providing approximately \$6,000,000 annually until ended by voters; requiring audits, public spending disclosures/all funds locally controlled benefiting Downey residents, be adopted?	YES
	NO

SECTION 4. Conduct of Election. The City Clerk is authorized, instructed, and directed to procure and furnish any and all official ballots, printed matter and all supplies, equipment and paraphernalia that may be necessary in order to properly and lawfully conduct the election. In all particulars not recited in this Resolution, the election shall be held and conducted as provided by law for holding municipal elections.

SECTION 5. Pursuant to Elections Code section 9280, the City Council hereby directs the City Clerk to transmit a copy of the Measure to the City Attorney. The City Attorney shall prepare an impartial analysis of the Measure, not to exceed 500 words in length, showing the effect of the Measure on the existing law and the operation of the Measure, and transmit such impartial analysis to the City Clerk not later than the deadline for submittal of primary arguments for or against the Measure.

The impartial analysis shall include a statement indicating whether the Measure was placed on the ballot by a petition signed by the requisite number of voters or by the City Council. In the event the entire text of the Measure is not printed on the ballot, nor in the voter information guide, there shall be printed immediately below the impartial analysis, in no less than 10-font bold type, the following: **“The above statement is an impartial analysis of Ordinance or Measure _____. If you desire a copy of the ordinance or measure, please call the Office of the City Clerk at (562) 904-7280 and a copy will be mailed at no cost to you.”**

SECTION 6. Notice of the election is hereby given and the City Clerk is authorized, instructed and directed to give further or additional notice of the election, in time, form and manner as required by law.

SECTION 7. Placement on the Ballot. The full text of the Measure shall not be printed in the voter information guide, and a statement shall be printed on the ballot pursuant to Elections Code section 9223 advising voters that they may obtain a copy of this Resolution and the Measure, at no cost, upon request made to the City Clerk.

Resolution No. 24-8258

Page 4

SECTION 8. Filing with County. The City Clerk shall, not later than the 88th day prior to the General Municipal Election to be held on Tuesday, November 5, 2024, file with the Board of Supervisors and the Registrar of Voters of the County of Los Angeles, State of California, a certified copy of this Resolution.

SECTION 9. Public Examination. Pursuant to Elections Code section 9295, this Measure will be available for public examination for no fewer than ten (10) calendar days prior to being submitted for printing in the voter information guide. The City Clerk shall post notice in the Clerk's office of the specific dates that the examination period will run.

SECTION 10. The City Council hereby finds and determines that the Measure relates to organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment, and therefore is not a project within the meaning of the California Environmental Quality Act ("CEQA") and the State CEQA Guidelines Section 15378(b)(5).

SECTION 11. Severability. The provisions of this Resolution are severable and if any provision of this Resolution is held invalid, that provision shall be severed from the Resolution and the remainder of this Resolution shall continue in full force and effect, and not be affected by such invalidity.

SECTION 12. This Resolution shall become effective upon its adoption.

SECTION 13. The City Clerk shall certify to the adoption of this Resolution.

APPROVED AND ADOPTED this ____ day of July, 2024.

MARIO TRUJILLO
Mayor

ATTEST:

MARIA ALICIA DUARTE, CMC
City Clerk

APPROVED AS TO FORM:

JOHN M. FUNK
City Attorney

Resolution No. 24-8258

Page 5

I HEREBY CERTIFY that the foregoing Resolution was adopted by the City Council of the City of Downey at a Regular meeting held on the ____ day of July, 2024, by the following vote, to wit:

AYES: Council Members:

NOES: Council Members:

ABSENT: Council Members:

ABSTAIN: Council Members:

MARIA ALICIA DUARTE, CMC
City Clerk

Exhibit "A"
Transactions and Use Tax Ordinance

[attached behind this page]

ORDINANCE NO. _____

AN ORDINANCE OF THE PEOPLE OF THE CITY OF DOWNEY, CALIFORNIA, ADDING CHAPTER 1F TO ARTICLE VI OF THE DOWNEY MUNICIPAL CODE TO ENACT A SUPPLEMENTAL ONE-QUARTER CENT (1/4¢) GENERAL TRANSACTIONS AND USE TAX (SALES TAX) TO BE ADMINISTERED BY THE CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION

WHEREAS, pursuant to California Revenue and Taxation Code section 7285.9 the City of Downey (“City”) is authorized to levy a Transactions and Use Tax for general purposes, subject to majority voter approval; and

WHEREAS, the People of the City of Downey desire to add Chapter 1F to Article VI of the Downey Municipal Code establishing a general Supplemental Transactions and Use Tax (“TUT”) until ended by voters, on the sale and/or use of all tangible personal property sold at retail in the City, at a rate of one-quarter percent (1/4%).

NOW, THEREFORE, THE PEOPLE OF THE CITY OF DOWNEY DO HEREBY ORDAIN AS FOLLOWS:

SECTION 1. Title and Text. This Ordinance shall be known as the “Downey Supplemental General Transactions and Use Tax”, the full text of which is set forth in the attachment hereto and incorporated herein by reference.

SECTION 2. Approval by the City Council. Pursuant to California Revenue and Taxation Code Section 7285.9, this Ordinance was duly approved for placement on the ballot by a minimum two-thirds (2/3) supermajority of all members of the City Council on July 23, 2024.

SECTION 3. Approval by the Voters. Pursuant to California Elections Code section 9217, this Ordinance shall be deemed adopted and take effect only if approved by a majority of the eligible voters of the City of Downey voting at the General Municipal Election of November 5, 2024. It shall be deemed adopted when the City Council has certified the results of that election by resolution and shall take effect ten (10) days thereafter.

SECTION 4. Operative Date. “Operative Date” for the Transactions and Use Tax means the first day of the first calendar quarter commencing more than 110 days after the date this Ordinance is adopted, as set forth in Section 3 above.

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.

I hereby certify that the Downey Supplemental General Transactions and Use Tax Ordinance was **PASSED, APPROVED, AND ADOPTED** by the People of the City of Downey on the 5th day of November, 2024.

CITY OF DOWNEY

MARIO TRUJILLO
Mayor

ATTEST:

MARIA ALICIA DUARTE, CMC
City Clerk

APPROVED AS TO FORM:

JOHN M. FUNK
City Attorney

Chapter 1F – SUPPLEMENTAL GENERAL TRANSACTIONS AND USE TAX

Sections:

6199.80 - Title.

6199.81 - Purpose.

6199.82 - Contract With State.

6199.83 - Transactions Tax Rate.

6199.84 - Place of Sale.

6199.85 - Use Tax Rate.

6199.86 - Adoption of Provisions of State Law.

6199.87 - Limitations on Adoption of State Law and Collection of Use Taxes.

6199.88 - Permit Not Required.

6199.89 - Exemptions and Exclusions.

6199.90 - Amendments.

6199.91 - Enjoining Collection Forbidden.

6199.92 - Duration of Tax

6199.93 - Audit and Review.

Sections:

6199.80 – Title.

This ordinance shall be known as the “City of Downey Supplemental General Transactions and Use Tax Ordinance”. The City of Downey hereinafter shall be called “City.” This ordinance shall be applicable in the incorporated territory of the City.

6199.81 – 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 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.

6199.82 - 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.

6199.83 - 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-quarter percent (1/4%) 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.

6199.84 - 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.

6199.85 - 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-quarter percent (1/4%) 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.

6199.86 - 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.

6199.87 - 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, California Victim Compensation Board, California Department of Tax and Fee Administration, 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 reference to 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 of the Revenue and Taxation Code and in the definition of that phrase in Section 6203.
1. “A retailer engaged in business in the City” 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.

6199.88 - 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.

6199.89 - 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 subsection, 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 subsection, 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.

6199.90 - 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.

6199.91 - 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.

6199.92 – Duration of Tax.

The tax imposed by this chapter shall continue until this ordinance is repealed.

6199.93 – Audit and Review.

The proceeds of the tax imposed by this chapter, as well as the expenditure thereof, shall be audited annually by an independent accounting firm. The City Council shall discuss the results of such audit at a meeting of the City Council that is open to the public. The report of such audit shall be posted on the City's website.

RESOLUTION NO. 24-8259

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DOWNEY REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES TO CONSOLIDATE A GENERAL MUNICIPAL ELECTION TO BE HELD ON NOVEMBER 5, 2024 WITH THE STATEWIDE GENERAL ELECTION TO BE HELD ON THAT DATE PURSUANT TO SECTION 10403 OF THE ELECTIONS CODE

WHEREAS, on July 23, 2024, the City Council of the City of Downey adopted Resolution No. 24-8258, calling a General Municipal Election to be held on November 5, 2024 for the purpose of submitting to the voters the question relating to the Supplemental General Transactions and Use Tax; and

WHEREAS, it is therefore desirable that the General Municipal Election be consolidated with the Statewide General Election to be held on the same date and that within the City the precincts, polling places and election officers of the two elections be the same, and that the election department of the County of Los Angeles canvass the returns of the General Municipal Election and that the election be held in all respects as if there were only one election.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF DOWNEY DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. Request for Consolidation. Pursuant to the requirements of Section 10403 of the Elections Code, the Board of Supervisors of the County of Los Angeles is hereby requested to consent and agree to the consolidation of a General Municipal Election with the Statewide General Election on Tuesday, November 5, 2024, for the purpose of submitting to the voters the following question relating to the Supplemental General Transactions and Use Tax.

SECTION 2. Measure Language. A measure is to appear on the ballot as follows:

Public Safety/Local Control Measure To maintain Downey’s long-term financial stability and general city services such as 911 response and fire/police protection; prevent crimes/thefts; recruit/retain well-trained firefighters/police officers; help ensure children have safe places to play; repair streets/potholes; shall an ordinance establishing a 1/4¢ sales tax providing approximately \$6,000,000 annually until ended by voters; requiring audits, public spending disclosures/all funds locally controlled benefiting Downey residents, be adopted?	Yes
	No

SECTION 3. Canvass of Returns. The County election department is authorized to canvass the returns and perform all other proceedings incidental to and

Resolution No. 24-8259

Page 2

connected with the General Municipal Election. The Election shall be held in all respects as if there were only one election, and only one form of ballot shall be used. Pursuant to California Elections Code Sections 10403 and 10418, the election will be held and conducted in accordance with the provisions of law regulating the Statewide General Election.

SECTION 4. Necessary Steps. The Board of Supervisors is requested to issue instructions to the County election department to take any and all steps necessary for the holding of the consolidated election.

SECTION 5. Costs. The City Council determines and declares that the City will pay to the County the reasonable and actual expenses incurred by the County by the consolidation of the General Municipal Election with the Statewide General Election. The City shall reimburse the County for services performed when the work is completed and upon presentation to the City of a properly approved bill. The City Manager of the City of Downey is authorized and directed to pay for the expenses incurred after receiving a statement from the County of Los Angeles.

SECTION 6. Filing of Resolution. The City Clerk is hereby directed to file a certified copy of this resolution with the Board of Supervisors and the election department of the County of Los Angeles.

SECTION 7. Certification. The City Clerk shall certify to the adoption of this Resolution.

APPROVED AND ADOPTED this _____ day of July, 2024.

MARIO TRUJILLO
Mayor

ATTEST:

MARIA ALICIA DUARTE, CMC
City Clerk

APPROVED AS TO FORM:

JOHN M. FUNK
City Attorney

Resolution No. 24-8259

Page 3

I HEREBY CERTIFY that the foregoing Resolution was adopted by the City Council of the City of Downey at a Regular meeting held on the ____ day of July, 2024, by the following vote, to wit:

AYES: Council Members:

NOES: Council Members:

ABSENT: Council Members:

ABSTAIN: Council Members:

MARIA ALICIA DUARTE, CMC
City Clerk

RESOLUTION NO. 24-8260

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DOWNEY PROVIDING FOR THE FILING OF PRIMARY AND REBUTTAL ARGUMENTS AND SETTING RULES FOR THE FILING OF WRITTEN ARGUMENTS REGARDING A CITY MEASURE TO BE SUBMITTED AT THE NOVEMBER 5, 2024 GENERAL MUNICIPAL ELECTION

WHEREAS, a General Municipal Election is to be held in the City of Downey, California on November 5, 2024, at which there will be submitted to the voters the following measure:

PUBLIC SAFETY/LOCAL CONTROL MEASURE	
To maintain Downey’s long-term financial stability and general city services such as 911 response and fire/police protection; prevent crimes/thefts; recruit/retain well-trained firefighters/police officers; help ensure children have safe places to play; repair streets/potholes; shall an ordinance establishing a 1/4¢ sales tax providing approximately \$6,000,000 annually until ended by voters; requiring audits, public spending disclosures/all funds locally controlled benefiting Downey residents, be adopted?	Yes
	No

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF DOWNEY DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. Primary Arguments. The City Council authorizes (i) the City Council or any member(s) of the City Council, (ii) any individual voter eligible to vote on the above measure, (iii) a bona fide association of such citizens or (iv) any combination of voters and associations to file a written argument in favor of or against the City measure, accompanied by the printed name(s) and signature(s) of the author(s) submitting it, in accordance with Article 4, Chapter 3, Division 9 of the Elections Code of the State of California, and to change the argument until and including the date fixed below by the City Clerk, after which no arguments for or against the City measure may be submitted to the City Clerk.

The deadline to submit arguments for or against the City Measure pursuant to this Resolution is declared by the City Clerk to be **August 16, 2024, at 5 p.m.** Each argument shall not exceed 300 words and shall be filed with the City Clerk, signed, and include the printed name(s) and signature(s) of the author(s) submitting it, or if submitted on behalf of an organization, the name of the organization, and the printed name and signature of at least one of its principal officers who is the author of the argument.

SECTION 2. Rebuttal Arguments. Pursuant to Section 9285 of the Elections Code of the State of California, when the City Clerk has selected the primary arguments

Resolution No. 24-8260

Page 2

for and against the City Measure which will be printed and distributed to the voters, the Clerk shall send copies of the primary argument in favor of the Measure to the authors of the primary argument against, and copies of the primary argument against to the authors of the primary argument in favor. The authors or persons designated by them may prepare and submit rebuttal arguments not exceeding 250 words. The rebuttal arguments shall be filed with the City Clerk not later than **August 26, 2024, at 5 p.m.** Rebuttal arguments shall be printed in the same manner as the primary arguments. Each rebuttal argument shall immediately follow the primary argument which it seeks to rebut.

SECTION 3. Prior Resolutions. All previous resolutions providing for the filing of primary and rebuttal arguments related to City measures are repealed.

SECTION 4. November 5, 2024 Election. The provisions of Sections 1 and 2 shall apply only to the election to be held on November 5, 2024, and shall then be repealed.

SECTION 5. Certification. The City Clerk shall certify to the adoption of this Resolution.

APPROVED AND ADOPTED this _____ day of July, 2024.

MARIO TRUJILLO
Mayor

ATTEST:

MARIA ALICIA DUARTE, CMC
City Clerk

APPROVED AS TO FORM:

JOHN M. FUNK
City Attorney

Resolution No. 24-8260

Page 3

I HEREBY CERTIFY that the foregoing Resolution was adopted by the City Council of the City of Downey at a Regular meeting held on the ____ day of July, 2024, by the following vote, to wit:

AYES: Council Members:
NOES: Council Members:
ABSENT: Council Members:
ABSTAIN: Council Members:

MARIA ALICIA DUARTE, CMC
City Clerk