



CITY COUNCIL AGENDA REPORT



DEPARTMENT: City Manager's Office

MEETING DATE: June 4, 2019

PREPARED BY: Oliver Chi, City Manager

AGENDA LOCATION: AR-2

TITLE: Calling for a Special Election on Tuesday, November 5, 2019, to Submit for Voter Consideration the *Keep Monrovia Revenue Local Sales and Use Tax* Proposal to Consider Implementation of a Local 0.75% Transactions and Use Sales Tax; Approval of Resolution Nos. 2019-27 and 2019-28

OBJECTIVE: To call for a special election on November 5, 2019, at which time voters will be asked to consider approval of the *Keep Monrovia Revenue Local Sales and Use Tax* proposal, which would institute a local 0.75% transactions and use sales tax to collect funds to be spent only in Monrovia.

BACKGROUND: Currently, the base sales tax rate in LA County is set at 9.5%, which is the highest base rate for any county jurisdiction in all of California. Given current State regulations, the local base sales tax rate can only increase by another 0.75%, to the 10.25% maximum rate. Against that backdrop, there are several local sales tax measures likely being considered by regional agencies, including LA County and the South Coast Air Quality Management District, which would push the base sales tax rate in LA County up to the 10.25% maximum level. This concern has been especially relevant given LA County voting trends on tax initiatives during the past decade. In fact, since 2008, every single LA County tax proposal has been able to eventually gain voter approval, as illustrated in the chart below.

Measure Name	Description	Year	Pass/Fail
Measure R: Sales Tax	½ cent sales tax for transportation	2008	Pass (68%)
Measure J: Sales Tax for Transportation	½ cent sales tax for transportation	2012	Fail (34%)
Measure H: Hotel Tax	Increase hotel tax from 10% to 12%	2012	Pass (61%)
Measure L: Landfill Tax	10% landfill tax on landfill operators	2012	Pass (63%)
Measure P: Parks / Recreation Parcel Tax	\$23 per parcel tax (30 years)	2014	Fail (63%)
Measure A: Parks & Open Space	Parcel tax of 1.5 cents / sq. ft.	2016	Pass (75%)
Measure M: Sales Tax for Transportation	½ cent sales tax for transportation and indefinite extension on Measure R ½ cent sales tax	2016	Pass (71%)
Measure H: Sales Tax for Homeless Services	¼ cent sales tax for homeless services & prevention (10 years)	2017	Pass (69%)
Measure W: Floor Control District Parcel Tax	Parcel tax of 2.5 cents / sq. ft. of impermeable space	2018	Pass (68%)

Measures that failed, were subsequently passed in future elections

Based on these factors, during the past six months, the City has been engaged in a significant effort to analyze the feasibility of placing before Monrovia voters a proposal to increase the local sales and use tax rate by 0.75%, in advance of other tax increase efforts by other regional agencies. In that way, the remaining 0.75% of local sales tax capacity would stay local, here in Monrovia, rather than be consumed by another entity, like LA County.

In addition, as has been reviewed on multiple occasions with the City Council, including at a public workshop session on May 29, 2019, while the City's proposed FY 2019-21 Budget is structurally balanced, the City has identified serious and significant future fiscal threats, including:

- Significant growth in projected unfunded accrued liability (UAL) costs due to investment underperformance by the State-run CalPERS pension program
- The pace of inflationary operational cost increases
- Legacy workers' compensation costs
- Inability to fully achieve fund reserve levels
- Significant City subsidies to our Landscape & Lighting District (LLD) and Park Maintenance District (PMD)

Given these factors, staff has been engaged in a substantial community outreach effort during the past several months to share details about these potential adverse impacts, and to discuss the possibility of raising the City's local sales tax rate by 0.75% to the 10.25% maximum rate. If this were to be accomplished, the City would assume our remaining local sales tax capacity, and in so doing, would foreclose on the ability of any other regional jurisdiction to take control of our local sales tax revenues, while also addressing future pending financial threats. To that end, in addition to sharing details about this overall issue in City publication materials, staff has also coordinated more than a dozen meetings with various City groups to discuss this matter in detail since January 2019.

All of our analysis and outreach efforts were compiled for City Council review on several occasions, with the most recent review occurring on May 29, 2019. At that time, the City Council was unanimous in directing that staff bring back for formal adoption all of the necessary resolutions to call for a Special Election on November 5, 2019, to allow the community to vote on the *Keep Monrovia Revenue Local Sales and Use Tax* proposal (see attached Resolution Nos. 2019-27 and 2019-28), which if approved, would raise the local sales tax rate in Monrovia by 0.75%.

ANALYSIS: In order to place the proposed *Keep Monrovia Revenue Local Sales and Use Tax* proposal on the November 5, 2019, ballot, there are two resolutions that the City must approve, including:

- Resolution No. 2019-27 – a Resolution calling for and giving notice of a Special Election on November 5, 2019, to have Monrovia voters consider the *Keep Monrovia Revenue Local Sales and Use Tax* proposal
- Resolution No. 2019-28 – a Resolution requesting that the LA County Board of Supervisors authorize and order the consolidation of our November 5, 2019 Special Election with the local and statewide election to be held at the same time

The full text of the *Keep Monrovia Revenue Local Sales and Use Tax* proposal would be as follows:

City of Monrovia – Keep Monrovia Revenue Local Sales and Use Tax	
To keep local sales tax dollars in Monrovia to fund general city services, including community center improvements, police, fire, 911, senior services, parks, recreation, clean water and others, shall the Monrovia Transactions and Use Tax Ordinance of 2019, placed on the ballot by the City Council, be approved, imposing a 0.75% transactions and use (sales) tax to collect approximately \$4.5 million annually spent only in Monrovia, with a Citizens Advisory Committee and annual spending plan?	YES
	NO

If approved by Monrovia voters, the 0.75% increase in sales tax would generate around \$4.5 million / year in additional revenues, and would also serve to align Monrovia’s sales tax rate with many of our neighboring communities, including Pasadena, Glendale, Burbank, El Monte, Covina, and Glendora. Additionally, several cities are currently pursuing a similar 0.75% increase in their local sales tax rate in 2019, including Arcadia, Sierra Madre, and San Gabriel, while multiple other jurisdictions have indicated that they will be looking at a possible 0.75% increase of their own base sales tax rate in 2020, including Duarte, Temple City, and Alhambra.

Finally, pursuant to the City Council direction, if the *Keep Monrovia Revenue Local Sales and Use Tax* proposal is approved by local voters, the City would establish a Citizen’s Advisory Committee to monitor the revenues and expenses associated with the measure.

FISCAL IMPACT: The proposed *Keep Monrovia Revenue Local Sales and Use Tax* proposal would generate an estimated \$4,500,000 / year in additional sales tax revenues for the City. If approved by a majority of Monrovia voters at the November 5, 2019 election, staff would recommend a five-year expenditure plan pursuant to the following program:

<u>Keep Monrovia Revenues Local</u>			
Staff Proposed Sales & Use Tax Expenditure Plan			
5-Year Program Allocation			
Item	Annual Allocation	Duration of Allocation (In Years)	Total Investment Over 5-Years
<u>Establish A New Community Center</u>			
Community Center Upgrade	\$ 1,250,000	5	\$ 6,250,000
<u>Achieve AAA Credit Rating</u>			
General Fund Reserve	\$ 500,000	5	\$ 2,500,000
Workers' Compensation Legacy Costs	\$ 500,000	5	\$ 2,500,000
Enhanced Pension UAL Cost Set-Aside	\$ 500,000	5	\$ 2,500,000
<u>Give Money Back To Residents / Stop Future Increases</u>			
Eliminate Residential Emergency Services Fee	\$ 500,000	5	\$ 2,500,000
Subsidize LLD / PMD Funds	\$ 500,000	5	\$ 2,500,000

Investment in Capital / Infrastructure			
Park Funding	\$ 150,000	5	\$ 750,000
Facility Funding	\$ 150,000	5	\$ 750,000
Vehicle Replacement Funding	\$ 150,000	5	\$ 750,000
Traffic Signal / Intersection Improvements	\$ 150,000	5	\$ 750,000
Misc. Capital Upgrades	\$ 50,000	5	\$ 250,000
Community Priorities			
Affordable Housing	\$ 25,000	5	\$ 125,000
Housing Displacement Response Program	\$ 25,000	5	\$ 125,000
Youth Programs / Workforce Development	\$ 25,000	5	\$ 125,000
MUSD - New Crossing Guards	\$ 12,500	5	\$ 62,500
CBO Funding Program	\$ 12,500	5	\$ 62,500
TOTAL EXPENDITURES	\$ 4,500,000		\$ 22,500,000

Moving ahead, based on local conditions after the initial five-year period, staff will work to develop an updated spending plan for consideration.

ENVIRONMENTAL IMPACT: None.

OPTIONS: The following options are presented for City Council consideration:

1. Adopt Resolution Nos. 2019-27 and 2019-28, thereby calling for a Special Election on Tuesday, November 5, 2019, to submit for voter consideration the *Keep Monrovia Revenues Local Sales and Use Tax* proposal to institute a 0.75% transactions and use tax.
2. Do not adopt Resolution Nos. 2019-27 and 2019-28, and provide staff with additional direction.

RECOMMENDATION: Staff recommends that the City Council select Option 1, thereby calling for a Special Election on Tuesday, November 5, 2019, to submit for voter consideration the *Keep Monrovia Revenues Local Sales and Use Tax* proposal to institute a 0.75% transactions and use tax.

COUNCIL ACTION REQUIRED: If the City Council concurs, the appropriate action would be a motion to adopt Resolution Nos. 2019-27 and 2019-28.

RESOLUTION NO. 2019-27

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONROVIA, CALIFORNIA, CALLING AND PROVIDING FOR A SPECIAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 5, 2019; DECLARING A FISCAL EMERGENCY; APPROVING AN ORDINANCE ENACTING A TRANSACTIONS AND USE TAX TO BE ADMINISTERED BY THE CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION AND ORDERING THE SUBMITTAL OF SAID ORDINANCE TO THE VOTERS AT THE SPECIAL ELECTION

WHEREAS, the City of Monrovia – like many California cities – continues to face severe and impending fiscal challenges as a result of a circumstances that began with the great recession in 2007, was made significantly worse by the State Legislature’s adoption of AB X1 26 which eliminated redevelopment agencies in California, and will continue to plague the City as the State Legislature continues to impose new obligations on cities and long-term financial obligations continue to grow; and

WHEREAS, Monrovia is committed to securing local sources of future revenue to fund vital general City services and fiscal sustainability; and

WHEREAS, in a public workshop session on May 29, 2019, the City Council considered the City Manager’s and staff’s presentation regarding the 2019 - 2021 two year budget proposal, as well as the City’s longer term financial future;

WHEREAS, although every department across the City has implemented fiscally prudent cuts and spending practices that have enabled staff to project that the City budgets for 2019/20 and 2020/21 will be balanced, future fiscal threats loom; and

WHEREAS, despite fiscal prudence, the City projects that future budgets will be significantly and adversely impacted by growth in operating costs that will not be matched by projected increases in current levels and types of revenue; and

WHEREAS, while the next budget is projected to be balanced, the budget **does not** provide solutions for long-term and structural challenges the City faces including, but not limited to:

1. Shortfalls in key reserve funds from the levels the City Council has established by policy, which may leave the City unable to deal with significant emergencies or unforeseen problems and long-term capital needs. In 2021, those deficits are projected to be a \$2.6 million shortfall in the General Fund Reserve; a \$470,000 shortfall in the Facility Reserve; a \$300,000 shortfall in the Retirement Reserve; and a \$1.5 million shortfall in

the Vehicle Replacement Reserve. To make up for those shortfalls, the City will need budget cuts or new revenue.

2. The current Citywide Landscape and Lighting District, which funds streetlights, traffic signals, median landscaping and maintenance, and street trees, has not changed its assessment amount in 20 years and continues to be subsidized by the City by almost \$675,000 each year. That subsidy is projected to increase.
3. The current Parks Maintenance District, which services and maintains the City's eight parks, has not adequately changed its assessment amount and continues to be subsidized by the City by almost \$665,000 each year. That subsidy is projected to increase.
4. Despite improvements in management, remaining costs for workers' compensation claims assumed prior to 2015 are estimated to total approximately \$2.5 million, and a funding source for this liability has not been identified.
5. Poor investment performance by the CALPERS retirement fund means that the City faces an estimated additional \$500,000 - \$1,000,000 in annual unfunded accrued liability retirement costs starting in Fiscal Year 2020-21, and likely more in future years. A funding source for this pending liability has not been identified.
6. The Community Center, and other City facilities, are in need of significant upgrades and renovation, and the current budget does have the capacity to fund that work.
7. When the massive Monrovia Renewal project is complete, the City is committed to a strong program of maintenance and monitoring to ensure that the streets, sidewalks and infrastructure remain in the great condition residents have come to expect. Ongoing infrastructure maintenance and repair costs are expected to significantly increase over time.
8. The new costs and mandates that continue to be imposed by the State government on the City are enormous and unpredictable. The costs of compliance with housing-related legislation, public safety needs caused by criminal justice "reform," and environmental laws, among others, will continue to increase; and

WHEREAS, new development in the City will be assessed to pay for increased service costs created by each development, and the City Council has approved higher water rates for new developments that will ensure that developers and new residents bear the increased costs of development. But the City receives only about 17.4% of the property tax revenue generated by new development; and

WHEREAS, Los Angeles County and the MTA have increased sales taxes in recent years for regional purposes and those funds are not allocated directly to the City. Only a fraction of those taxes Monrovia residents and visitors pay in Monrovia actually flow back to Monrovia. Currently, the City can count on receiving just 1% of the sales taxes Monrovia residents and visitors pay; and

WHEREAS, current State law imposes a limit on the total amount of regional and local sales and use taxes that may be imposed, only 0.75% remains under that limit to be imposed in Monrovia, and that amount can be taken up by taxes that may be imposed by entities other than the City; and

WHEREAS, City staff and the City Council have been informed that multiple other outside agencies are considering the imposition of additional sales and use taxes, including the possible permanent extension of the Los Angeles County Homeless tax and a possible regional sales tax to be charged by the South Coast Air Quality Management District. Any new sales tax applicable in the City imposed by an entity other than the City would likely result in those tax revenues being spent outside the City and the City would be prohibited from using the remaining 0.75% in available tax rate; and

WHEREAS, in order to address this fiscal emergency as soon as possible, the City Council desires to place a local funding measure on the ballot at the statewide general election on November 5, 2019; and

WHEREAS, if enacted, a local transactions and use tax of 0.75% would provide a protected, stable local source estimated at about \$4.5 million annually to fund the vital general City services the community relies on and help provide fiscal sustainability in the long-term; and

WHEREAS, if enacted, a local funding measure would enable the City to maintain or improve current levels of public services, and deal with the fiscal challenges identified in this Resolution and the City Manager's presentation on May 29, 2019, with a dedicated and sustainable source of local revenue; and

WHEREAS, this measure will give Monrovia local control over local funds for local needs and no funds from this measure can be taken by Sacramento; and

WHEREAS, Section 7285.9 of the California Revenue and Taxation Code authorizes any city to levy, increase or extend a transactions and use tax for general purposes at a rate of 0.025 percent, or a multiple thereof, subject to approval by a two-thirds vote of all of the members of the City Council and by a majority of the qualified voters of the City voting in an election on the issue; and

WHEREAS, the City Council proposes to submit to the voters of the City an ordinance providing for the levy of a transactions and use tax; and

WHEREAS, due to the City Council's unanimous declaration of a fiscal emergency, the Council may submit the proposed transactions and use tax as a special election pursuant to Section 2(b) of Article XIII C of the California Constitution.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MONROVIA HEREBY RESOLVES:

Section 1. Recitals. The Recitals set forth in this Resolution are true and correct, and are supported by substantial evidence that has been presented to the City Council and the public during budget study sessions, in the City Manager's reports and specifically at the Special City Council meeting on May 29, 2019.

Section 2. Declaration of Emergency: The City Council hereby finds and declares by a unanimous vote that a fiscal emergency exists in the City of Monrovia for the reasons specified herein and provided by the City Manager in the Special City Council Meeting on May 29, 2019. The City will have significant and ongoing revenue needs going forward that cannot be met by existing sources of revenue. Without an additional revenue measure, the City will be forced to make the types of budget cuts that will fundamentally impact the community and degrade the quality of life in Monrovia. There is a significant risk that other public agencies will impose new or extended local sales and use taxes that would prevent the City from ensuring that local revenue remains in Monrovia, and this significant fiscal risk of loss constitutes the fiscal emergency that justifies referring this measure to the voters of the City at a special election. The factual bases for this declaration of fiscal emergency listed in this resolution individually and cumulatively justify this declaration. For the reasons stated in this section and the recitals above, it is essential that the City Council submit the proposed transactions and use tax to the voters at a special municipal election that will be consolidated with the statewide election date in 2019 rather than waiting until the next regular municipal election in 2020.

Section 3. Calling Special Municipal Election: Pursuant to California Elections Code Sections 9222 and 10201, the City Council hereby orders that a special municipal election in and for the City of Monrovia shall be held on Tuesday, November 5, 2019 for the purpose of submitting a transactions and use tax measure to the voters for approval. The full text of the Ordinance to be titled the "Keep Monrovia Revenue Local Sales and Use Tax" is attached to this Resolution as Exhibit A and incorporated herein by this reference. The measure to be submitted to the voters shall appear and be printed on the ballot as follows:

City of Monrovia – Keep Monrovia Revenue Local Sales and Use Tax	
<p>To keep local sales tax dollars in Monrovia to fund general city services, including community center improvements, police, fire, 911, senior services, parks, recreation, clean water and others, shall the Monrovia Transactions and Use Tax Ordinance of 2019, placed on the ballot by the City Council, be approved, imposing a 0.75% transactions and use (sales) tax to collect approximately \$4.5 million annually spent only in Monrovia, with a Citizens Advisory Committee and annual spending plan?</p>	YES
	NO

Section 4. Approval of Ordinance: The City Council hereby approves the proposed Ordinance, attached to this Resolution as Exhibit A, to be submitted to the voters. The proposed measure is a new general tax, as defined in Article XIII C of the California Constitution, at a rate of 0.75% on transactions and uses in the City as defined in the Ordinance, to be collected by the California Department of Tax and Fee Administration. It shall not take effect unless and until approved by a vote of at least a majority of the voters voting on the question at the election.

Section 4. Impartial Analysis: The City Attorney is hereby directed to prepare an impartial analysis of the measure pursuant to Elections Code Section 9280.

Section 5. Ballot Argument: The City Council hereby authorizes one or more of its members to submit a ballot argument in favor of the measure pursuant to Elections Code Section 9282.

PASSED, APPROVED AND ADOPTED this 4th day of June, 2019.

Tom Adams, Mayor
City of Monrovia

ATTEST:

APPROVED AS TO FORM:

Alice D. Atkins, MMC, City Clerk
City of Monrovia

Craig A. Steele, City Attorney
City of Monrovia

EXHIBIT A

ORDINANCE NO. 2019-XX

AN ORDINANCE OF THE CITY OF MONROVIA, CALIFORNIA, IMPOSING A 0.75% TRANSACTIONS AND USE TAX TO BE ADMINISTERED BY THE CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION

THE VOTERS OF THE CITY OF MONROVIA DO HEREBY ORDAIN AS FOLLOWS:

Section 1. Chapter 3.42 is hereby added to the Monrovia Municipal Code to read as follows:

“3.42.010. SHORT TITLE. This ordinance shall be known as the City of Monrovia Transactions and Use Tax Ordinance of 2019. The City of Monrovia hereinafter shall be called "City." This ordinance shall be applicable in the incorporated territory of the City.

3.42.020. 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.

3.42.030. 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, authorizing 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.

3.42.040. 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.

3.42.050. 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 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.

3.42.060. 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 California Department of Tax and Fee Administration.

3.42.070. 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 City at the rate of 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.

3.42.080. 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.

3.42.090. 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 the 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.

3.42.100. 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.

3.42.110. 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, in which case the tax rate shall be the rate in effect in the City 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, in which case the tax rate shall be the rate in effect in the City 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, in which case the tax rate shall be the rate in effect in the City 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.

3.42.120. 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. Pursuant to Elections Code Section 9217, the City Council may amend this ordinance as deemed necessary for collection and enforcement, provided however, that no such amendment shall operate so as to affect the rate of tax imposed by this ordinance.

3.42.130. 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.”

Section 2. OVERSIGHT. Following adoption of this Ordinance, the Mayor shall appoint a five-member Citizen’s Advisory Committee with the consent of the City Council. The City Council shall, by resolution, adopt guidelines for the duties of the Citizen’s Advisory Committee which shall include, but not be limited to, receiving annual reports from City staff each fiscal year on revenues and expenditures from the tax imposed by this Ordinance and review of an annual spending plan.

Section 3. 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 4. EFFECTIVE DATE. This ordinance relates to the levying and collecting of the City transactions and use taxes and shall take effect immediately upon approval by the voters.

PASSED AND APPROVED by the voters of the City of Monrovia, State of California, at the Special Municipal Election held on November 5, 2019.

Tom Adams, Mayor
City of Monrovia

ATTEST:

APPROVED AS TO FORM:

Alice D. Atkins, MMC, City Clerk
City of Monrovia

Craig A. Steele, City Attorney
City of Monrovia

RESOLUTION NO. 2019-28

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONROVIA, CALIFORNIA, REQUESTING THAT THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES CONSENT TO THE CONSOLIDATION OF THE CITY OF MONROVIA'S SPECIAL MUNICIPAL ELECTION ON NOVEMBER 5, 2019, WITH THE CONSOLIDATED LOCAL AND STATEWIDE ELECTION TO BE CONDUCTED ON THE SAME DATE, AND DIRECT THE REGISTRAR-RECORDER/COUNTY CLERK TO ADMINISTER, MANAGE AND OVERSEE THE SAID SPECIAL MUNICIPAL ELECTION AND CANVASS THE RESULTS THEREOF

WHEREAS, the City Council of the City of Monrovia has called a Special Municipal Election to be held on Tuesday, November 5, 2019, for the purpose of submitting a ballot measure for consideration by the voters; and

WHEREAS, it is desirable that the Special Municipal Election be consolidated with the Consolidated Local and Statewide Election to be conducted by the County of Los Angeles 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 County Elections Official canvass the returns of the Special Municipal Election, and that the election be held in all respects as if there were only one election; and

WHEREAS, Elections Code section 10002 authorizes the City Council to request by resolution that the Board of Supervisors approve the election consolidation and authorize the County Elections Official to conduct specified election services.

NOW, THEREFORE, THE COUNCIL OF THE CITY OF MONROVIA, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. That pursuant to the requirements of the laws of the State of California relating to General Law cities, there has been called and ordered to be held in the City of Monrovia, California, on Tuesday, November 5, 2019 a Special Municipal Election for the purpose of submitting the following question to the voters:

City of Monrovia - Keep Monrovia Revenue Local Sales and Use Tax	
To keep local sales tax dollars in Monrovia to fund general city services, including community center improvements, police, fire, 911, senior services, parks, recreation, clean water and others, shall the Monrovia Transactions and Use Tax Ordinance of 2019, placed on the ballot by the City Council, be approved, imposing a 0.75% transactions and use (sales) tax to collect approximately \$4.5 million annually spent only in Monrovia, with a Citizens Advisory Committee and annual spending plan?	YES
	NO

Section 2. That the form and full content of the measure to be submitted to the voters are set forth in City Council Resolution No. 2019-27 a complete copy of which is attached hereto and incorporated by this reference.

Section 3. That the City Council hereby requests the Board of Supervisors to consent and agree to the consolidation of the City of Monrovia's Special Municipal Election with the Consolidated Local and Statewide Election to be held on November 5, 2019 and that the County of Los Angeles take all necessary steps to hold a consolidated election.

Section 4. That the City Council hereby further requests the Board of Supervisors to direct the Registrar-Recorder/County Clerk to administer, manage and oversee all facets of the City of Monrovia's November 5, 2019 Special Municipal Election and further direct the Registrar-Recorder/County Clerk to perform all necessary functions, services and tasks related to the complete and successful conduct of the election including, without limitation: the provision of all election materials and equipment; the hiring, training and supervision of poll workers and other election personnel; the printing and distribution of ballot materials; the translation of ballot materials; the collection of submitted ballots; the tallying of votes; and the canvassing and the certification of election results.

Section 5. That the City of Monrovia recognizes that all necessary expenses incurred by the County in performing these services shall be paid by the City of Monrovia, in accordance with the County's normal charges for such services and authorizes the City Clerk and City Manager to make payment for such services upon presentation of valid invoices from the County for the same.

Section 6. That in all particulars not otherwise specifically provided in this Resolution, the Election shall be held and conducted as provided by law.

Section 7. That the City Clerk is directed to file an original certified copy of this Resolution with the Board of Supervisors and a copy with the County Elections Official forthwith.

Section 8. That the City Clerk shall certify to the passage and adoption of this Resolution.

PASSED, APPROVED AND ADOPTED this 4th day of June, 2019.

Tom Adams, Mayor
City of Monrovia

ATTEST:

APPROVED AS TO FORM:

Alice D. Atkins, MMC, City Clerk
City of Monrovia

Craig A. Steele, City Attorney
City of Monrovia