

MEASURE Y

ORDINANCE NO. 1165

AN ORDINANCE OF THE VOTERS OF THE CITY OF UKIAH INCREASING THE EXISTING TRANSACTIONS AND USE TAX BY AMENDING SECTION 1790 and 1792 OF CHAPTER 8C OF DIVISION 1 OF THE UKIAH CITY CODE

The voters of the City of Ukiah hereby ordain as follows:

SECTION 1. FINDINGS. The voters of the City of Ukiah hereby find as follows:

The City Council and the people of the City of Ukiah hereby find:

1. In approving Measure S, the City voters enacted a ½ cent sales tax as a general tax which can be budgeted at the discretion of the City Council. In Measure P the voters extended the duration of that tax in 2014. When Measure S was passed, it was accompanied by a companion Advisory Measure that made public safety the priority use of that tax revenue. When the measure was extended by Measure P in the November 2014 election, the City Council adopted a resolution adopting a revenue expenditure plan for those revenues to insure that the revenue is used exclusively for police and fire services.

2. The revenues from the transaction and use tax ("Sales Tax") enacted by Measure S as extended by Measure P are general fund revenues subject to the budgeting discretion of the City Council, but, as directed by the voters in the City who voted in favor of a companion advisory Measure T, the City has, in fact, used these tax revenues exclusively for public safety. In addition, the City Council has increased general fund support for public safety by over \$4.5 million since 2005. The City Council chose consistently throughout the financial crisis since 2008 to sustain funding for public safety, and added to it from the General Fund, even in the face of making significant spending reductions in other city operations and non-safety personnel.

3. The additional ½ cent to be enacted with the voters' approval of this Ordinance is also a general tax that is subject to the budgeting discretion of the City Council. A companion Advisory Measure asks whether the revenue from this additional Sales Tax should be used exclusively to fund street repairs and maintenance.

4. The following findings demonstrate that the additional revenue from this tax is necessary to provide sufficient funds to improve and maintain City streets:

Finding 1 – Of the City's fifty-three (53) centerline miles of pavement 67% of the street pavement is in poor or failed condition.

Finding 2 – Pavement maintenance costs are increasing at the same time as funds for maintenance are decreasing.

Finding 3 – State funding for street maintenance has been decreasing.

Finding 4 – State Transportation Improvement Program funding is no longer available for street rehabilitation projects.

Finding 5 – Gas tax funds fluctuate depending on the economy and are an insufficient funding source for street maintenance projects.

5. The City Council determined at its regular meeting on May 18, 2016, to place this measure on the ballot for the regular municipal election on November 8, 2016, as authorized by Revenue and Taxation Code section 7285.9.

6. Based on all of the information presented at the May 18, 2016, meeting, both written and oral, including the staff reports, minutes, and other relevant materials, the City Council finds that under CEQA Guidelines 15060(c)(2) and 15378, subdivisions (2) and (4) of subdivision (b), this action does not constitute a project under CEQA and, therefore, review under CEQA is not required.

SECTION 2. AMENDMENT OF SECTIONS 1790 AND 1792 OF THE UKIAH CITY CODE.

§1790 TRANSACTIONS TAX RATE

For the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all retailers in the incorporated and unincorporated territory of the city at the rate of one percent (1%) 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 hereof.

§1792 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 hereof for storage, use or other consumption in said territory at the rate of one percent (1%) 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.

SECTION 3. ORDINANCE TO BE SUBMITTED TO THE VOTERS.

This ordinance shall be submitted to the voters at an election to be held on November 8, 2016. Upon approval by a majority of the voters of the City voting on this ordinance, the additional one-half of one percent (0.5%) Transactions and Use Tax enacted by this Ordinance shall be operative on the first day of the calendar quarter, or prior to the first day of the first calendar quarter, commencing more than 110 days after the adoption of the ordinance.

SECTION 4. SEVERABILITY.

If any provision of this ordinance or the application thereof to any person or circumstance is held invalid by a court of competent jurisdiction, the remainder of the ordinance and the application of such provision to the other persons or circumstances shall not be affected thereby. The voters of the City of Ukiah hereby declare that they would have adopted each and every provision of this ordinance regardless of the invalidity of any other provision.

SECTION 5. CODIFICATION.

Upon adoption of this ordinance pursuant to the voter approval referenced herein, the City Clerk, in consultation with the City Attorney, is hereby authorized and directed to codify this ordinance in the Ukiah City Code.

SECTION 6. EFFECTIVE DATE.

If this ordinance is approved by a majority of the voters voting on the issue at the November 8, 2016, election, pursuant to Elections Code Section 9217, this ordinance shall become effective ten (10) days after the City Council declares the results of the election. The Operative Date of the Transactions and Use Tax set forth in City of Ukiah Ordinance No. 1063 shall not be affected by this ordinance.

Approved on May 18, 2016, by the following roll call vote of the Ukiah City Council:

AYES: Councilmembers Crane, Mulheren, Doble, Brown, and Scalmanini
NOES: None
ABSENT: None
ABSTAIN: None


Stephen G. Scalmanini, Mayor

ATTEST:


Kristine Lawler, City Clerk