

**FULL TEXT OF MEASURE GG
CITY OF STANTON**

ORDINANCE NO. 1030

AN ORDINANCE OF THE PEOPLE OF THE CITY OF STANTON, CALIFORNIA, ADDING CHAPTER 3.05 TO THE STANTON MUNICIPAL CODE TO IMPOSE A TRANSACTIONS AND USE TAX TO BE ADMINISTERED BY THE STATE BOARD OF EQUALIZATION

WHEREAS, due to Sacramento takeaways, Stanton has lost almost \$18 million in local tax dollars, is continuing to lose another \$4 million every year, and now faces a \$1.8 million structural budget deficit; and

WHEREAS, this measure ensures that our city has a guaranteed source of funding for local services that cannot be taken by Sacramento, and requires that our tax dollars are spent locally for Stanton residents; and

WHEREAS, public safety is a top priority in Stanton and represents over 70% of the City's General Fund budget, and without a local funding source the City will be forced to significantly cut public safety services, including gang and drug prevention; neighborhood police patrols; police officer staffing at local schools; and consider reducing firefighting services; and

WHEREAS, this measure helps to maintain firefighters and paramedics, and keep rapid 9-1-1 emergency response times so that people suffering from heart attacks, strokes or other medical emergencies continue to receive the immediate, life-saving care they need; and

WHEREAS, our community has a history of gang problems, and this measure will enable the City to continue to provide gang and youth violence prevention and intervention programs and keep police officers in schools to keep kids off the streets, out of trouble and away from gangs and drugs; and

WHEREAS, we need to do more to stimulate local economic growth and create more good-paying local jobs for residents, and additional funds will help Stanton remain attractive to businesses, visitors and homebuyers by fixing blight and filling vacant storefronts with new businesses, strengthening local property values; and

WHEREAS, this measure will not be charged on food purchased as groceries or prescription medication, limiting its impact on Stanton residents; and

WHEREAS, this measure includes tough fiscal accountability and transparency, including requiring annual independent financial audits and publishing the entire City budget online to make sure the City accounts for every dollar it spends; and

WHEREAS, pursuant to California Revenue and Taxation Code Section 7285.9 the City of Stanton ("City") has the authority to levy a Transactions and Use Tax for general purposes; and

WHEREAS, the people of the City desire to levy a one cent (1%) Transactions and Use Tax for general purposes to fund essential City services, including public safety services; and

WHEREAS, the people of the City believe that only a locally-approved voter funding source would guarantee that new revenue stays in Stanton to help the City provide essential services to its residents; and

WHEREAS, the City's Transactions and Use Tax Ordinance is necessary to protect the public's health, safety, and welfare and will be added to the Stanton Municipal Code as Chapter 3.05; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF STANTON DOES HEREBY ORDAIN AS FOLLOWS:

Section 1. Title. This ordinance shall be known as the Stanton Transactions and Use Tax Ordinance, the text of which is set forth in Attachment A, attached hereto.

Section 2. 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.

Section 3. Approval by the Voters. Pursuant to California Elections Code section 9217, this Ordinance shall take effect only if approved by a majority of the eligible voters of the City of Stanton voting at the Regular Election of November 4, 2014, and shall take effect ten (10) days after the City Council has certified the results of that election by resolution.

Section 4. 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.

Attachment "A"

Chapter 3.05- Transactions and Use Tax

Sections:

3.05.010 - Purpose.

3.05.020 - Contract With State.

3.05.030 - Transactions Tax Rate.

3.05.040 - Place of Sale.

3.05.050 - Use Tax Rate.

3.05.060 - Adoption of Provisions of State Law.

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

3.05.080 - Permit Not Required.

3.05.090 - Exemptions and Exclusions.

3.05.100 - Amendments.

3.05.110 - Enjoining Collection Forbidden.

Sections:

3.05.010 - 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 State Board of Equalization 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 State Board of Equalization 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.

3.05.020 - Contract With State.

Prior to the operative date, the City shall contract with the State Board of Equalization 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 State Board of Equalization 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.

3.05.030 - 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 cent (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 of this ordinance.

3.05.040 - 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 State Board of Equalization.

3.05.050 - 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 cent (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.

3.05.060 - Adoption of Provisions of State Law.

Except as otherwise provided in this ordinance and except insofar as they are inconsistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, all of the provisions of Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code are hereby adopted and made a part of this ordinance as though fully set forth herein.

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

In adopting the provisions of Part 1 of Division 2 of the Revenue and Taxation Code:

- A. Wherever the State of California is named or referred to as the taxing agency, the name of this City shall be substituted therefor. However, the substitution shall not be made when:
 - 1. The word "State" is used as a part of the title of the State Controller, State Treasurer, State Board of Control, State Board of Equalization, 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 State Board of Equalization, 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.

3.05.080 - Permit not Required.

If a seller's permit has been issued to a retailer under Section 6067 of the Revenue and Taxation Code, an additional transactor's permit shall not be required by this ordinance.

3.05.090 - Exemptions and Exclusions.

A. There shall be excluded from the measure of the transactions tax and the use tax the amount of any sales tax or use tax imposed by the State of California or by any city, city and county, or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or the amount of any state-administered transactions or use tax.

B. There are exempted from the computation of the amount of transactions tax the gross receipts from:

1. Sales of tangible personal property, other than fuel or petroleum products, to operators of aircraft to be used or consumed principally outside the county in which the sale is made and directly and exclusively in the use of such aircraft as common carriers of persons or property under the authority of the laws of this State, the United States, or any foreign government.
2. Sales of property to be used outside the City which is shipped to a point outside the City, pursuant to the contract of sale, by delivery to such point by the retailer or his agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point. For the purposes of this paragraph, delivery to a point outside the City shall be satisfied:
 - a. With respect to vehicles (other than commercial vehicles) subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, and undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code by registration to an out-of-City address and by a declaration under penalty of perjury, signed by the buyer, stating that such address is, in fact, his or her principal place of residence; and
 - b. With respect to commercial vehicles, by registration to a place of business out-of-City and declaration under penalty of perjury, signed by the buyer, that the vehicle will be operated from that address.
3. The sale of tangible personal property if the seller is obligated to furnish the property for a fixed price pursuant to a contract entered into prior to the operative date of this ordinance.
4. A lease of tangible personal property which is a continuing sale of such property, for any period of time for which the lessor is obligated to lease the property for an amount fixed by the lease prior to the operative date of this ordinance.
5. For the purposes of subparagraphs (3) and (4) of this section, the sale or lease of tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

C. There are exempted from the use tax imposed by this ordinance, the storage, use or other consumption in this City of tangible personal property:

1. The gross receipts from the sale of which have been subject to a transactions tax under any state-administered transactions and use tax ordinance.
2. Other than fuel or petroleum products purchased by operators of aircraft and used or consumed by such operators directly and exclusively in the use of such aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this State, the United States, or any foreign government. This exemption is in addition to the exemptions provided in Sections 6366 and 6366.1 of the Revenue and Taxation Code of the State of California.
3. If the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into prior to the operative date of this ordinance.
4. If the possession of, or the exercise of any right or power over, the tangible personal property arises under a lease which is a continuing purchase of such property for any period of time for which the lessee is obligated to lease the property for an amount fixed by a lease prior to the operative date of this ordinance.
5. For the purposes of subparagraphs (3) and (4) of this section, storage, use, or other consumption, or possession of, or exercise of any right or power over, tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.
6. Except as provided in subparagraph (7), a retailer engaged in business in the City shall not be required to collect use tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the City or participates within the City in

making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the City or through any representative, agent, canvasser, solicitor, subsidiary, or person in the City under the authority of the retailer.

7. "A retailer engaged in business in the City" shall also include any retailer of any of the following: vehicles subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, or undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code. That retailer shall be required to collect use tax from any purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in the City.

D. Any person subject to use tax under this ordinance may credit against that tax any transactions tax or reimbursement for transactions tax paid to a district imposing, or retailer liable for a transactions tax pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code with respect to the sale to the person of the property the storage, use or other consumption of which is subject to the use tax.

3.05.100 - 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.

The City Council, by unanimous vote of the full Council, may lower the rate of the retail transactions and use tax adopted by this Chapter to 0%.

3.05.110 - 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.

IMPARTIAL ANALYSIS BY CITY ATTORNEY CITY OF STANTON MEASURE GG

On July 22, 2014, the City Council placed Measure "GG" on the November 4, 2014 ballot. If approved by a majority of Stanton voters, this Measure would authorize a one cent (1.0%) transactions and use (i.e. "sales") tax within the City of Stanton. Measure "GG" is intended to prevent significant cuts to general City services resulting from revenue shortfalls caused by recent economic factors. This sales tax would be a "general tax," meaning that revenues raised from the tax would go into the City's general fund to fund any lawful City program, improvement, or service. The City would not be required to use the revenues raised by Measure "GG" for any special purpose or for any particular program or service.

California Revenue and Taxation Code section 7285.9 authorizes the City to levy a transactions and use/sales tax at a rate of one percent so long as the tax is approved by two-thirds of the City Council and a majority of the voters voting in an election on that issue. If approved, the sales tax would become effective on April 1, 2015.

The tax would be paid in addition to current sales taxes and would be collected at the same time and in the same manner as existing sales taxes. All revenues raised by the tax would belong to the City and would not be shared with the State or any other agency.

By placing Measure "GG" on the ballot, the City complies with Article XIIC of the California Constitution (Proposition 218), which requires a majority of the voters to approve an ordinance which establishes a general tax.

A "yes" vote on Measure "GG" will authorize the sales tax.

A "no" vote on Measure "GG" will not authorize the sales tax.

The above statement is an impartial analysis of Measure "GG". If you desire a copy of the Measure, please call the elections official's office at (714) 890-4245 and a copy will be mailed at no cost to you.

s/ Matthew Richardson
City Attorney

ARGUMENT IN FAVOR OF MEASURE GG

Concerned about 9-1-1 response...public safety...local jobs? We all are!

Consider the facts:

- The brain starts to deteriorate 4-6 minutes after a person stops breathing – quick emergency response saves lives.
- Stanton has 11 active gangs with 600 gang members total but has cut public safety services.
- Jobs and our local economy are still struggling.

Over 70% of Stanton's budget goes to public safety, but without Measure GG sheriffs and fire services face more cuts!

Enough is Enough! Do something about it!

YES on GG balances the budget without more cuts to public safety.

- **YES on GG** maintains 9-1-1 response times
- **YES on GG** restore neighborhood police patrols
- **YES on GG** maintains current levels of fire protection services/ firefighters
- **YES on GG** prevents further cuts to gang/youth prevention programs
- **YES on GG** attracts businesses to create local jobs for Stanton residents

YES on GG maintains firefighters/paramedics and keeps fast 9-1-1 emergency response times so that people suffering from heart attacks or strokes get immediate, life-saving care.

YES on GG continues gang and youth violence prevention/intervention programs and keeps police officers in schools to keep kids away from gangs/drugs.

YES on GG keeps Stanton attractive to businesses, visitors and homebuyers by fixing blight and filling vacant storefronts with new businesses, strengthening local property values.

YES on GG is fiscally accountable! Measure GG is not charged on food groceries or medication, requires independent audits, and publishes the City budget online to account for every penny.

Stanton has lost over \$18 million due to Sacramento taking local tax dollars – and we lose another \$4 million every year. Join local sheriffs, firefighters, business and community leaders in **Voting YES on GG** to guarantee funding for local services that can't be taken by Sacramento!

Join us at www.ProtectStanton.com.

s/ Tom Dominguez
President Orange County Sheriff (AOCDS)

s/ Ed Royce, Sr.
Former Mayor of Stanton

Pamela Schoonover
Director Boys & Girls Club of Stanton

s/ Ngoc Lan Nguyen
Stanton Businesswoman

s/ Dave Rose
President OC Firefighters

REBUTTAL TO ARGUMENT IN FAVOR OF MEASURE GG

Measure GG's supporters are right that "jobs and our local economy are still struggling." However, Measure GG's sales tax increase will only make things worse. **Job-creating businesses will leave Stanton for neighboring cities with lower sales taxes**, like Anaheim, Cypress, Garden Grove, and Westminster. Stanton has the highest unemployment rate in Orange County – now is not the time for a sales tax increase to drive jobs out of Stanton.

Measure GG supporters primarily discuss public safety. However, don't be fooled: Measure GG is not a special tax for public safety. Read the text of Measure GG yourself: it's a regular sales tax increase that can be used for any government function, including salaries, pensions, benefits, land deals, and buildings.

The City pays the entire employee pension contribution for City workers with at least three years of experience - that's the amount the employees are supposed to pay!

Read the text of Measure GG yourself:

- Buried in Section 3.05.090(C)(7) is a provision that car dealers "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."
- In other words, **Stanton residents will be required to pay 9% sales tax on any car - even if purchased in another city!**
- Measure GG imposes an extra tax burden on Stanton residents because residents of other Orange County cities do not have to pay the Measure GG tax when buying cars.

Vote "No" on Measure GG to stop Orange County's highest sales tax!

s/ Carolyn Cavecche
CEO, Orange County Taxpayers Association

s/ Wayne Lindholm
President, Lincoln Club of Orange County

s/ Ed Sachs
Member, Community Common Sense

ARGUMENT AGAINST MEASURE GG

Measure GG will give Stanton the highest sales tax in Orange County!

Measure GG's sales tax increase will impact every aspect of our lives:

- Clothing will cost more
- Shoes will cost more
- Vitamins will cost more
- Restaurant meals will cost more
- Soda will cost more
- School supplies will cost more
- Office supplies will cost more
- Car parts will cost more

Stanton businesses will lose customers to businesses in other cities, like Anaheim, Cypress, Garden Grove, and Westminster. If Stanton businesses lose customers, Stanton's economy will decline, reducing jobs and income for our city.

City politicians and bureaucrats claim they need Measure GG's \$3,000,000 tax hike to fill a \$1,800,000 deficit. **Why do the politicians and bureaucrats need an extra \$1,200,000 of our taxpayer money?**

Measure GG is the second tax hike on the Stanton ballot since 2012. Why don't the politicians and bureaucrats understand that *no means no*?

Just two years ago, Stanton voters soundly rejected a proposed tax hike, Measure J. The politicians and bureaucrats claimed Measure J's failure would "put our local public safety at risk...If Measure J fails, local businesses will not feel safe and could leave Stanton, causing unemployment and a greater economic downturn."

They're using those scare tactics again to fool us into passing Measure GG, which would give Stanton *the highest sales tax in Orange County*.

Measure J was a \$1,100,000 tax hike. Measure GG is nearly three times as large. **Why would the politicians and bureaucrats propose a tax triple the size of the one we rejected in 2012?**

As voters, we've already told the politicians and bureaucrats to live within their means instead of asking taxpayers to pay more and more to the government.

Vote "No" on Measure GG to stop the highest sales tax in Orange County!

s/ Carolyn Cavecche
CEO, Orange County Taxpayers Association

s/ Wayne Lindholm
President, Lincoln Club of Orange County

s/ Ed Sachs
Member, Community Common Sense

s/ Steve Sarkis
Stanton Resident and Taxpayer

REBUTTAL TO ARGUMENT AGAINST MEASURE GG

Don't be misled by opponents! Protect public safety and local services – Vote YES on GG.

Measure GG was placed on the ballot only after receiving input from 700+ residents – who asked the City to protect essential services. Every cent is legally required to be spent on YOUR local services.

FACT: Due to Sacramento takeaways, Stanton has lost over \$18 million in local tax dollars.

FACT: Since 2011, the City cut over \$9 million, reduced staff by 30% (including cutting 9 sheriff's department positions), and reformed pensions.

FACT: Over 70% of Stanton's budget goes to public safety. Unfortunately the City has no choice but to further cut sheriffs and fire services without **YES on GG**.

FACT: Stanton has a \$1.8 million deficit. **YES on GG** not only balances the budget with no cuts to public safety but restores critical services we've lost, including neighborhood police patrols.

YES on GG maintains firefighters/paramedics for medical emergencies.

YES on GG maintains 9-1-1 response.

YES on GG fights gangs with more neighborhood patrols and maintains gang prevention programs.

Measure GG is not charged on food groceries or medication, limiting impacts to Stanton residents. Measure GG ensures that thousands of out-of-town visitors and workers who use our services pay their fair share!

Many California cities have passed measures like **YES on GG** to protect and maintain their public safety and local services, and there has been no negative impact on local businesses.

Visit www.ProtectStanton.com – join the many Measure GG supporters throughout our community.

s/ Debi Grand
Planning Commissioner/Member Stanton Community Foundation

s/ David Parikh
CFO Magnolia Center

s/ Bryan Pendergast
Former Vice Principal - St. Polycarp
41 Yr. Resident

s/ Frances Daigle
Member Stanton Volunteer in Policing Program
46 Yr. Resident

s/ David L. Morse
Fmr. President, Stanton Chamber of Commerce