



BB

City of Seal Beach, Seal Beach Neighborhood Safety and Essential Services Protection

To offset significant budget cuts and state takeaways and maintain City services, including community police patrols, paramedic services, fire protection, marine safety/lifeguards, school safety, 9-1-1 response times, and other essential general services, shall an ordinance be adopted for a one percent sales tax to raise approximately \$5,000,000 annually until ended by voters, with independent audits to ensure transparency and funds spent only in Seal Beach?

What your vote means

YES	NO
A "yes" vote on Measure BB is to adopt the Sales Tax Ordinance.	A "no" vote on Measure BB is to not adopt the Sales Tax Ordinance.

For and against

FOR	AGAINST
<p>Deb Machen Past President, SB Chamber of Commerce</p> <p>Donald M. Horning Retired Industrial Firefighter</p> <p>David G. Van Holt Retired SB Police Lieutenant, 54 year resident</p> <p>Barbara Barton 52 year Seal Beach resident, Former Seal Beach Woman of the Year</p> <p>Sandra Massa-Lavitt Leisure World Councilwoman</p>	No argument against this measure was submitted.

 Ballot Measures-BBFull Text of Measure BB
City of Seal Beach

ORDINANCE 1671

AN ORDINANCE OF THE CITY OF SEAL BEACH IMPOSING A 1.0% TRANSACTIONS AND USE TAX TO BE
ADMINISTERED BY THE CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION

THE PEOPLE OF THE CITY OF SEAL BEACH DO HEREBY ORDAIN AS FOLLOWS:

Section 1. Chapter 4.55 is hereby added to the Seal Beach Municipal Code to read as follows:

"TRANSACTIONS AND USE TAX.**Sections:**

4.55.005	Short Title
4.55.010	Operative Date
4.55.015	Purpose
4.55.020	Contract With State
4.55.025	Transactions Tax Rate
4.55.030	Place of Sale
4.55.035	Use Tax Rate
4.55.040	Adoptions of Provisions of State Law
4.55.045	Limitations on Adoption of State Law and Collection of Use Taxes
4.55.050	Permit Not Required
4.55.055	Exemptions and Exclusions
4.55.060	Amendments
4.55.065	Enjoining Collection Forbidden

4.55.005. SHORT TITLE. This ordinance shall be known as the City of Seal Beach Transactions and Use Tax Ordinance of 2018. The City of Seal Beach hereinafter shall be called "City." This ordinance shall be applicable in the incorporated territory of the City.

4.55.010. 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.

4.55.015. 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.

4.55.020. 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.

4.55.025. 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 percent (1.0%) 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.

4.55.030. 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.

4.55.035. 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



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of one percent (1.0%) 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.

4.55.040. 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.

4.55.045. 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.

4.55.050. 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.

4.55.055. 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-Bums 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.



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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.

4.55.060. 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 make amendments to this Ordinance that do not increase the rate of the tax without further voter approval.

4.55.065. 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. 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 3. 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.



Ballot Measures-BB

Impartial Analysis City of Seal Beach Measure BB

Measure BB is the “Seal Beach Neighborhood and Essential Services Protection Measure.” If approved by the voters, it would adopt Ordinance No. 1671, the City of Seal Beach Transactions and Use Tax Ordinance of 2018 (the “Sales Tax Ordinance”). Measure BB would increase the City’s existing sales tax rate by 1%, or one cent, on every dollar of taxable sales of goods in the City, and on the taxable storage, use or consumption in the City of goods purchased.

The proposed tax is a general tax. The City estimates that this Measure will raise approximately \$5 million per year in new local revenue for use in the City. The City Council’s adopted ballot question states this new revenue would be used for essential services including community police patrols, paramedic services, fire protection, marine safety and lifeguards, school safety, and 911 response times, as well as other general services. California law gives cities the authority to adopt local tax measures like this one, in the amount proposed, with the voters’ approval. Under current state law, the local tax may not be increased beyond the rate proposed in the Sales Tax Ordinance and will be in effect until ended by the voters. Measure BB was placed on the ballot by the unanimous vote of the Seal Beach City Council.

The Sales Tax Ordinance provides that the revenue will be collected by the State of California under a contract in the same way the existing sales tax is collected, and paid over to the City. Accountability over revenue and expenditures from the Sales Tax Ordinance will be part of the City’s annual independent audit, the report of which is available to the public. Financial information also will be disclosed in the City’s Comprehensive Annual Financial Report and other public documents. The total sales tax rate paid in Seal Beach, which also includes the sales tax collected for the State of California and other public agencies such as OCTA, is 7.75% now. If the Measure is approved by the voters, the total sales tax rate in the City will be 8.75% subject to any changes in state law. Sales tax is not collected on items such as prescription medications or food bought as groceries.

Article XIIC of the California Constitution, commonly known as Proposition 218, requires that the proposed general tax be approved by a majority of the voters voting on the Measure. A “yes” vote on Measure BB is to adopt the Sales Tax Ordinance. A “no” vote on Measure BB is to not adopt the Sales Tax Ordinance.

s/ Craig A. Steele
Seal Beach City Attorney



Argument in Favor of Measure BB

Safety is the most important quality a small-town can offer. Violent crime is up, property crimes are up; we need more officers to keep our community safe.

Vote YES on BB.

1988 crime was low and we had 40+ officers. Today, crime's up and we only have 35 officers.

The State confiscated millions of dollars from Seal Beach taxpayers and sales tax generated in our city goes first to the State and County leaving us only \$1.00 of every \$100.00 generated in Seal Beach.

Revenues are NOT keeping up with rising costs causing a deficit budget, reduced work force and reduced city services. It's time to restore Local Control and take back our quality of life.

Vote YES on BB.

Our neighborhood schools depend on Police presence to keep our children safe. Our local merchants need Police presence to prevent shoplifting. We need more officers.

Leisure World depends on an adjacent Fire Station for fast response time. The brain begins deteriorating within 4-6 minutes after breathing stops. We need both fire stations and our firefighters working for us; quick emergency response saves lives.

YES on BB prevents further cuts to the Police Department, hires more officers, keeps Fire and essential services in place.

YES on BB keeps Seal Beach property values high, attracting homebuyers to a small, safe city with great schools.

BB is not a tax on your home or property and not applied to prescription medication or food purchased as groceries. BB ensures that out-of-town visitors help pay for the services they use.

YES on BB ensures Sacramento can't touch a dime of these funds! By law, all monies from BB are required to remain locally in Seal Beach.

YES on BB is transparent and fiscally accountable. BB requires an annual independent audit to account for every penny!

Vote YES on BB

www.SafetyFirstSealBeach.com

s/ Deb Machen
Past President, SB Chamber of Commerce

s/ Donald M. Horning
Retired Industrial Firefighter

s/ David G. Van Holt
Retired SB Police Lieutenant, 54 year resident

s/ Barbara Barton
52 year Seal Beach resident, Former Seal Beach Woman of the Year

s/ Sandra Massa-Lavitt
Leisure World Councilwoman

No argument against this measure was submitted.