

Agenda No. \_\_\_\_\_  
Key Words: Sales Tax Measure  
Meeting Date: July 24, 2024

## SUMMARY REPORT

# CITY COUNCIL

### ITEM INITIATED BY:

Douglas L. White, City Attorney

### AUTHORIZED BY:

Jim Lindley, City Manager

### PREPARED BY:

Douglas L. White, City Attorney

### RECOMMENDATION / REQUESTED ACTION:

Consider and adopt a Resolution of the City Council of the City of Dixon, California, declaring a general municipal election to be held on Tuesday, November 5, 2024, for the submission of a ballot measure to the City of Dixon qualified voters to approve a local one cent (1¢) sales tax for public safety funding and general City revenue purposes; and requesting the Board of Supervisors for the County of Solano to consolidate the election with the statewide general election and permit the County Registrar of Voters to render election services.

### DISCUSSION:

The City of Dixon (the "City") needs additional revenue to protect the City's long-term financial stability and maintain necessary funding for public safety services, such as 911 emergency response, fire/paramedic services, neighborhood police patrols, anti-gang programs, keeping public spaces clean and free of crime, providing safe routes to schools, and repairing streets. Additionally, the City must be prepared for the threat of fire by ensuring that the fire department has the equipment and staffing it needs to protect and save lives and property. The City wishes to continue to maintain a high level of police services including neighborhood patrols as well as crime, gang, and drug prevention programs. Locally controlled funding will help maintain community and neighborhood safety, fire prevention efforts, rapid 911 emergency response times, and disaster preparedness. Revenue from the Measure may also be used for necessary infrastructure improvements, such as street and sidewalk repairs. Low crime rates, reliable emergency response times, safe and efficient public right of ways will attract and retain local businesses and jobs.

With more patrons, businesses, and development in the City every year, public safety services will become strained without additional revenue. If adopted, the resolution will place a measure on the ballot for the November 5, 2024 general election (the "Election") to provide and preserve public safety services valued by City residents (the "Resolution"). The Resolution will submit a measure to City residents for a one cent (1¢) Transaction and Use Tax (sales tax) to provide locally controlled funding for essential public safety services and necessary City services (the "Measure"). The Measure is being proposed to provide funding to be used only for local City services. The Measure proposes a general tax and requires a majority (50% plus 1) of votes cast by City's qualified voters to approve the Measure. The Measure is not a tax on homes or property and a large portion of locally controlled revenue generated by the measure will be paid by visitors to the City who will pay their fair share to use City streets, emergency assistance, and other services. Further, the Measure requires strict accountability provisions, including public disclosure of all spending, mandatory financial audits, and public reports to the community.

The Resolution contains the information regarding the actions necessary to place the Measure on the ballot at the Election, including setting out the ballot question, and requesting that the County of Solano (the "County") consolidate the City's election with the statewide general election.

The question that voters will be asked at the Election is:

<i>"Keep Dixon Dixon Measure: Shall the measure maintaining local control of the City of Dixon's financial stability and essential services such as 911 emergency response times, fire/paramedic protection; retaining/attracting firefighters/paramedics/police; preventing crime; providing safe routes to school; keeping public spaces safe/clean; attracting/retaining local businesses; repairing streets/potholes; by establishing a 1¢ sales tax until ended by voters, providing approximately \$3,000,000 annually, requiring public spending disclosures/all funds used locally, be adopted?"</i>	Yes
	No

The form of the question complies with the requirements of the Elections Code. To the extent the City Council wishes to modify the ballot question it must be phrased as: "Shall the measure (stating the nature thereof) be adopted?" It must also contain no more than seventy-five (75) words and a statement regarding the amount of money to be raised annually and the rate and duration of the tax to be levied.

METHODS FOR SUBMITTING ARGUMENTS AND CITY ATTORNEY IMPARTIAL ANALYSIS

Pursuant to Elections Code sections 9282 and 9285, when a measure is placed on the ballot by the City Council, the City Council or a member or members of the legislative body authorized by the City Council, or an individual voter who is eligible to vote on the measure, or a bona fide association of citizens, or a combination of voters and

associations, may file a written argument for the measure and a rebuttal to any arguments against the measure. An argument shall not exceed 300 words in length. A rebuttal argument cannot exceed 250 words in length.

Arguments for and against the Measure, and any rebuttals may be filed in accordance with applicable provisions of the law. The Resolution provides that the City Council authorizes a subcommittee to draft the argument in support of the Measure and the rebuttal and does not authorize the City Council as a body or any individual member of the Council to file a written argument or any rebuttal argument for or against the Measure. The City Attorney shall prepare an impartial analysis of the Measure showing the effect of the Measure on the existing laws and the operation of the Measure pursuant to Elections Code section 9280.

Deadlines for arguments and impartial analysis are as follows:

August 14	Filing deadline: City Attorney Impartial Analysis
August 14 – August 24, 2024	10-day public examination period
August 16, 2024	Filing deadline: arguments for and against
August 16, 2024 – August 26, 2024	10-day public examination period
August 20, 2024	Filing deadline: rebuttals to arguments for and against
August 20 – August 30, 2024	10-day public examination period

#### **FINANCIAL IMPACT:**

The City will be required to pay the County Registrar of Voters for services in consolidating the election. If the qualified voters of the City approve the Measure, it would provide an estimated \$3,000,000 annually in revenue.

#### **ALTERNATIVES/OPTIONS:**

The City Council's options regarding the proposed Resolution include:

1. Adopt the Resolution;
2. Reject the Resolution; or
3. The City Council may continue the item and request additional information and analysis from staff. Since the City must adopt and submit the Resolution to the County by August 9, 2024, this option may delay the City from submitting the Resolution to the County and prevent the placement of the Measure on the ballot for the Election.

**ENVIRONMENTAL IMPACT:**

This Resolution does not constitute a "project" under the California Environmental Quality Act ("CEQA")<sup>1</sup>, and as such, it is exempt from environmental review.

**ATTACHMENTS:**

Resolution

**APPROVALS:**

Finance: \_\_\_\_\_ City Manager \_\_\_\_\_ City Attorney: \_\_\_\_\_

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<sup>1</sup> Pub. Resources Code, § 21065.

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DIXON, CALIFORNIA, DECLARING A GENERAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 5, 2024, FOR THE SUBMISSION OF A BALLOT MEASURE TO THE CITY OF DIXON QUALIFIED VOTERS TO APPROVE A LOCAL ONE CENT (1¢) SALES TAX FOR PUBLIC SAFETY FUNDING AND GENERAL CITY REVENUE PURPOSES; AND REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF SOLANO TO CONSOLIDATE THE ELECTION WITH THE STATEWIDE GENERAL ELECTION AND PERMIT THE COUNTY REGISTRAR OF VOTERS TO RENDER ELECTION SERVICES**

**WHEREAS**, the City of Dixon (the "City") wishes to maintain locally controlled funding for essential public safety services and necessary City services to address community needs and priorities; and

**WHEREAS**, the City wishes to maintain public safety services for thousands of City citizens every year at the levels they expect and deserve; and

**WHEREAS**, the City must be prepared for the threat of fire by ensuring our fire department has the equipment and staffing it needs to protect and save lives and property; and

**WHEREAS**, the City wishes to maintain a high level of police services including neighborhood patrols as well as crime, gang, and drug prevention programs; and

**WHEREAS**, locally controlled funding will maintain community and neighborhood safety, fire prevention efforts, rapid 911 emergency response times, disaster preparedness, street maintenance and pothole repair, and attract and retain local businesses and jobs; and

**WHEREAS**, the City maintains more than 145 miles of roads and must address streets that are in disrepair and maintain regular street maintenance and pothole repair that keep our streets safe and improve quality of life; and

**WHEREAS**, this measure is not a tax on homes or property and a large portion of locally controlled revenue generated by the measure will be paid by visitors to Dixon who will pay their fair share to use our streets, emergency assistance, and other City services; and

**WHEREAS**, this measure requires strict accountability provisions, including public disclosure of all spending, mandatory financial audits, and public reports to the community; and

**WHEREAS**, pursuant to Elections Code section 9222, the City Council is submitting to City voters a ballot measure and proposed ordinance to establish a one cent (1¢) sales tax for public safety funding and general City revenue purposes (the "Measure"); and

**WHEREAS**, a statewide general election will be held on November 5, 2024; and

**WHEREAS**, pursuant to Elections Code sections 10002 and 10400 et seq., the City Council is authorized to request an order from the County of Solano (the "County") Board of Supervisors for election services and to consolidate the Election with the statewide general election; and

**WHEREAS**, it is desirable that the Election be consolidated with the statewide general election to be conducted on November 5, 2024 as a cost savings measure for the City.

**NOW, THEREFORE, BE IT RESOLVED**, by the City Council of Dixon as follows:

**SECTION 1:** Pursuant to Revenue and Taxation Code section 7285.9 and Government Code section 53724, the City Council by this Resolution approves by a two-thirds (2/3) vote the Measure. The Measure is a general tax as defined in Article XIII C of the State of California Constitution and Government Code section 53721 and shall not take effect until approved by a vote of at least a majority of voters voting on the question at the Election.

**SECTION 2:** Pursuant to Elections Code section 9222, the City Council hereby calls and orders a general municipal election to be held in the City on Tuesday, November 5, 2024, for the purpose of submitting the following question to the voters at such election:

<i>"Keep Dixon Dixon Measure: Shall the measure maintaining local control of the City of Dixon's financial stability and essential services such as 911 emergency response times, fire/paramedic protection; retaining/attracting firefighters/paramedics/police; preventing crime; providing safe routes to school; keeping public spaces safe/clean; attracting/retaining local businesses; repairing streets/potholes; by establishing a 1¢ sales tax until ended by voters, providing approximately \$3,000,000 annually, requiring public spending disclosures/all funds used locally, be adopted?"</i>	Yes
	No

**SECTION 3:** The text of the ordinance submitted to the voters is attached as **Exhibit A**.

**SECTION 4:** Pursuant to Elections Code sections 10002 and 10403, the City Council hereby requests that the County Board of Supervisors consolidate the Election with the statewide general election, to be conducted on Tuesday, November 5, 2024 (the "Consolidated Election"). The City acknowledges that the Consolidated Election shall be held and conducted in the manner prescribed by Elections Code section 10418.

**SECTION 5:** Pursuant to Elections Code section 10002, the City Council hereby requests that the County Board of Supervisors authorize the Solano Registrar of Voters (the "Registrar") to provide all services necessary to conduct the Consolidated Election.

**SECTION 6:** The City recognizes the additional costs that will be incurred by the County to conduct the Consolidated Election and agrees to reimburse the County for any costs to conduct the Consolidated Election, upon presentation of a bill as required by Elections Code section 10002.

**SECTION 7:** The City Council hereby directs the City Elections Official, or designee, to file a certified copy of this Resolution with the County Board of Supervisors and the Registrar. The City Elections Official, or designee, shall file a certified copy of this Resolution with the County Board of Supervisors and the Registrar on or before August 9, 2024.

**SECTION 8:** Pursuant to Elections Code section 9280, the City Council hereby directs the City Elections Official, or designee, to transmit a copy of the Measure to the City Attorney. The City Council hereby directs the City Attorney to prepare an impartial analysis of the Measure pursuant to Elections Code section 9280 (the "Impartial Analysis"). The City Attorney shall file the Impartial Analysis with the Registrar on or before August 14, 2024.

**SECTION 9:** The City Council authorizes a subcommittee of two (2) members of the City Council (the "Subcommittee") to file a written argument in favor of the Measure in accordance with Elections Code sections 9282 and 9283 (the "Argument") and to change the Argument until and including the date fixed by the City Elections Official, or designee, after which no arguments for or against the measure may be submitted. The Subcommittee shall file the Argument with the Registrar on or before August 16, 2024.

Pursuant to Elections Code section 9282, only the Subcommittee shall be authorized to submit any argument or rebuttal argument in favor or against the Measure for printing in the voter information guide on behalf of the City. No member of the City

Council shall submit any argument or rebuttal argument in favor or against the Measure on behalf of the City, but may only make a submission in their individual capacity, and shall not use their official title of office in any arguments in support of or against the Measure. Any argument or rebuttal argument for or against the Measure submitted for printing in the voter information guide, unless submitted by the Subcommittee, shall not be construed as either an argument or rebuttal argument of the City Council, but only as a personal argument or rebuttal argument of that individual.

**SECTION 10:** The City Council authorizes the Subcommittee to file a rebuttal argument against any argument submitted against the Measure in accordance with Elections Code section 9285 (the "Rebuttal"). The Subcommittee shall file the Rebuttal with the Registrar on or before August 20, 2024.

**SECTION 11:** The City Elections Officials and other City officers and employees are authorized and directed to take all other actions that are necessary to have the Measure properly submitted to the City voters at the Election, to be conducted on Tuesday, November 5, 2024. The City Manager shall be the City Elections Official.

**PASSED AND ADOPTED** by a two-thirds vote at a regular meeting of the City Council of the City of Dixon this July 24, 2024, by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:  
EXCUSED:

APPROVED:

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Steve Bird  
Mayor of the City of Dixon

ATTEST:

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Kristin Janisch  
Elected City Clerk



ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF DIXON ADDING CHAPTER 4.11, KEEP DIXON DIXON MEASURE, TO TITLE 4, REVENUE AND FINANCE, OF THE DIXON MUNICIPAL CODE TO IMPOSE AN ONGOING ONE CENT (1¢) TRANSACTION AND USE TAX FOR GENERAL REVENUE PURPOSES**

**WHEREAS**, the City of Dixon (the "City") wishes to maintain locally controlled funding for essential public safety services and necessary City services to address community needs and priorities; and

**WHEREAS**, the City seeks to continue to provide public safety services for thousands of City citizens every year at the levels they expect and deserve; and

**WHEREAS**, the City must be prepared for the threat of fire by ensuring our fire department has the equipment and staffing it needs to protect and save lives and property; and

**WHEREAS**, the City wishes to maintain a high level of police services including neighborhood patrols and crime, gang and drug prevention programs; and

**WHEREAS**, locally controlled funding will maintain community and neighborhood safety, fire prevention efforts, rapid 911 emergency response times, disaster preparedness, street maintenance and pothole repair, and attract and retain local businesses and jobs; and

**WHEREAS**, the City maintains more than 145 miles of roads and must address streets that are in disrepair and maintain regular street maintenance and pothole repair that keep our streets safe and improve quality of life; and

**WHEREAS**, this measure is not a tax on homes or property and a large portion of locally controlled revenue generated by the measure will be paid by visitors to Dixon who will pay their fair share to use our streets, emergency assistance, and other City services; and

**WHEREAS**, this measure requires strict accountability provisions, including public disclosure of all spending, mandatory financial audits, and public reports to the community; and

**WHEREAS**, pursuant to Elections Code section 9222, the City Council submitted to City voters a ballot measure and proposed ordinance to establish a one cent (1¢) sales tax for general City purposes; and

**WHEREAS**, pursuant to Revenue and Taxation Code section 7285.9 and Government Code section 53724, the City Council previously approved by two-thirds vote this general tax ordinance and submitted this general tax ordinance to the electorate of the City for a vote at the November 5, 2024 general election in accordance with

Government Code section 53723 and Article XIII C, section 2 of the California Constitution.

**NOW, THEREFORE, THE PEOPLE OF THE CITY OF DIXON DO ORDIAN AS FOLLOWS:**

**SECTION 1. AMENDMENT.** Subject to the approval of a majority of the voters of the City of Dixon at the scheduled election so designated by the City Council in a resolution placing this ordinance on the ballot for such election, Chapter 4.11, Keep Dixon Dixon Measure, shall be added to Title 4, Revenue and Finance, of the Dixon Municipal Code to read as follows:

**Chapter 4.10  
DIXON QUALITY OF LIFE/ESSENTIAL CITY SERVICES MEASURE**

Section

- 4.11.010 Title.
- 4.11.020 Operative Date.
- 4.11.030 Purpose.
- 4.11.040 Contract with State.
- 4.11.050 Transaction Tax Rate.
- 4.11.060 Place of Sale.
- 4.11.070 Use Tax Rate.
- 4.11.080 Adoption of Provisions of State Law.
- 4.11.090 Limitation on Adoption of State Law and Collection of Use Taxes.
- 4.11.100 Permit Not Required.
- 4.11.110 Exemptions and Exclusions.
- 4.11.120 Amendments to State Law.
- 4.11.130 Enjoining Collection Forbidden.
- 4.11.140 Annual Accountability Report.
- 4.11.150 Annual Audit and Review.

**4.11.010 Title.**

This Chapter shall be known as the Keep Dixon Dixon Measure.

**4.11.020 Operative Date.**

"Operative date" means the first day of the first calendar quarter commencing more than 10 days after the adoption of this Chapter, the date of such adoption being as set forth below.

**4.11.030 Purpose.**

This Chapter 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 Chapter 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 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 Chapter.

E. To adopt a retail transactions and use tax for unrestricted public safety and general revenue purposes to remain in effect until the voters amend or repeal it.

#### **4.11.040 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 Chapter; 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.

#### **4.11.050 Transaction 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%) 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 Chapter.

#### **4.11.060 Place of Sale.**

For the purposes of this Chapter, 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.

#### **4.11.070 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 Chapter 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.

#### **4.11.080 Adoption of Provisions of State Law.**

Except as otherwise provided in this Chapter 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 Chapter as though fully set forth herein.

#### **4.11.090 Limitation 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 therefore. 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 Chapter;

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.

#### **4.11.100 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 Chapter.

#### **4.11.110 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 levied 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 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 Chapter 2 of 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 Chapter.

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 Chapter.

5. For the purposes of subsections (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 levied by this Chapter, 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 Chapter.

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 Chapter.

5. For the purposes of subsections (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 (8), 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 that, in the preceding calendar year or the current calendar year, has total combined sales of tangible personal property in this State or for delivery in the State by the retailer and all persons related to the retailer that exceeds five hundred thousand dollars (\$500,000). For purposes of this subsection, a person is related to another person if both persons are related to each other pursuant to Section 267(b) of the Internal Revenue Code and the regulations thereunder.

8. "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 Chapter 2 of 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 Chapter 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.

#### **4.11.120 Amendments to State Law.**

All amendments subsequent to the effective date of this Chapter 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 Chapter, provided however, that no such amendment shall operate so as to affect the rate of tax imposed by this Chapter.

#### **4.11.130 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 Chapter, 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.

#### **4.11.140 Annual Accountability Report.**

The City Council shall cause preparation of an annual accountability report for the benefit of the citizens of the City and in order to assure accountability in the expenditure of tax revenues received pursuant to this Chapter. The annual accountability performance report shall be posted on the City's website and shall include the following information:

A. The amount of revenue collected pursuant to the transactions and use tax imposed by this Chapter;

B. The amount and general purposes of the expenditures made possible by this Chapter, including, where feasible, a categorization of the nature and purpose of the expenditures. These categories may include, among other things:

1. A listing of general fund service expenditures (such as fire, neighborhood safety, streets and roads, parks and recreation, and other general fund services).
2. A listing of capital facility expenditures (such as streets, police and fire facilities, emergency communication systems, and other general fund capital expenditures).
3. Such other categories of general fund services or capital expenditures as the City Council may from time to time deem necessary and desirable.

#### **4.11.150 Annual Audit and Review.**

The revenue from the tax imposed by this Chapter, as well as the expenditure thereof, shall be subject to the annual audit performed by the City's independent auditor of the City's books, records, accounts, and fiscal procedures and which is reported in the City's



comprehensive annual financial report. The audit results may be combined with the audit of other City funds, so long as the proceeds from this Chapter are reported separately. The City Council shall discuss the results of such audit at a meeting of the City Council that is open to the public. The report of such audit shall be posted on the City's website.

**SECTION 2. NO MANDATORY DUTY OF CARE.** This ordinance is not intended to and shall not be construed or given effect in a manner which imposes upon the City, or any officer or employee thereof, a mandatory duty of care towards persons or property within the City or outside of the City so as to provide a basis of civil liability for damages, except as otherwise imposed by law.

**SECTION 3. CONFLICTS.** All ordinances and parts of ordinances in conflict herewith are repealed insofar as such conflict may exist.

**SECTION 4. COMPLIANCE WITH THE CALIFORNIA ENVIRONMENTAL QUALITY ACT:** The approval of this ordinance is exempt from the California Environmental Quality Act (Public Resources Code sections 21000, et seq., "CEQA" and 14 Cal. Code of Regs. sections 15000 et seq., "CEQA Guidelines"). This ordinance imposes a general sales tax that can be used for unrestricted general revenue purposes as specified in this ordinance. It is not a commitment to any specific project that may result in a potentially significant physical impact on the environment.

**SECTION 5. CODIFICATION.** Subject to the voter approval, the City Clerk, in consultation with the City Attorney, is hereby authorized and directed to codify this ordinance in the Dixon Municipal Code.

**SECTION 6. EFFECTIVE DATE:** Pursuant to California Constitution Article XIII C, section (2)(b), and Elections Code sections 9217 and 15400, this ordinance shall take effect only if approved by a majority of the eligible voters in the City, and shall be considered as adopted upon the date that the vote is declared by the legislative body, and shall go into effect 10 days after that date.

**SECTION 7. SEVERABILITY.** If any section, subsection, sentence, clause, or phrase of this ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance. City voters declare that they would have adopted this ordinance, and each and every section, subsection, sentence, clause, or phrase not declared invalid or unconstitutional, without regard to whether any portion of the ordinance would be subsequently declared invalid or unconstitutional.

**SECTION 8. REPEAL OR AMENDMENT.** This ordinance shall not be repealed or amended, except by a measure approved by a majority of electors voting on the issue at a General Municipal Election, or at a special election called for that purpose.

**SECTION 9. CERTIFICATION.** The City Clerk shall certify the final approval of this ordinance, publish the same as required by law, and forward a certified copy of the adopted ordinance to the California Department of Tax and Fee Administration.

This ordinance was adopted by declaration of the vote of the City Council on \_\_\_\_\_ day of \_\_\_\_\_, 2024, at a regular meeting of the City Council by the following vote:

AYES:  
NOES:  
EXCUSED:

APPROVED:

\_\_\_\_\_  
Mayor of the City of Dixon

ATTEST:

\_\_\_\_\_  
Kristin Janisch  
Elected City Clerk