

Letter to the City Clerk of the City of Grass Valley

December 11, 2017

Kristi Bashor, City Clerk
City of Grass Valley
125 East Main Street
Grass Valley, CA 95945

RE: Initiative Measure to be Submitted to Voters

Dear Ms. Bashor,

Please find enclosed a Notice of Intent to Circulate a Petition, the proposed initiative ordinance, and a check for the filing fee. Please transmit the initiative ordinance to the City Attorney for Title and Summary pursuant to Elections Code.

I am the proponent of the Measure and am a registered voter in the City of Grass Valley. If you have any questions, please call me at (530) 559-8211.

Sincerely,



Daniel Swartzendruber
403 Neal Street
Grass Valley, CA 95945

Additionally:



Marty Lombardi
911 Freeman Lane
Grass Valley, CA 95949



Elizabeth Poston
232 E. Main Street
Grass Valley, CA 95945

NOTICE OF INTENTION

NOTICE OF INTENT TO CIRCULATE PETITION

NOTICE IS HEREBY GIVEN BY THE PERSONS WHOSE NAMES APPEAR HEREON OF THEIR INTENTION TO CIRCULATE THE PETITION FOR THE PURPOSE OF ENACTING AN INITIATIVE ORDINANCE OF THE CITY OF GRASS VALLEY IMPOSING A TRANSACTIONS AND USE TAX TO BE ADMINISTERED BY THE CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION; A STATEMENT OF THE REASONS OF THE PROPOSED ACTION AS CONTEMPLATED IN THE PETITION IS AS FOLLOWS:

Notice is hereby given by the persons whose names appear hereon of their intention to circulate a petition within the City of Grass Valley for the purpose of increasing the existing Measure N sales tax from 0.5% to 1.0% and make the sales tax permanent. The reason for the proposed action as contemplated in the petition is as follows:

- 1) The City faces a public safety emergency and needs to increase the City's police services to combat drugs, vagrancy, and crime.
- 2) With high fire dangers, the City must bolster firefighting resources and provide full life safety services (paramedics on staff) to protect our homes, community, and save lives.
- 3) The City's parks that were once the scene of so much family joy and community recreation activities are now considered unsafe and unusable. The City needs to provide park maintenance and improvements.
- 4) The City must end the unrelenting decay of our City's infrastructure, and make crucial street, sidewalk, and walkability improvements.

Grass Valley has operated under tight, fiscally-prudent budgets. Still, the quality of City public services lacks sufficient funding to provide for the expectations of the community. This measure will increase funding for our police and fire departments, and address the needs of our parks and infrastructure.

The police department is well below mid-2000-era staffing. The City's pavement management plan lists millions of dollars in necessary improvements. Tight budgets of the past led to reducing Parks and Recreation programs and services. The City's parks are seriously underfunded, leaving the swimming pool, ballfields, trails, and play equipment in need of major renovations.

Relying on State and Federal funding for financial assistance is not practical. Only a small share of property and statewide sales taxes trickle down to the City.

Voters know and understand. In 2012, Grass Valley residents approved Measure N, a half-cent sales tax that expires in March of 2023. Those funds added five new police officers, five new firefighters, public safety equipment, and provided funding for some road improvement projects.

But it's not enough. Grass Valley needs permanent and dedicated funding to adequately address our community's needs and ensure future prosperity.

We propose a one cent sales tax to be paid not only by residents, but by every entity that conducts business in our city. That increase will set Grass Valley's sales tax at 8.5%, in line, yet still below, Nevada City (8.75%).

This measure will fund more police officers, enhance fire department life-safety resources, and supply a park ranger to help reclaim our parks. The money will also fund long-deferred maintenance of City streets, kickstart parks and recreation infrastructure and programming, and fund new sidewalks and walkability projects. An oversight committee will ensure the money goes where it is needed and where it is promised.

Let's join together to invest in Grass Valley to ensure a safe community for our families, especially the oldest and youngest among us. Let's say "Yes" to our police officers and firefighters. Let's say "Yes" to vibrant parks and improved walkability.

Written Text of the Initiative is Attached as Attachment A (Elections Code Section 9202)

THE UNDERSIGNED PROPONENTS OF THIS INITIATIVE HEREBY REQUEST THAT A BALLOT TITLE AND SUMMARY BE PREPARED BY THE CITY ATTORNEY IN ACCORDANCE WITH ELECTIONS CODE SECTION 9203(A) AND THAT SAID BALLOT TITLE AND SUMMARY BE FURNISHED TO THE UNDERSIGNED FOR PUBLICATION IN ACCORDANCE WITH ELECTIONS CODE SECTION 9206



[Signature]
Daniel Swartzendruber
403 Neal Street
Grass Valley, CA 95945



[Signature]
Marty Lombardi
911 Freeman Lane
Grass Valley, CA 95949



[Signature]
Elizabeth Poston
232 E. Main Street
Grass Valley, CA 95945

ATTACHMENT A

AN INITIATIVE ORDINANCE OF THE CITY OF GRASS VALLEY IMPOSING A TRANSACTIONS AND USE TAX TO BE ADMINISTERED BY THE CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION

Section 1. TITLE. This ordinance shall be known as the Grass Valley Transactions and Use Tax Ordinance of 2018. The City of Grass Valley hereinafter shall be called "City." This ordinance shall be applicable in the incorporated territory of the City.

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. 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 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 State 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.

Section 4. 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.

Section 5. 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 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.

Section 6. 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.

Section 7. 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 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 8. 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.

Section 9. 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 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.

Section 10. 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.

Section 11. 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, b, 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.

Section 12. 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.

Section 13. 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 14. 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 15. EFFECTIVE DATE. This ordinance relates to the levying and collecting of the City transactions and use taxes and shall take effect immediately.

Section 16. CITIZEN'S OVERSIGHT COMMITTEE. The City Council-appointed five-member Citizen's Advisory Board shall continue to meet at least annually to review the revenues generated by the tax imposed by this ordinance and expenditures of those revenues and to make recommendations to the City Council regarding expenditure of such revenues.

Section 17. AUDIT AND REVIEW. The proceeds of the tax imposed pursuant to this ordinance, as well as the expenditure thereof, shall be audited annually by an independent accounting firm. 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 18. DECLARATION. The proceeds of the taxes imposed by this ordinance may be used for any lawful purpose of the City, as authorized by ordinance, resolution or action of the City Council. These taxes are not special taxes within the meaning of Article XIII C, section 1 (d), but are general taxes imposed for general government purposes.

Section 19. PUBLICATION. The City Clerk shall certify to the passage and adoption of this Chapter and shall cause the same to be published once in The Union, a newspaper of general circulation, printed, published, and circulated within the City.

Section 20. REPEAL. Ordinance No. 740, as codified in Grass Valley Municipal Code Title 3, Chapter 3.70, is hereby repealed.

PASSED AND ADOPTED by the City Council of the City of Grass Valley, State of California, on [date], by the following vote:

AYES:

NOES:

ABSENT:

Howard Levine, Mayor

Attest: _____
Kristi Bashor, City Clerk

ORDINANCE NO. 740

AN ORDINANCE OF THE CITY OF GRASS VALLEY ENACTING A GENERAL
TRANSACTIONS AND USE TAX TO BE ADMINISTERED BY THE STATE BOARD OF
EQUALIZATION, SUBJECT TO ADOPTION BY THE ELECTORATE

Be it ordained by the Council of the City of Grass Valley:

Section 1. TITLE. This ordinance shall be known as the City of Grass Valley Transactions and Use Tax Ordinance of 2012. The City of Grass Valley hereinafter shall be called "City." This ordinance shall be applicable in the incorporated territory of the City.

Section 2. OPERATIVE DATE. "Operative Date" means the first day of the first calendar quarter commencing more than 110 days after November 6, 2012.

Section 3. 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:

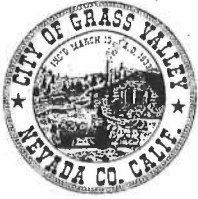
A. To impose a retail transactions and use tax in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Section 7285.9 of Part 1.7 of Division 2, which authorizes the City to adopt this tax ordinance which shall be operative if a 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

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**City of Grass Valley
City Council
Agenda Action Sheet**

Council Meeting Date: August 7, 2012

Date Prepared: July 19, 2012

Prepared by: Daniel C. Holler, City Administrator

Title: Ordinance Enacting a General Transactions and Use Tax

Agenda: Administrative

Recommended Motion: Waive further reading and adopt by title only Ordinance No. 740 of the City Council of the City of Grass Valley Enacting a General Transactions and Use Tax to be Administered by the State Board of Equalization, Subject to Adoption by the Electorate

Background Information: Staff is recommending adoption of Ordinance No. 740 enacting a General Transactions and Use Tax (TUT). The Ordinance follows the required language for the tax to be administered by the State Board of Equalization. The Ordinance puts into place the direction of the City Council, regarding the 10 year term of the tax, the economic recovery review that may allow a shorter time frame, the audit requirement, and the use of a citizen's oversight committee. The ordinance would go into effect provided the passage of the tax measure is approved by a majority of voters voting in the November general election. If it is not passed the ordinance will not go into effect. A copy of the ordinance is attached for Council's review. The Ordinance was introduced on July 24, 2012.

Funds Available: N/A

Account #:

Reviewed by:

_____ City Administrator

City Attorney's Impartial Analysis
Measure E
One-Cent Sales Tax Proposal

In 2012, Grass Valley voters approved Measure N to adopt a half-cent (0.5%) transactions and use tax. This kind of tax is often called a "sales" tax. Measure N expires in 2023. This measure was proposed by a petition of City voters and would replace Measure N with a one-cent (1%) sales tax. The money from the tax would go into the City's general fund and could be used for any lawful City purpose, including but not limited to: police officers and firefighters, police and fire equipment, street paving, sidewalk repair, park improvements and recreation services.

The tax would be in addition to existing state and local sales taxes and would be collected along with them. It would only apply to purchases of things subject to existing sales taxes. For example, purchases of prescription drugs and most food would not be taxed.

The tax has no expiration date, but voters could reduce or repeal it at any election. A Citizen's Oversight Board will review an independent audit of tax receipts and how they are spent each year and advise the City Council on how tax money should be spent. The Council must discuss the audit results at a public meeting each year and post them on the City's website.

A "yes" vote supports imposing the tax; a "no" vote opposes the tax. A simple majority of votes (50% plus 1) will pass or defeat the measure. If this measure is defeated, Measure N will remain in effect until 2023.

Michael G. Colantuono
Grass Valley City Attorney

January 29, 2018

The above is an impartial analysis of Measure E. A complete copy of the tax ordinance appears on the City's website at www.cityofgrassvalley.com. If you would like a copy of the ordinance, please call (530) 274-4310 and a copy will be mailed at no cost to you.

TITLE AND SUMMARY OF
PROPOSED TRANSACTIONS AND USE (SALES) TAX

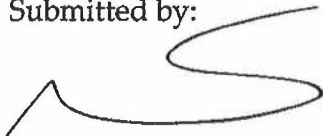
BACKGROUND. In 2012, Grass Valley voters approved a half-cent (0.5%) transactions and use tax, known as Measure N. Such taxes are generally known as "sales taxes." Measure N has been used to fund police, fire and road maintenance services to City residents and property owners and can be used for any City purpose. It expires in 2023.

THIS INITIATIVE. If Grass Valley voters approve it, this measure would increase the Measure N sales tax from a half cent to one cent (1.0%) and repeal its expiration date. It is a general tax and its proceeds could fund police, fire, streets, sidewalk maintenance and repair, and park improvement and recreation services, or any lawful purpose of the City. It has no expiration date, but voters could reduce or repeal it at any election.

The measure requires the City Council to appoint a five-member Citizens Advisory Committee to review and recommend uses of tax money and requires a yearly, independent audit of uses of tax money to be reviewed at a noticed public hearing.

MEANING OF "YES" AND "NO" VOTES. A "yes" vote supports adoption of the tax. A "no" vote opposes it. A simple majority of votes (50% plus 1) will pass or defeat the measure. If this measure is defeated, Measure N will remain in effect until 2023.

Submitted by:



Michael G. Colantuono
Grass Valley City Attorney

INITIATIVE MEASURE TO BE SUBMITTED DIRECTLY TO THE VOTERS.

The City Attorney has prepared the following title and summary of the chief purpose and points of the proposed measure:

PROPOSED TRANSACTIONS AND USE (SALES) TAX

BACKGROUND. In 2012, Grass Valley voters approved a half-cent (0.5%) transactions and use tax, known as Measure N. Such taxes are generally known as “sales taxes.” Measure N has been used to fund police, fire and road maintenance services to City residents and property owners and can be used for any City purpose. It expires in 2023.

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Grass Valley has operated under tight, fiscally-prudent budgets. Still, the quality of City public services lacks sufficient funding to provide for the expectations of the community. This measure will increase funding for our police and fire departments, and address the needs of our parks and infrastructure.

The police department is well below mid-2000-era staffing. The City’s pavement management plan lists millions of dollars in necessary improvements. Tight budgets of the past led to reducing Parks and Recreation programs and services. The City’s parks are seriously underfunded, leaving the swimming pool, ballfields, trails, and play equipment in need of major renovations.

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But it’s not enough. Grass Valley needs permanent and dedicated funding to adequately address our community’s needs and ensure future prosperity.

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INITIATIVE MEASURE TO BE SUBMITTED DIRECTLY TO THE VOTERS.

This measure will fund more police officers, enhance fire department life-safety resources, and supply a park ranger to help reclaim our parks. The money will also fund long-deferred maintenance of City streets, kickstart parks and recreation infrastructure and programming, and fund new sidewalks and walkability projects. An oversight committee will ensure the money goes where it is needed and where it is promised.

Let's join together to invest in Grass Valley to ensure a safe community for our families, especially the oldest and youngest among us. Let's say "Yes" to our police officers and firefighters. Let's say "Yes" to vibrant parks and improved walkability.

s/
Daniel Swartzendruber
403 Neal Street
Grass Valley, CA 95945

s/
Marty Lombardi
911 Freeman Lane
Grass Valley, CA 95949

s/
Elizabeth Poston
232 E. Main Street
Grass Valley, CA 95945

TEXT OF INITIATIVE MEASURE

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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 State 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.

Section 4. 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.

Section 5. 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 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.

Section 6. 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.

Section 7. 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 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 8. 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.

Section 9. 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:

INITIATIVE MEASURE TO BE SUBMITTED DIRECTLY TO THE VOTERS.

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 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.

Section 10. 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.

Section 11. 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.

INITIATIVE MEASURE TO BE SUBMITTED DIRECTLY TO THE VOTERS.

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.

Section 12. 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.

Section 13. 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 14. 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 15. EFFECTIVE DATE. This ordinance relates to the levying and collecting of the City transactions and use taxes and shall take effect immediately.

Section 16. CITIZEN'S OVERSIGHT COMMITTEE. The City Council-appointed five-member Citizen's Advisory Board shall continue to meet at least annually to review the revenues generated by the tax imposed by this ordinance and expenditures of those revenues and to make recommendations to the City Council regarding expenditure of such revenues.

Section 17. AUDIT AND REVIEW. The proceeds of the tax imposed pursuant to this ordinance, as well as the expenditure thereof, shall be audited annually by an independent accounting firm. 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 18. DECLARATION. The proceeds of the taxes imposed by this ordinance may be used for any lawful purpose of the City, as authorized by ordinance, resolution or action of the City Council. These taxes are not special taxes within the meaning of Article XIII C, section 1 (d), but are general taxes imposed for general government purposes.

Section 19. PUBLICATION. The City Clerk shall certify to the passage and adoption of this Chapter and shall cause the same to be published once in The Union, a newspaper of general circulation, printed, published, and circulated within the City.

Section 20. REPEAL. Ordinance No. 740, as codified in Grass Valley Municipal Code Title 3, Chapter 3.70, is hereby repealed.

PASSED AND ADOPTED by the City Council of the City of Grass Valley, State of California, on [date], by the following vote:

AYES:

NOES:

ABSENT:

Howard Levine, Mayor

Attest: _____
Kristi Bashor, City Clerk