



Local Ballot Measure: T

Measure T

City of Healdsburg

Measure Question

To stabilize City finances, and maintain and protect essential City services, shall the City of Healdsburg adopt an ordinance to extend the one-half of one percent transactions and use tax, enacted by the voters in 2012 and currently in place until 2022 and generating approximately \$2.1 million per year, with annual audits and review, and with all funds spent locally for the benefit of Healdsburg residents, until ended by voters?

What Your Vote Means

YES	NO
A "Yes" vote is a vote in favor of the tax.	A "No" vote is a vote against the tax.

For and Against Measure T

FOR	AGAINST
Evelyn Mitchell Mayor Shaun McCaffery Vice Mayor	SONOMA COUNTY TAXPAYERS' ASSOCIATION Daniel A. Drummond, Executive Director



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City Attorney's Impartial Analysis of Measure T

The City Council of the City of Healdsburg ("City") has placed Measure T on the ballot. If approved, Measure T would repeal and replace the existing transactions and use tax within the City. The existing transactions and use tax, of one-half of one percent (0.5%) of the gross receipts of a retailer from the sale of all tangible personal property sold in the City, expires March 31, 2023. If Measure T passes, it would repeal the existing transactions and use tax and replace it with a tax, also of one-half of one percent (0.5%), that will be in place until and unless ended by the voters. The only change would be to the duration of the tax; the rate and nature of the tax would not change.

The current transactions and use tax of 0.5% generates approximately \$2.1 million annually. The City Council and staff estimate similar revenues in coming years.

The total sales tax rate within the City is 8.75% of the purchase price of retail goods sold within the City. Retailers collect the tax at the time of sale and remit the funds to the California Department of Tax and Fee Administration, which administers the tax. Of that amount, the City receives 1.5%, the County of Sonoma 1.25% and the remaining 6.0% goes to the State. The City deposits the portion it receives into its general fund. The revenues are available to support the full range of municipal services.

Because Measure T does not legally restrict the use of tax revenues to any specific purpose, it is classified as a "general tax," not a "special tax." The tax proceeds may be used for any valid municipal government purpose, including but not limited to public safety, street maintenance and repair, economic development, and maintenance of city facilities.

A "Yes" vote is a vote in favor of the tax. A "No" vote is a vote against the tax. Measure T will be approved if it receives a simple majority of "Yes" votes. If Measure T is approved, the total transactions and use tax of one-half of one percent (0.5%) will remain in effect unless and until it is ended by the voters. If Measure T is not approved, the current transactions and use tax of one-half of one percent (0.5%) will remain in effect until it expires on March 31, 2023.

The above statement is an impartial analysis of Measure T, the City of Healdsburg Transactions and Use Tax Measure. If you desire a copy of the ordinance, please call the City Clerk's office at 707-431-3323 and a copy will be mailed to you at no cost.

DATED: August 13, 2020

s/ Samantha W. Zutler
City Attorney

Continue to next page for arguments



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Arguments and rebuttals are the opinions of the authors. They are printed exactly as submitted, including errors.

Argument in Favor of Measure T	Rebuttal to Argument in Favor of Measure T
<p>Healdsburg's Measure V, a half-cent sales tax measure passed in 2012, is an unsung hero of the fires of 2017 and 2019, the 2014 and 2019 floods and the 2020 pandemic. When wildfires threatened our City last year, thanks to the teamwork of our residents and our public safety staff, we conducted a massive evacuation and protected Healdsburg.</p> <p>The nearly \$2.1 million generated annually from this measure helps fund staffing for our first responders, maintenance of our streets and infrastructure, promotes economic development and defends Healdsburg. Each year we report how the funds have been used and we ask you to tell us your priorities for the next year. Street maintenance and public safety have consistently been top requests. As a result, we have fixed more streets, built sidewalks, added firefighters, purchased new fire equipment, added a police officer, a dispatcher and more.</p> <p>Recognizing the dire economic situation our businesses found themselves in due to COVID-19 we tapped our Measure V funds to help 75 of our small businesses, providing no-interest loans for businesses ineligible for other assistance. The loans helped pay vendors, made shops COVID-compliant, and kept staff working during shelter-in-place.</p> <p>Measure V has been renamed Measure T. Measure T extends this tax measure and helps ensure we will be ready for the next emergency with equipment and personnel to respond. It means our streets will be safe and maintained. Measure T will remain in place until the voters choose to rescind it. We know Healdsburg will continue to face crises. We will get through them, thanks to residents working in partnership with our city staff – like our police, fire, parks maintenance and public works crews. Your “Yes” vote on Measure T helps ensure we will stay Healdsburg strong.</p> <p>s/ Evelyn Mitchell Mayor</p> <p>s/ Shaun McCaffery Vice Mayor</p>	<p>Join us in telling Healdsburg city officials: “No, Not Now!” to higher taxes in this time of uncertainty and chaos. Vote No on Measure T.</p> <p>Don't they realize that people who have lost their jobs, businesses that have closed, farmers struggling to survive, seniors, and students all need help, especially financially? They don't need another tax!</p> <p>The pandemic and recession have caused record high unemployment, and tens of thousands of Sonoma County residents can barely pay their monthly living expenses. We taxpayers have to live within our means and so should Healdsburg.</p> <p>All local governments need to tighten their belts, adjust their spending like the rest of us, and not ask for new or extended taxes this year. 2020 is clearly the wrong time to ask voters for more money.</p> <p>Any new taxes or extensions of existing ones should only be considered when people are back to work and businesses have re-opened. We are united and stand strong in our opposition to taxes like Measure T that will push people into poverty and cause more businesses and non-profits to close forever, creating more job losses and higher unemployment.</p> <p>When we say “No, Not Now,” we hear strong agreement from others in the community who want relief for those most impacted by COVID-19. They don't want additional financial burdens brought on by tax measures that create new taxes or extend existing ones.</p> <p>Send city officials a clear, strong message: Vote No on Measure T on November 3rd.</p> <p>s/ Patrick Burns</p> <p>s/ William Koch</p> <p>s/ Michael Vellutini</p> <p>s/ Tommy H Stone Jr</p> <p>s/ Mark Vellutini</p>



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Argument Against Measure T	Rebuttal to Argument Against Measure T
<p>Measure T is a forever tax that never goes away. If approved, you will never again be asked to renew it. You will never again have the opportunity to evaluate how your city council spends the tax proceeds. Your city council members will never again need to justify their spending decisions. Goodbye to transparency and accountability.</p> <p>Oh sure, your council members are telling you this tax remains only “until ended by voters.” That seemingly benign phraseology belies the near impossibility of average citizens getting a repeal measure on the ballot.</p> <p>Unless you and an army of volunteers intend to spend a month camped out in front of the grocery store and post office collecting signatures, plan on hiring professional paid signature gatherers to get the necessary signatures.</p> <p>Plan also on hiring expensive political consultants and attorneys to guide you through the legal process and draft the ballot language and other necessary paperwork. And should you manage to do all that, remember you still need to run a campaign supporting your measure. It is a daunting task, and one your council members are relying on to shield them from future scrutiny.</p> <p>The current tax doesn’t even expire until 2023 so why are you being asked to renew it now? Your council members know that forever taxes are controversial and usually rejected by voters. By bringing the renewal now, they give themselves two bites at the apple – try now to get the renewal as a forever tax and if that doesn’t work, bring it back in 2022 with the ten year expiration it should have had from the beginning.</p> <p>Your city council is employing a sneaky strategy that exploits your unfamiliarity with the ballot measure process. You deserve better from your elected representatives.</p> <p>Be informed. Vote No.</p> <p style="text-align: center;">SONOMA COUNTY TAXPAYERS’ ASSOCIATION s/ Daniel A. Drummond, Executive Director</p>	<p>We find it difficult to respect a Santa Rosa-based group telling Healdsburg residents what’s best for us and what keeps us safe.</p> <p>What’s “sneaky” is they don’t tell you this – nearly word for word, they essentially cut-and-pasted the same opposition to multiple measures across Sonoma County.</p> <p>They don’t contest Measure T’s actual merits, or the fact it simply continues an existing measure.</p> <p>Our out-of-town friends didn’t discuss what Measure V (now Measure T) has successfully funded – fire, police, streets and all the things that make Healdsburg a great place to live and work.</p> <p>We have just seen our town’s vulnerability again with another fire, early in the season. Healdsburg’s fire teams got pulled to fight the Walbridge fire, while still ensuring Healdsburg residents got the same high level of protection in town. Medical calls and other emergencies don’t wait for fires around us to go out!</p> <p>While we hope this is not the new normal, it is possible it is. Do we have the right resources to maintain this same level of public safety protection year after year? With Measure T, we do.</p> <p>Measure T prepares us for the future. It allows you and your elected officials to plan ahead to protect properties and keep our community safe. A new fire engine, repaving Healdsburg Avenue and upgrading our dispatch system takes years of advanced planning and careful savings for our town.</p> <p>Our neighbors to the south should work on their own problems – we’ll solve ours without their help.</p> <p>s/ Evelyn Mitchell Mayor, City of Healdsburg</p> <p style="text-align: right;">s/ Shaun McCaffery Vice-Mayor, City of Healdsburg</p>



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Full Text of Measure T

CITY OF HEALDSBURG

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF HEALDSBURG IMPOSING A TRANSACTIONS AND USE TAX TO BE ADMINISTERED BY THE STATE BOARD OF EQUALIZATION AND AMENDING CHAPTER 3.06 OF THE HEALDSBURG MUNICIPAL CODE

WHEREAS, escalating operating costs that outpace the growth of City revenues; the economic crisis brought on by COVID-19, a global pandemic that has prompted multiple shelter-in-place orders, business closures and temporary shut-downs; and an anticipated economic recession constrain the City's ability to maintain the quality of services provided and address its ongoing capital needs; and

WHEREAS, without additional revenues, the City will be compelled to make spending reductions to programs and services that may jeopardize the public health, safety and general welfare of residents and visitors, as well as curtail funding for maintenance, construction and other improvements to City facilities, infrastructure and the natural environment; and

WHEREAS, all funds from a local revenue measure must stay in Healdsburg and cannot be taken for use by the State; and

WHEREAS, the City Council has determined that it is appropriate and fiscally prudent to submit a transactions and use tax in the amount of one-half of one percent to the voters. The tax would apply to the sale of tangible personal property and the storage, use, or other consumption of such property until ended by the voters; and

WHEREAS, revenues from the tax could be used for any legitimate governmental purpose; this measure is not a commitment to any particular action or purpose. The tax is a general tax and shall be approved if the measure receives at least a simple majority of affirmative votes. Revenues would be collected by the California Department of Tax and Fee Administration and remitted to the City.

NOW, THEREFORE, THE PEOPLE OF THE CITY OF HEALDSBURG DO ORDAIN AS FOLLOWS:

Section 1. Findings

The City Council of the City of Healdsburg does hereby find that the above referenced recitals are true and correct and material to the adoption of this Ordinance.

Section 2. Amendment of Code

Healdsburg Municipal Code Chapter 3.06 is hereby amended as follows:

3.06.010 Title.

This chapter shall be known as the "Healdsburg Transactions and Use Tax Ordinance." The City of Healdsburg hereinafter shall be called "City." This ordinance shall be applicable in the incorporated territory of the City.

3.06.020 Purpose.

The ordinance codified herein 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 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.

3.06.030 Operative Date.

~~"Operative Date" means the first day of the first calendar quarter commencing more than 110 days after the adoption of this ordinance codified in this chapter, the date of such adoption being as set forth on the ordinance codified in this chapter. The transactions and use tax imposed herein shall be operative on the first day of the first calendar quarter commencing more than 110 days after the adoption of this Ordinance, and shall continue until and unless ended by the voters.~~

3.06.040 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 hereof. If the City has not 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. The Council may make any technical amendments to this Chapter required by the California Department of Tax and Fee Administration, except for any changes affecting the tax rate, its manner of collection, or the purpose for which the revenue from the tax may be used.

3.06.050 Transactions Tax Rate.

For the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all retailers in the City at the rate of one-half of one percent (0.5%) of the gross receipts of the retailer from the sale of all tangible personal property sold at retail in the City on and after the Operative Date of this Chapter.

3.06.060 Presumption as to Place of Sales.

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.

3.06.070 Use Tax Rate.

An excise tax is hereby imposed on the storage, use, or other consumption



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in the City of tangible personal property purchased from any retailer on or after the Operative Date of this Chapter, at the rate of one-half of one percent (0.5%) of the sales price of the property subject to the tax. The sales price shall include delivery charges when such charges are subject to State sales or use tax regardless of the place to which delivery is made.

3.06.080 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.

3.06.090 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 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 Board of Control, California Department of Tax and Fee Administration, 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.

3.06.100 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.

3.06.110 Exemptions and Exclusions.

A. There shall be excluded from the measure of the 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 the 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 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 imposed 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.



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(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.

Section 7. Publication

The City Clerk is directed to publish this Ordinance as required by State law.

(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.

APPROVED (or DENIED) by the following vote of the People of the City of Healdsburg on November 3, 2020:

_____ YES _____ NO _____ TOTAL VOTES

(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.

RESULTS DECLARED by the City Council of the City of Healdsburg on _____, 2020.

SO ORDERED

ATTEST

Evelyn Mitchell, Mayor

Raina Allan, Acting City Clerk

Dated: _____

(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 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 transaction 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 3. Repeal and Replacement of Measure V

Upon the Operative Date of this Ordinance, as provided in Section 2 above, the one-half of one percent transactions and use tax authorized by Measure V, approved by the Healdsburg voters on November 6, 2012, and codified at Chapter 3.06 in the Healdsburg Municipal Code, is hereby repealed, terminated, and of no further force and effect, to be replaced by the transactions and use tax authorized by this Ordinance. In the event that this Ordinance is not adopted by the voters, Measure V shall remain in place until its expiration in 2022.

Section 4. Severability

If any section, subsection, sentence, clause or phrase or word of this Ordinance is for any reason held to be unconstitutional, unlawful or otherwise invalid by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance.

Section 5. Effective Date

This Ordinance relates to the levying and collecting of the City transactions and use tax and shall take effect ten (10) days after the certification by the City Council of the election returns indicating passage of the Ordinance by a majority of voters casting votes in the election. The collection of the transactions and use tax shall be in accordance with the Operative Date indicated in Healdsburg Municipal Code Section 3.06.030.

Section 6. Termination Date

The authority to levy the tax imposed by this ordinance shall extend until terminated by the voters.