



Local Ballot Measure: V

Measure V

City of Sonoma

Measure Question

To continue funding general city services, including: emergency preparedness, infrastructure, street maintenance, parks, open space, community services, ambulance services, public safety, and supporting Sonoma's quality of life, shall the City of Sonoma (1) extend the existing voter approved sales tax of 0.50% (estimated \$2,580,000 annually) on an ongoing basis until ended by voters, with no increase to the current rate, and (2) increase the City's annual appropriations limit by sales tax revenues for the next four years?

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 V

| FOR | AGAINST |
|---|--|
| Logan Harvey Mayor, City of Sonoma Simon Blattner Business Owner Sondra Bernstein Restaurant Owner Gary Edwards Former Sonoma Council Member VINTAGE HOUSE Priscilla Call Essert, Executive Director | SONOMA COUNTY TAXPAYERS' ASSOCIATION Daniel A. Drummond, Executive Director |



Local Ballot Measure: V

City Attorney's Impartial Analysis of Measure V

In June 2012, the voters of the City of Sonoma adopted a local transaction and use tax (sales tax) (called "Measure J") for the purpose of increasing revenues to assist the City in maintaining the financial viability of the City and maintaining staffing and service levels within the City. The sales tax rate established by the passage of Measure J was one half of one percent (0.5%).

In November 2016, the voters extended Measure J's sales tax to September 30, 2022, by adoption of Measure "U".

The Sonoma City Council has placed Measure V (an ordinance) on the ballot to continue and extend the sales tax beyond September 30, 2022. If adopted by a majority of the voters, Measure V will operate to continue the same tax at the same rate as was imposed under both Measures J and U for an indefinite period of time. Measure V's only change to Measure U is to extend the duration of the tax beyond September 30, 2022. Measure V will continue the authorization of a sales tax for the purpose of generating revenues to be placed in the City's General Fund usable for any general city purpose, thus assisting the City in maintaining the financial viability of the City and maintaining staffing and service levels within the City.

Prior to the COVID-19 pandemic, the sales tax was annually contributing approximately \$2.5 million to the General Fund.

The tax will continue to be levied on retailers for the selling of tangible personal property at retail and on the storage, use or other consumption in the City of tangible personal property purchased from any retailer. Measure V will retain the same exemptions found in Measures J and U, namely, certain exemptions and exclusions from the computation of the amount of the transactions and use tax on certain purchases, including those exemptions already applicable under State law.

Measure V continues this general tax at the existing rate of 0.50%. Including the sales tax adopted and continued by Measures J and U (and proposed to be extended under Measure V), State and local tax on retail sales and use in Sonoma is currently 8.75% of the purchase price. The revenues from the tax to be continued by Measure V would go only to the City, and cannot be taken by the State or any other governmental entity.

Article XIII B of the California Constitution establishes a ceiling on local government appropriations. Section 4 of Article XIII B permits the voters to alter the appropriations limit by a majority vote. If approved by a majority of the voters, this measure would increase the appropriations limit in an amount equal to the sales tax revenues generated under this measure for the next four fiscal years.

State law authorizes the City to implement this ordinance upon its approval by a simple majority of voters who vote on the measure.

s/ Jeffrey A. Walter
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 V | Rebuttal to Argument in Favor of Measure V |
|---|---|
| <p>Keeping Sonoma's local half-cent sales tax is critical to maintaining our town's quality of life and financial stability. That's why it was placed on the ballot by unanimous vote of the Sonoma City Council. It generates 13% of the revenue for essential services our citizens want and need.</p> <p>The majority of the City's budget goes to public safety (including emergency preparedness and emergency medical services) and maintenance of our roads, Plaza, parks, and trails. Our local sales tax supports these and other community priorities, including infrastructure improvements and contracts with local nonprofits to provide social services and recreation programs for our residents.</p> <p>Measure V is not a tax increase. It continues Sonoma's existing half-cent local sales tax with no change in the rate. Sonoma's local sales tax has been supported by voters in two previous elections. All revenues from this tax are locally controlled and protected from State intervention.</p> <p>The City of Sonoma has a history of being fiscally conservative with lean staffing. Prior to the pandemic, Sonoma's budget was balanced. The City is using spending cuts and emergency reserves to get through this crisis. COVID-19 has created new financial challenges for the City, but the need for the local half-cent sales tax preceded this crisis and will continue when it is over. If we lose this funding, we'll face significant cuts to essential services.</p> <p>The City has explored other funding options, but they are limited. Voters recently approved the hotel tax. Visitors also pay a significant share of the local half-cent sales tax through their purchases at restaurants and retailers.</p> <p>This tax is not applied to grocery food purchases or prescription medications.</p> <p>We don't want to lose the level and quality of services that we have worked hard to maintain in our city. Vote yes on Measure V.</p> <p>s/ Logan Harvey Mayor, City of Sonoma</p> <p>s/ Simon Blattner Business Owner</p> <p>s/ Sondra Bernstein Restaurant Owner</p> <p>s/ Gary Edwards Former Sonoma Council Member</p> <p>VINTAGE HOUSE s/ Priscilla Call Essert, Executive Director</p> | <p>Join us in telling Sonoma city officials: "No, Not Now!" to this forever tax in this time of uncertainty and chaos, especially ones like this that will never end. Vote No on Measure V.</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 this 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 Sonoma.</p> <p>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 V 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 future financial burdens brought on by tax measures that extend existing ones.</p> <p>Send city officials a clear, strong message: Vote No on Measure V on November 3rd.</p> <p>NORTH BAY LEADERSHIP COUNCIL SONOMA COUNTY FARM BUREAU s/ Steve Page s/ Tawny Tesconi, Executive Director</p> <p>NORTH COAST BUILDERS EXCHANGE s/ Keith Woods, Chief Executive Officer</p> |



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| Argument Against Measure V | Rebuttal to Argument Against Measure V |
|--|--|
| <p>Measure V 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 2022 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>The opposition to Measure V is a group based outside the Sonoma Valley that opposes all general tax measures in our county regardless of merit. Locally, Measure V has support from key members of Sonoma's business community.</p> <p>Voters have approved this local sales tax two times already. The need for this tax is ongoing, but not "locked in forever". A future Sonoma City Council could place it on the ballot, plus our voters are smart and know how to put a measure on the ballot if desired.</p> <p>We know these are tough financial times. The City is expanding safe outdoor options for business, supporting programs for workers, and providing ongoing public information and enforcement on COVID. These critical actions take staff and already stressed financial resources. The Sonoma City Council already made painful budget cuts, including postponing improvement projects for streets and parks and reducing public safety. This year, \$1.9 million from reserves is needed to cover city services.</p> <p>Passing Measure V now is critical for our City's long-term financial planning. Unlike other taxes that get shared with the County and State, 100% of Measure V revenue comes to the City. Also, a significant portion is paid for by tourists - not residents.</p> <p>Without Measure V's passage, the City will face greater financial uncertainty and more budget cuts and less services.</p> <p>Measure V is not a new tax. Passing Measure V ensures that the City of Sonoma can continue to invest in streets and parks, fund public safety, and support our treasured community through future emergencies. Vote yes on Measure V.</p> <p>s/ Ramie Hencmann Ice Cream Shop Owner</p> <p>s/ Laurie Gallian Former Mayor</p> <p>s/ Sam Morphy Restaurant Owner</p> <p>s/ John Gurney Former Police Chief</p> <p>s/ Steve Akre Sonoma Valley Fire Chief</p> |



Local Ballot Measure: V

Full Text of Measure V

City of Sonoma

ORDINANCE # _____ - 2020

NOES:
ABSTAIN:
ABSENT:

AN ORDINANCE OF THE CITY OF SONOMA CONTINUING AN EXISTING VOTER APPROVED TRANSACTIONS AND USE TAX TO BE ADMINISTERED BY THE CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION

Logan Harvey, Mayor

BE IT ORDAINED BY THE VOTERS OF THE CITY OF SONOMA:

ATTEST:

SECTION 1. FINDINGS

Rebekah Barr, MMC, City Clerk

- A. In 2012, a majority of the voters of the City of Sonoma approved a one-half of one percent (0.5%) Transactions and Use Tax by the adoption of Ordinance No. 04-2012 ("Ordinance 4-2012"), a true and correct copy of which is attached hereto as **Exhibit A-1**. Under Section 5 of Ordinance 4-2012, the tax imposed under Ordinance 4-2012 was scheduled to expire September 30, 2017, unless extended by a vote of the City's voters.
- B. Ordinance 04-2012 was codified in the City's Municipal Code as Chapter 3.13.
- C. In 2016, a majority of the voters of the City of Sonoma approved the extension of the one-half of one percent (0.5%) Transactions and Use Tax by the adoption of Ordinance No. 14-2016 for an additional five (5) years beyond the termination date specified in Ordinance No. 4-2012, a true and correct copy of which is attached hereto as **Exhibit A-2**.
- D. It is the desire of the City Council of the City of Sonoma and the voters of the City of Sonoma to continue and extend said Transactions and Use Tax on a permanent basis beyond the termination date specified in Ordinance No. 14-2016.

Exhibit A-1

ORDINANCE NO. 04 – 2012

AN ORDINANCE OF THE CITY OF SONOMA IMPOSING A TRANSACTIONS AND USE TAX TO BE ADMINISTERED BY THE STATE BOARD OF EQUALIZATION

BE IT ORDAINED BY THE VOTERS OF THE CITY OF SONOMA:

SECTION 1. FINDINGS. The voters of the City of Sonoma hereby find and declare as follows:

SECTION 2. ORDINANCE AMENDMENT

- 1. Section 5 is hereby deleted in its entirety from City of Sonoma Ordinance No. 04-2012.
- 2. Section 3.13.140 is hereby deleted in its entirety from Chapter 3.13 of the City of Sonoma Municipal Code.

SECTION 3. 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 4. EFFECTIVE DATE This ordinance relates to the levying and collecting of the City transactions and use taxes and shall take effect immediately.

Upon approval by a majority of the voters of the City, and upon adoption of a resolution declaring the election results, the Mayor shall hereby be authorized to attest to the adoption of this Ordinance by the voters of the City by signing where indicated below.

THIS ORDINANCE WAS APPROVED BY THE FOLLOWING VOTE OF THE PEOPLE ON NOVEMBER 3, 2020:

YES _____
NO _____

Adopted by declaration of the vote by the City Council of the City of Sonoma on _____ 2020.

AYES:

- 1. The City is experiencing an existing and immediate funding crisis, which is the result of factors largely outside of its control, namely the California Supreme Court's decision on December 29, 2011 in *CRA v. Matosantos* upholding State legislation, Assembly Bill 1X 26 (AB1X 26). AB1X 26 causes all redevelopment agencies in California including the Sonoma Community Development Agency, which had been in existence for over 28 years, to be dissolved as of February 1, 2012.
- 2. Recurring State takeaways and borrowing of local funds dramatically impact the City's ability to maintain vital and high quality services. In Fiscal Year 2009-10, the State borrowed 8% of the City's property tax share (\$132,925) and took \$1.9 million from the Sonoma Community Development Agency. In Fiscal Year 2010-11, the State took an additional \$394,918 from the Sonoma Community Development Agency. Other ways to "take" additional monies from cities are continuously being considered by the State Legislature to address the State's own budget crisis, while the City of Sonoma continues to be fiscally prudent. The State's inability to balance its own budget continues to negatively impact our local community and the services provided by the City of Sonoma.
- 3. Despite the steps the City has taken to align its General Fund budget in a sustainable manner over the past four years of the ongoing nationwide recession, the dissolution of redevelopment has placed the City's General Fund in an unsustainable and structural deficit position which is likely to result in decreasing public safety, road maintenance and other essential services. Absent redevelopment as a funding source, current City General Fund resources cannot support our community's current services, needs and levels of services.
- 4. The City has not sought new revenue from its voters in 20 years, and has not raised its fee schedule since 2008, in recognition of the difficulties of its residents and businesses in dealing with the effects of the nationwide downturn in the economy which resulted in an extended recession with local impacts.
- 5. Because of changes in State law, particularly the approval of Propositions 62 and 218, the City has very few means available for increasing General Fund revenue.



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6. In 2011, the Sonoma Community Development Agency issued Tax Allocation Bonds in an amount of \$15,750,000 in order to finance major capital improvement projects within the former Redevelopment Project Area including public infrastructure, streets improvements, stormwater infrastructure, bikeway and pedestrian improvements, sidewalk improvements, traffic safety improvements, handicap accessibility upgrades to parks and public areas, renovation of a public library, capital grants to partner agencies, renovation, seismic upgrades and Americans with Disabilities Act (ADA) compliance upgrades of historic landmark properties, and funding dedicated to affordable housing projects, all projects which were planned and identified in the Sonoma Community Development Agency's 5-Year Implementation Plan publicly adopted in December 2009. In January 2012, the DOF issued its interpretation of the tax allocation bond provisions of AB1X 26. Said DOF interpretations do not allow unexpended bond proceeds to be utilized for the purposes for which the bonds were sold and instead require said funds to be used to defease the bonds whose sale generated said funds at the earliest possible opportunity. Although said DOF interpretations continue to be the subject of debate and challenge, out of an excess of caution the City and Successor Agency have halted approximately one-half of the CDA's planned public improvement projects, most of which were road improvement and upgrade projects.
7. Absent a new source of General Fund revenue, the City's ability to maintain public service levels, roads and infrastructure is uncertain, and the City's General Fund budget will be out of balance by a minimum of approximately \$1,234,926 starting July 1, 2012, and on an ongoing basis thereafter, resulting in either the need for drastic public service reductions and/or depletion of City reserve balances leaving the City at risk of not having adequate reserves set aside for natural or man-made disasters and emergencies.
8. Unless a new funding source is found, public facilities and property will not be properly maintained, road and hardscape surface quality will degrade, public safety standards will degrade, police response times are likely to increase, the community will not have safe and maintained parks and open spaces, graffiti is likely to be left unchecked, businesses and families will be discouraged from moving to or remaining in Sonoma, and the health, safety, and welfare of the residents of Sonoma will be endangered. With police and fire, and emergency medical services comprising over 74% of the City's General Fund budget, the City cannot avoid considering potential cuts to public safety, absent a new revenue source, which could likely result in longer 9-1-1 emergency response times.
9. Because of that threat to the public health, safety, and welfare, an emergency exists in the City, as the term "emergency" is used in Article XIII C, section 2(b) of the California Constitution. The City must immediately address that emergency by ensuring that the City has the resources necessary to preserve the public health, safety, and welfare.
10. The identified emergency necessitates that the City Council submit a tax measure to the voters of Sonoma at the June 5, 2012 election, even though such an election would not be consolidated with a general election for a member of the Council.
11. Article XIII C, section 2(b) of the California Constitution permits the City, in an emergency situation such as that declared herein by the City Council, to seek voter approval for a general tax at an election that is not consolidated with an election for a member of the Council.

SECTION 2: Amendment of Code: Chapter 3.12 "2012 Transactions and Use Tax" shall be added to the Sonoma Municipal Code and shall read as follows

3.13.010 TITLE. This ordinance shall be known as the City of Sonoma Transactions and Use Tax Ordinance. The city of Sonoma hereinafter shall be called "City." This ordinance shall be applicable in the incorporated territory of the City.

3.13.020 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.

3.13.030 PURPOSE. This ordinance is adopted to achieve the following, among other purposes, and directs that the provisions hereof be interpreted in order to accomplish those purposes:

A. To impose a retail transactions and use tax in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Section 7285.9 of Part 1.7 of Division 2 which authorizes the City to adopt this tax ordinance which shall be operative if a majority of the electors voting on the measure vote to approve the imposition of the tax at an election called for that purpose.

B. To adopt a retail transactions and use tax ordinance that incorporates provisions identical to those of the Sales and Use Tax Law of the State of California insofar as those provisions are not inconsistent with the requirements and limitations contained in Part 1.6 of Division 2 of the Revenue and Taxation Code.

C. To adopt a retail transactions and use tax ordinance that imposes a tax and provides a measure therefore that can be administered and collected by the State Board of Equalization in a manner that adapts itself as fully as practicable to, and requires the least possible deviation from, the existing statutory and administrative procedures followed by the State Board of Equalization in administering and collecting the California State Sales and Use Taxes.

D. To adopt a retail transactions and use tax ordinance that can be administered in a manner that will be, to the greatest degree possible, consistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, minimize the cost of collecting the transactions and use taxes, and at the same time, minimize the burden of record keeping upon persons subject to taxation under the provisions of this ordinance.

3.13.040. CONTRACT WITH STATE. Prior to the Operative Date, the City shall contract with the State Board of Equalization to perform all functions incident to the administration and operation of this transactions and use tax ordinance; provided, that if the City shall not have contracted with the State Board of Equalization prior to the Operative Date, it shall nevertheless so contract and in such a case the Operative Date shall be the first day of the first calendar quarter following the execution of such a contract.

3.13.050. TRANSACTIONS TAX RATE. For the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all retailers in the incorporated territory of the City at the rate of one-half of one percent of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in said territory on and after the Operative Date of this ordinance.

3.13.060. 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



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sales are consummated shall be determined under rules and regulations to be prescribed and adopted by the State Board of Equalization.

3.13.070. 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 ordinance for storage, use or other consumption in said territory at the rate of one-half of one percent of the sales price of the property. The sales price shall include delivery charges when such charges are subject to state sales or use tax regardless of the place to which delivery is made.

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

3.13.090. 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 therefor. However, the substitution shall not be made when:

1. The word "State" is used as a part of the title of the State Controller, State Treasurer, State Board of Control, State Board of Equalization, State Treasury, or the Constitution of the State of California;

2. The result of that substitution would require action to be taken by or against this City or any agency, officer, or employee thereof rather than by or against the State Board of Equalization, in performing the functions incident to the administration or operation of this Ordinance.

3. In those sections, including, but not necessarily limited to sections referring to the exterior boundaries of the State of California, where the result of the substitution would be to:

a. Provide an exemption from this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not otherwise be exempt from this tax while such sales, storage, use or other consumption remain subject to tax by the State under the provisions of Part 1 of Division 2 of the Revenue and Taxation Code, or;

b. Impose this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not be subject to tax by the state under the said provision of that code.

4. In Sections 6701, 6702 (except in the last sentence thereof), 6711, 6715, 6737, 6797 or 6828 of the Revenue and Taxation Code.

B. The word "City" shall be substituted for the word "State" in the phrase "retailer engaged in business in this State" in Section 6203 and in the definition of that phrase in Section 6203.

3.13.100. 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 ordinance.

3.13.110. 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 imposed by the State of California or by any city, city and county, or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or

the amount of any state-administered transactions or use tax.

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

1. Sales of tangible personal property, other than fuel or petroleum products, to operators of aircraft to be used or consumed principally outside the county in which the sale is made and directly and exclusively in the use of such aircraft as common carriers of persons or property under the authority of the laws of this State, the United States, or any foreign government.

2. Sales of property to be used outside the City which is shipped to a point outside the City, pursuant to the contract of sale, by delivery to such point by the retailer or his agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point. For the purposes of this paragraph, delivery to a point outside the City shall be satisfied:

a. With respect to vehicles (other than commercial vehicles) subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, and undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code by registration to an out-of-City address and by a declaration under penalty of perjury, signed by the buyer, stating that such address is, in fact, his or her principal place of residence; and

b. With respect to commercial vehicles, by registration to a place of business out-of-City and declaration under penalty of perjury, signed by the buyer, that the vehicle will be operated from that address.

3. The sale of tangible personal property if the seller is obligated to furnish the property for a fixed price pursuant to a contract entered into prior to the Operative Date of this ordinance.

4. A lease of tangible personal property which is a continuing sale of such property, for any period of time for which the lessor is obligated to lease the property for an amount fixed by the lease prior to the Operative Date of this ordinance.

5. For the purposes of subparagraphs (3) and (4) of this section, the sale or lease of tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

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

1. The gross receipts from the sale of which have been subject to a transactions tax under any state-administered transactions and use tax ordinance.

2. Other than fuel or petroleum products purchased by operators of aircraft and used or consumed by such operators directly and exclusively in the use of such aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this State, the United States, or any foreign government. This exemption is in addition to the exemptions provided in Sections 6366 and 6366.1 of the Revenue and Taxation Code of the State of California.

3. If the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into prior to the Operative Date of this ordinance.



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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 ordinance.

5. For the purposes of subparagraphs (3) and (4) of this section, storage, use, or other consumption, or possession of, or exercise of any right or power over, tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

6. Except as provided in subparagraph (7), a retailer engaged in business in the City shall not be required to collect use tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the City or participates within the City in making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the City or through any representative, agent, canvasser, solicitor, subsidiary, or person in the City under the authority of the retailer.

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

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

3.13.120. 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.

3.13.130. 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 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 3. 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 4. EFFECTIVE DATE. This ordinance relates to the levying and collecting of the City transactions and use taxes and shall take effect immediately.

SECTION 5. TERMINATION DATE. The authority to levy the tax imposed by this ordinance shall expire on the fifth anniversary of the Operative Date, unless extended by a majority vote of the voters of the City.

THE FOREGOING ORDINANCE was adopted by Declaration of the vote of the Sonoma City Council on the 2nd day of July, 2012 at a regular meeting of the Sonoma City Council by the following vote, to wit:

AYES: Barbose, Rouse, Brown, Gallian, Sanders
NOES: None
ABSTAIN: None
ABSENT: None

Joanne Sanders, Mayor

ATTEST:

Gay Johann, City Clerk

Exhibit A-2

CITY OF SONOMA

ORDINANCE # 14-2016

AN ORDINANCE OF THE CITY OF SONOMA CONTINUING AN EXISTING VOTER APPROVED TRANSACTIONS AND USE TAX TO BE ADMINISTERED BY THE STATE BOARD OF EQUALIZATION

BE IT ORDAINED BY THE VOTERS OF THE CITY OF SONOMA:

SECTION 1. FINDINGS

- A. In 2012, a majority of the voters of the City of Sonoma approved a one-half of one percent (0.5%) Transactions and Use Tax by the adoption of Ordinance No. 04-2012 ("Ordinance 4-2012"), a true and correct copy of which is attached hereto as **Exhibit A-1**. Under Section 5 of Ordinance 4-2012, the tax imposed under Ordinance 4-2012 shall expire September 30, 2017, unless extended by a vote of the City's voters.
- B. Ordinance 04-2012 was codified in the City's Municipal Code as Chapter 3.13.
- C. It is the desire of the City Council of the City of Sonoma and the voters of the City of Sonoma to continue and extend said Transactions and Use Tax for an additional five (5) years beyond the termination date specified in Ordinance 4-2012.

SECTION 2. ORDINANCE AMENDMENT

- 1. Section 5 of City of Sonoma Ordinance No. 04-2012 is hereby amended to read as follows: "TERMINATION DATE. The authority to levy the tax imposed by this ordinance shall expire on September 30, 2022, unless extended by a majority vote of the voters of the City."
- 2. Section 3.13.140 is added to the City of Sonoma Municipal Code to read: "The authority to levy the tax imposed by the ordinance codified in this Chapter 3.13 shall expire on September 30, 2022, unless extended by a majority vote of the voters of the City."



Local Ballot Measure: V

Full Text of Measure V (Cont.)

SECTION 3. 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 4. EFFECTIVE DATE. This ordinance relates to the levying and collecting of the City transactions and use taxes and shall take effect immediately.

Upon approval by a majority of the voters of the City, and upon adoption of a resolution declaring the election results, the Mayor shall hereby be authorized to attest to the adoption of this Ordinance by the voters of the City by signing where indicated below.

THE FOREGOING ORDINANCE was adopted by Declaration of the vote of the Sonoma City Council on the 12th day of December 2016, at a regular meeting of the Sonoma City Council by the following vote, to wit:

AYES: Edwards, Hundley, Cook, Agrimonti, Gallian
NOES:
ABSTAIN:
ABSENT:

Rachel Hundley, Mayor

ATTEST:

Rebekah Barr, MMC, City Clerk