

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PLACERVILLE
ESTABLISHING NOVEMBER 8, 2016, AS THE DATE FOR AN ELECTION ON A
PROPOSED BALLOT MEASURE SEEKING VOTER APPROVAL RELATING TO
THE ENACTMENT OF A ONE-HALF OF ONE PERCENT (0.5%) SPECIAL
TRANSACTIONS AND USE (SALES) TAX FOR TWENTY YEARS, ESTABLISHING
THE POLICIES AND PROCEDURES FOR SUCH AN ELECTION AND REQUESTING
THAT THE COUNTY OF EL DORADO CONDUCT SUCH AN ELECTION**

WHEREAS, for the past 10 years, sales tax and gas tax funding for maintenance of roads has declined due to the economy and more efficient vehicles; and

WHEREAS, the condition of City streets and roads is also declining as shown in the City's Pavement Management study. From 2007 to 2014 the cost of deferred maintenance increased from \$7 million to \$21 million and continues to grow; and

WHEREAS, City's Pavement Management Study recommends funding of \$930,000 per year to improve roads stop the decline in pavement condition and to reduce the amount of deferred maintenance; and

WHEREAS, the City currently has available approximately \$200,000 per year for streets and road maintenance; and

WHEREAS, if an alternative revenue source is not identified, the City's streets and roads will continue to deteriorate; and

WHEREAS, City water and sewer lines have deteriorated to a point where immediate action is necessary to repair and replace lines; and

WHEREAS, the City's Capital Improvement Program for water and sewer improvements has identified deferred maintenance of over \$28.5 million; and

WHEREAS, at a public meeting on May 24, 2016, the Council considered calling an election to seek voter approval of a proposed special transactions and use tax (or "sales tax"), as authorized by Revenue and Taxation Code section 7285.91; and

WHEREAS, after that hearing, the City Council concluded that all of the information presented indicated that in order to create an additional source of revenue to assist with funding for repair, maintenance and replacement of existing streets, water and sewer facilities, the Council should call an election to ask the voters of the City to approve a 20-year local transactions and use tax of one-half percent (0.5%); and

WHEREAS, on the basis of the foregoing, the City Council determined that it was appropriate to place a measure regarding a special transactions and use (sales) tax before the voters at the November 8, 2016 general election; and

WHEREAS, the tax to be submitted, if approved, would be imposed on the sale of tangible personal property and the storage, use, or other consumption of such property. The tax rate would be one-half of one percent (0.5%) (a half cent for each dollar) of the sales price of the property. The tax revenue would be collected by the State Board of Equalization and remitted to the City. The tax would be in effect for 20 years, and would then expire automatically, unless extended by the voters. The tax shall be approved if the measure receives at least a two-thirds majority of those voting on the measure; and

WHEREAS, the Placerville City Council is authorized by California Elections Code Section 9222 to place measures before the voters; and

WHEREAS, Elections Code Sections 9281 through 9287 set forth the procedures for arguments in favor of and in opposition to any City measure and for rebuttal arguments; and

WHEREAS, it is desirable that the election be consolidated with the statewide election to be held on the same date and that within the City, the precincts, polling places and election officers of the two elections be the same, and that the County Elections Department of the County of El Dorado canvass the returns of the election and that the election be held in all respects as if there were only one election; and

WHEREAS, based on all of the information presented at the May 24, 2016 meeting, both written and oral, including the staff reports, minutes, and other relevant materials, the City Council finds that under CEQA Guidelines 15060(c)(2) and 15378, Subdivisions (2) and (4) of Subdivision (b), this tax does not constitute a project under CEQA and therefore review under CEQA is not required. Additionally, it is uncertain at this time which streets, water and sewer

facilities projects may be funded by the revenue from the tax proposed by this resolution. The City shall perform CEQA analysis for any project funded by the revenue from the tax prior to approving the project, if the project requires analysis under CEQA.

NOW, THEREFORE, BE IT RESOLVED, as follows:

1. Recitals. The foregoing recitals are true and correct and are hereby incorporated by reference.

2. Call Election; Placement of Measure on the Ballot. Pursuant to California Constitution Article XIIC, Section 2; Government Code Section 53724; and Elections Code Section 9222, the City Council of the City of Placerville hereby calls an election at which it shall submit to the qualified voters of the City, a measure that, if approved, would adopt a temporary special transactions and use tax, as authorized by Revenue and Taxation Code section 7285.91. This measure shall be designated by letter by the El Dorado County Elections Department. Pursuant to Elections Code Section 10400 *et seq.*, the election for this measure shall be consolidated with the established election to be conducted on November 8, 2016.

3. Ballot Language. The question to be presented to the voters shall be as follows:

For the sole purpose of fixing Placerville's roads and pipes, shall the City of Placerville enact a 1/2¢ sales tax for 20 years to fill potholes, repair, replace and maintain existing streets and to repair, replace and maintain water, sewer and storm drain systems, providing approximately \$2 million annually, requiring a citizen oversight committee with all revenue spent exclusively in Placerville?

Yes

No

4. Proposed Ordinance. The ordinance authorizing the special tax to be approved by the voters pursuant to Sections 2 and 3 of this resolution is as set forth in Attachment 1 hereto. The City Council hereby approves the ordinance, the form thereof, and its submission to the voters of the City at the November 8, 2016 election, as required by Revenue and Taxation Code Section 7285.91, subject to the approval of a 2/3 majority of the voters voting on the measure at the election called by the adoption of this resolution. The entire text of the ordinance, attached hereto as Attachment 1, shall be made available to the public upon request. The ordinance specifies that the rate of the transactions tax shall be one-half of one percent (0.5%) of the gross

receipts of any retailer from the sale of all tangible personal property sold at retail in the City; it specifies that the rate of the use tax shall be one-half of one percent (0.5%) of the sales price of tangible personal property stored, used or otherwise consumed in the City, and that the tax shall be in effect for twenty years. The State Board of Equalization shall collect the tax from retailers subject to the tax and remit the funds to the City.

5. Publication of Measure. The City Clerk is hereby directed to cause notice of the measure to be published once in the official newspaper of the City of Placerville, in accordance with Section 12111 of the Elections Code and Section 6061 of the Government Code.

6. Request to Consolidate and Conduct Election and Canvass Returns.

(a) Pursuant to the requirements of Section 10403 of the Elections Code, the Board of Supervisors of the County of El Dorado is hereby requested to consent and agree to the consolidation of a Municipal Election with the Statewide Election on Tuesday, November 8, 2016, for the purpose of placing the measure set forth in Sections 2, 3, and 4 of this resolution on the ballot.

(b) The County of El Dorado Elections Department is authorized to canvass the returns of the Municipal Election. The election shall be held in all respects as if there were only one election, and only one form of ballot shall be used.

(c) The Board of Supervisors is requested to issue instructions to the County of El Dorado Elections Department to take any and all steps necessary for the holding of the consolidated election.

(d) The City of Placerville recognizes that additional costs will be incurred by the County of El Dorado by reason of this consolidation and agrees to reimburse the County for any costs.

7. Submission of Ballot Argument and Impartial Analysis.

(a) The last day for submission of direct arguments for or against the measure shall be by 5:00 p.m. on July 15, 2016.

(b) The last day for submission of rebuttal arguments for or against the measure shall be by 5:00 p.m. on August 1, 2016.

(c) Direct arguments shall not exceed three hundred (300) words and shall be signed by not more than five (5) persons.

(d) Rebuttal arguments shall not exceed two hundred fifty (250) words and shall be signed by not more than five (5) persons; those persons may be different persons than the persons who signed the direct arguments.

(e) The City Attorney shall prepare an impartial analysis of the measure by August 12, 2016

(f) Pursuant to California Elections Code Section 9282, the Mayor of the City of Placerville (the Mayor) is hereby authorized to prepare a written argument in favor of the proposed measure, not to exceed three hundred (300) words, on behalf of the City Council. At the Mayor's discretion, the argument may also be signed by members of the City Council or bona fide associations or by individual voters who are eligible to vote on the measure. In the event that an argument is filed against the measure, the Mayor is also authorized to prepare a rebuttal argument on behalf of the City Council, which may also be signed by members of the City Council or bona fide associations or by individual voters who are eligible to vote on the measure.

(g) Pursuant to California Elections Code Section 9285, when the El Dorado County Elections Department has selected the arguments for and against the measure, which will be printed and distributed to the voters, the El Dorado County Elections Department shall send copies of the argument in favor of the measure to the authors of the argument against, and copies of the argument against to the authors of the argument in favor. Rebuttal arguments shall be printed in the same manner as the direct arguments. Each rebuttal argument shall immediately follow the direct argument that it seeks to rebut.

8. Effective Date. This resolution shall become effective immediately upon its passage and adoption and the City Clerk is directed to send certified copies of this resolution to the El Dorado County Board of Supervisors and to the County Recorder-Clerk and Registrar of Voters.

9. CEQA. This resolution is exempt from the California Environmental Quality Act (Public Resources Code §§ 21000 *et seq.*, “CEQA,” and 14 Cal. Code Reg. §§ 15000 *et seq.*, “CEQA Guidelines”). The transactions and use tax to be submitted to the voters is a special tax that can only be used for repair, replacement and maintenance of existing streets, water, sewer and storm drain systems. However, it is uncertain at this time which streets, water, sewer and storm drain systems projects may be funded by the revenue from the tax proposed by this resolution. As such, under CEQA Guidelines Section 15378(b)(4), the tax is not a project within the meaning of CEQA because it creates a government funding mechanism that does not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment. If revenue from the tax were used for a purpose that would have either such effect, the City would undertake the required CEQA review for that particular project. Therefore, under CEQA Guidelines Section 15060, review under CEQA is not required. The City shall perform CEQA analysis for any street, water, storm drain or sewer improvement project funded by the revenue from the tax prior to approving the project, if the project requires analysis under CEQA.

The foregoing resolution was introduced at a regular meeting of the City Council of the City of Placerville held on May 24, 2016, by _____, who moved its adoption. The motion was seconded by _____. A poll vote was taken which stood as follows:

AYES:

NOES:

ABSTAIN:

ABSENT:

Mayor Trisha Wilkins

ATTEST:

Regina O’Connell, Deputy City Clerk