

RESOLUTION NO. 20-027

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF PACIFIC GROVE
SUBMITTING TO THE ELECTORS A MEASURE
TO AMEND CHAPTER 6.08 OF THE MUNICIPAL CODE
TO INCREASE THE UNIFORM SALES AND USE TAX**

FACTS

1. The City Council determines and declares that financial circumstances of the City of Pacific Grove (City) require enactment of this measure to increase tax revenue to the City to preserve the public peace, health and safety of the community, to avoid work stoppage and/or service disruptions that shall result from additional staff cuts and reductions in force, and to avoid permanent impairment of community services provided by the police, museum, recreation and other cultural resources within the City.
2. The City currently imposes a uniform Sales and Use (Sales) Tax rate in the City of Pacific Grove at the rate of 8.75%, of which 1% is apportioned back to the City.
3. Local governments in Monterey County are authorized to levy additional Sales tax increments within their jurisdiction, subject to voter approval, with a total Sales tax ceiling of 9.25%.
4. Neighboring cities of Carmel-by-the-Sea, Monterey, Seaside, Del Rey Oaks and Marina have already increased their respective Sales tax rates to 9.25%.
5. Stagnant growth in City revenues and escalating operating costs from many causes, including factors related to COVID-19, constrain the City's ability to maintain the quality of services provided and address its capital needs.
6. Without additional revenue, the City will be compelled to make spending reductions affecting programs and services that may jeopardize the public health, safety and general welfare of residents and visitors as well to curtail funding for maintenance, construction and other improvements to City facilities and infrastructure. Reduced revenue also impairs the City's ability to preserve the natural environment.
7. The City Council has determined a financial need exists that requires placement of a measure for a Sales and Use (sales) tax before the voters at the November 2020 general election.
8. This tax measure imposes an additional one-half percent (0.5%) Sales tax on the conveyance of tangible personal property and for payments to store, use, or otherwise consume such property. The tax revenue shall be collected by the California Department of Tax and Fee Administration and remitted to the City.

9. This Sales tax measure shall be submitted to the voters is a general tax. The revenue generated shall be used for any legitimate governmental purpose. This measure does not commit revenue to any particular action or purpose. Uses of this revenue recited in the ballot measure are non-restricted and non-exclusive and are offered only as examples.
10. As a general tax, this Sales tax measure shall be approved if the measure receives at least a simple majority of affirmative votes.
11. Pursuant to Elections Code Section 10002, the City may by resolution request the Board of Supervisors of Monterey County to permit the county elections official to render specified services to the City relating to the conduct of an election. The City shall reimburse the County in full for the services performed upon presentation of a bill to the City.
12. Pursuant to Elections Code Section 10400, whenever two or more elections, including bond elections, of any legislative or congressional district, public district, city, county, or other political subdivision are called to be held on the same day, in the same territory, or in territory that is in part the same, they may be consolidated upon the order of the governing body or bodies or officer or officers calling the elections.
13. Pursuant to Elections Code Section 10403, whenever an election called by a district, city or other political subdivision for the submission of any question, proposition, or office to be filled is to be consolidated with a statewide election, and the question, proposition, or office to be filled is to appear upon the same ballot as that provided for that statewide election, the district, city or other political subdivision shall, at least 88 days prior to the date of the election, file with the board of supervisors, and a copy with the elections official, a resolution of its governing board requesting the consolidation, and setting forth the exact form of any question, proposition, or office to be voted upon at the election, as it is to appear on the ballot. Upon such request, the Board of Supervisors may order the consolidation. The resolution requesting the consolidation shall be adopted and filed at the same time as the adoption of the ordinance, resolution, or order calling the election.
14. Enactment of this ordinance action does not constitute a “project” under California Environmental Quality Act (CEQA) Section 15378 because it has no potential to result in physical change in the environment, directly or indirectly.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF PACIFIC GROVE:

SECTION 1. The foregoing Facts are adopted as findings of the City Council as though set forth fully herein.

SECTION 2. The City Council orders, pursuant to Elections Code Section 10400 and 10403, an election be called and consolidated with any and all elections also called to be held on November 3, 2020.

SECTION 3. Pursuant to Elections Code Section 10002 the City Council requests the Board of Supervisors of the County of Monterey to permit the Monterey County Elections Department to provide any and all services necessary to conduct the November 3, 2020 election and agrees to pay for said services in full.

SECTION 4. The Monterey County Elections Department shall conduct the election on November 3, 2020 for the proposal to authorize amendment of Chapter 6.08 of the Pacific Grove Municipal Code in accord with the following question to be submitted to the electorate:

CITY MEASURE ()

Shall the Pacific Grove Municipal Code be amended to increase the City of Pacific Grove’s current 1% sales tax to 1.5% as a general tax beginning January 1, 2021 to generate a long-term yield estimated at \$1,000,000 annually, to fund capital needs; maintain public safety and emergency preparation; enhance the City’s infrastructure of parks, trails, beaches and trees; invest in community facilities and spaces; and provide general local City services, with all revenues requiring an annual independent audit?

Yes ()

No ()

SECTION 5. The Monterey County Elections Department is requested to print the attached full measure of Exhibit #1 to this Resolution.

SECTION 6. The voter approval requirement to enact the tax approved by this Measure is a majority of voters casting ballots for the November 3, 2020 election. If and only if the measure is approved by a majority of electors at that election, said Ordinance shall immediately amend Chapter 6.08 of the Pacific Grove Municipal Code as shown in Exhibit #1 to this Resolution.

SECTION 7. The full text of Chapter 6.08 of the Pacific Grove Municipal Code (also shown in Exhibit #1 to this Resolution), subject to approval of the electorate, shall be as follows:

Existing Municipal Code Chapter 6.08, entitled “Uniform Sales and Use Tax,” shall be amended by the deletion of all text shown in strikeout text (~~strikeout text~~) and by the addition of all text shown in bold, italic underscore (***bold italic underscore text***), as to the following effect:

6.08.020 Rate

The rate of sales tax and use tax imposed by this chapter shall be one ***and one-half*** percent (***1.5%***).

6.08.030 Operative date.

This chapter shall be operative on January 1, 1974 *take effect and become operative on January 1, 2021.*

SECTION 8. All tax proceeds deriving from the provisions of Chapter 6.08 shall be a general tax. The revenue from Chapter 6.08 shall be placed into the City's General Fund and be available for any and all municipal purposes.

SECTION 9. The City Clerk shall publish a copy of this Resolution in a newspaper of general circulation once within fifteen (15) days after its adoption and provide services and supplies in connection with the election as required by law.

SECTION 10. This Resolution shall take effect immediately following its passage and adoption by the City Council, but the provisions of Section 7 shall take effect if and only if the measure is approved by a majority of electors at the November 3, 2020. If so, the Ordinance shall immediately amend Chapter 6.08 of the Pacific Grove Municipal Code as shown in Exhibit #1 to this Resolution.

SECTION 11. The City Council, in accord with Elections Code Section 9282, shall exercise its right to author and sign ballot arguments and rebuttal arguments regarding the measure. The Mayor shall exercise this power and may designate others to join in those arguments and rebuttal arguments. The last day to submit arguments for or against the proposed measure is August 13, 2020. The last day to submit rebuttal arguments for or against the proposed measure is August 20, 2020.

SECTION 12. The City Attorney shall on or before August 13, 2020 shall submit an impartial analysis of no more than 500 words as to the measure pursuant to section 9203 of the California Elections Code.

SECTION 13. If any provision, section, paragraph, sentence, clause, or phrase of this measure, or any part thereof, or the application thereof to any person or circumstance is for any reason held to be invalid or unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Resolution, or any part thereof, or its application to other persons or circumstances.

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF PACIFIC GROVE
this 1st day of July, 2020, by the following vote:

AYES: Mayor Peake, Mayor Pro Tem Huitt, Councilmembers Amelio, Garfield,
McAdams, Smith, and Tomlinson
NOES: None.
ABSENT: None.

APPROVED:

DocuSigned by:
Bill Peake
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BILL PEAKE, Mayor

ATTEST: 7/6/2020

DATED: _____

DocuSigned by:
Sandra Kandell
4F11A61C850B4E1...

SANDRA KANDELL, City Clerk

APPROVED AS TO FORM:

DocuSigned by:
David C. Laredo
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DAVID C. LAREDO, City Attorney

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EXHIBIT 1

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