



CITY OF PACIFIC GROVE

300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO: HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: City Manager Jim Colangelo

MEETING DATE: March 5, 2008

SUBJECT: CONSIDER RESOLUTIONS CALLING SPECIAL MUNICIPAL ELECTIONS FOR THE CONSIDERATION OF A TAX MEASURE; AND FIRST READING OF ORDINANCES AMENDING THE MUNICIPAL CODE TO INCREASE THE BUSINESS LICENSE TAX AND ESTABLISH A TRANSACTIONS AND USE TAX.

RECOMMENDATION:

If the Council desires to place either or both of the tax Measures on the June 3, 2008 ballot:

- 1. Adopt a Resolution Calling a Special Municipal Election for the Purpose of Submitting a Proposal to Adopt a Transactions and Use Tax for General Purposes, and Requesting that the Board of Supervisors for Monterey County Provide for the Consolidation of this Election with the Election to be held on June 3, 2008.**
- 2. Approve the first reading of an Ordinance Adding Chapter 6.085 to Title 6 of the City's Municipal Code to Implement General Taxes if They Are Approved at the Election To Be Held on June 3, 2008.**
- 3. Adopt a Resolution Calling a Special Municipal Election for the Purpose of Submitting a Proposal to Increase the Business License Tax for General Purposes, and Requesting that the Board of Supervisors for Monterey County Provide for the Consolidation of this Election with the Election to be held on June 3, 2008.**
- 4. Approve the first reading of an Ordinance Amending Chapter 7.04 to Title 7 of the City's Municipal Code to Implement General Taxes if They Are Approved at the Election To Be Held on June 3, 2008.**

BACKGROUND:

At its February 20, 2007 meeting, the City Council directed staff to incorporate \$2.2 million in cost reduction strategies into the proposed FY 2008/09 budget, which the Council will consider

in April. While these cost reductions are necessary to restore the City's basic financial health, they are accompanied by broad-based service reductions that could compromise the public safety and quality of life for Pacific Grove residents and visitors. For example, the Fire Department will have 20% fewer firefighters to respond to major emergencies. The Police Department will no longer have resources for crime prevention programs in schools or dedicated traffic enforcement. Maintenance of streets, parks, and public buildings will be further curtailed, leaving enough resources only for infrastructure safety repairs, not aesthetic improvements or maintenance. The museum and the library face reductions of approximately half of their existing budgets, prompting fewer library hours and library services. Reductions in recreation program budgets will require the Youth Center to close.

After considering, but ultimately deciding against, placing an increase in the Transient Occupancy Tax on the June 3, 2008 ballot, the Council directed staff to prepare the appropriate materials for a sales tax measure and business license tax measure, which the Council would discuss at its March 5, 2008 meeting.

If the Council decides to place either? measure on the June 3, 2008 ballot and it is approved by a majority of voters, this revenue could restore reserves within one fiscal year, thereby enabling the City to restore services or make new investments in the community much sooner than it could without additional revenue.

DISCUSSION:

The remainder of this report describes the sales and business license taxes, explains the potential benefit the tax revenue could have on the City's General Fund, and outlines the process for placing the tax measures on the ballot.

Sales Tax: A sales tax is imposed on retailers for the privilege of selling property in California. This is the familiar tax that retailers add to the price of most goods sold in California. The total sales tax rate in Pacific Grove is 7.25%. The City's share of the total rate is 1.00% (one cent per dollar of pre-tax purchase price) for general City services. State law allows cities and counties to levy additional transactions and use taxes, technically classified as District Taxes. The total of these taxes in the jurisdiction may not exceed the statewide rate by more than 1.00%. In Monterey County, the cities of Seaside, Salinas, Del Rey Oaks, and Sand City have approved additional sales taxes.

In FY 2006/07, the sales tax generated \$1.7 million in Pacific Grove. The City could approve an additional sales tax of up to one percentage point (one cent per dollar of sales transaction), which would increase the total sales tax to 8.25%. An additional one percent district (sales) tax could be expected to generate approximately \$1,300,000 per year in revenue. The reason the revenue to be raised from the proposed once cent sales tax is significantly lower than the amount raised from the one cent tax the city already receives is that the proposed tax would be a district tax, which is technically different from the sales we currently receive from the state. The district tax is paid on transactions with a point-of-sale in the district (i.e., Pacific Grove). The vast majority of transactions in Pacific Grove meets these criteria, and would therefore be subject to the tax. However, transactions in which a buyer takes delivery of the product outside Pacific Grove – potentially construction supplies, for example – would not be subject to the tax. Consultants

have advised the City that the sales tax base subject to the tax could be more like \$1.3 million than the \$1.7 we currently receive. At this point, this difference, and therefore the actual revenue yield from the district sales tax, is somewhat speculative.

Sales tax rates in other cities vary, largely dependent on whether agencies in their respective counties have adopted district taxes. A complete list of district taxes may be found on the State Board of Equalization's website: <http://www.boe.ca.gov/sutax/pdf/districtratelist.pdf>

Business Tax: A Business License Tax is levied on businesses for the privilege of conducting business within the City. The rate is set at 0.1% of a business's annual gross receipts (with a minimum tax amount of \$15.00 and a maximum of \$3,000.00). This rate has remained unchanged since the tax's inception in 1970. Revenue could increase significantly if the maximum tax amount and/or the rate are increased. For example, if the minimum and maximum rates were adjusted for inflation, as measured the change in the Consumer Price Index (CPI) since 1970, the minimum payment amount would increase to approximately \$70, while the maximum would amount would increase to approximately \$14,000.

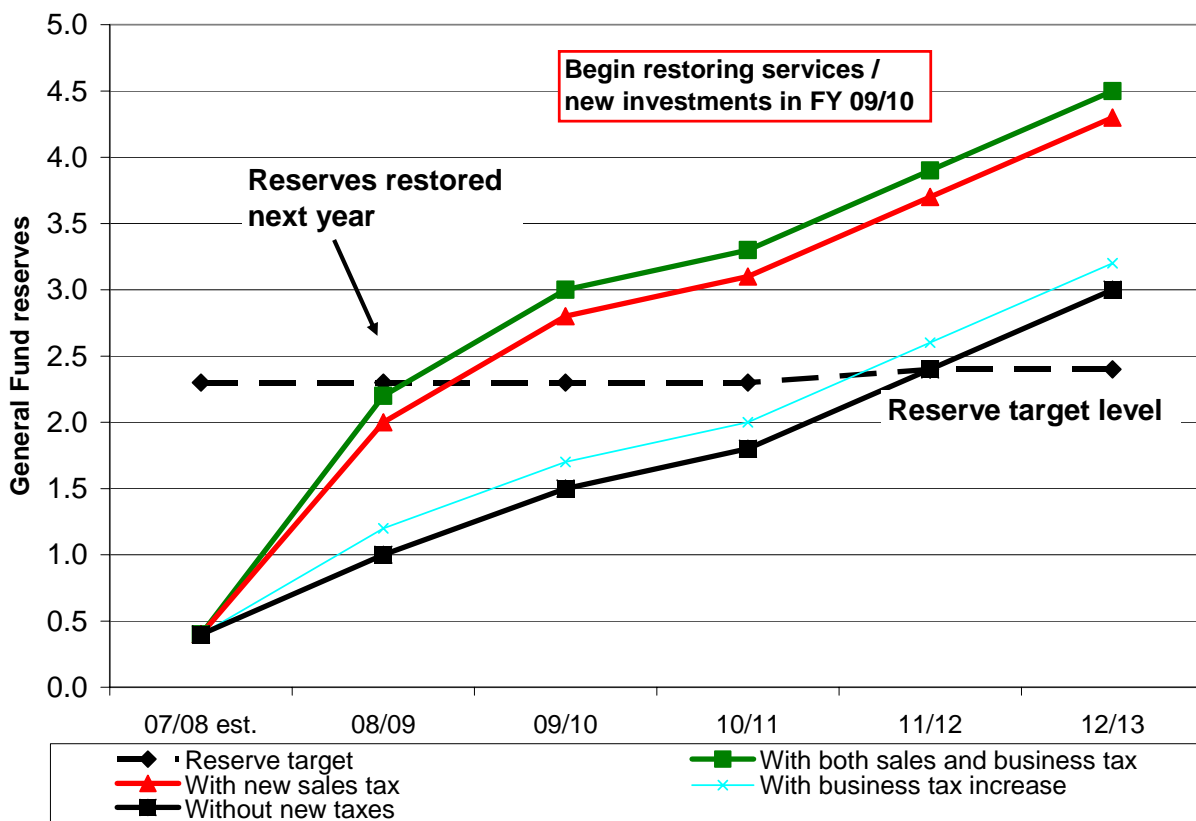
Based on the information provided by current business license holders, a successful ballot measure that eliminated the maximum tax limit while leaving the 0.1% business tax rate unchanged could generate approximately \$240,000 annually. The tax would only affect businesses whose gross revenues exceed \$3 million, which includes less than one percent of Pacific Grove businesses. For example, currently businesses with gross revenues of \$3 million and \$10 million pay the same, maximum tax of \$3,000. If the maximum limit were eliminated, the \$3 million business would continue paying \$3,000 in taxes, while the \$10 million business would pay \$10,000 in taxes.

Impact on General Fund: With \$2.2 million in spending reductions and \$0.3 million in new non-tax revenues conceptually approved by the City Council for the FY 2008/09 budget, existing revenues are estimated to be adequate to cover remaining service costs. However, the remaining services levels could compromise the public safety and quality of life for Pacific Grove residents and visitors. For example, the Fire Department will have 20% fewer firefighters to respond to major emergencies. The Police Department will no longer have resources for crime prevention programs in schools or dedicated traffic enforcement. Maintenance of streets, parks, and public buildings will be further curtailed, leaving enough resources only for infrastructure safety repairs, not aesthetic improvements or maintenance. The museum and the library face reductions of approximately half of their existing budgets, prompting fewer library hours and library services. Reductions in recreation program budgets will require the Youth Center to close.

In addition to covering ongoing service costs, the existing plan would slowly restore the General Fund reserves, over a period of four years. City Council policy requires that the City keep a contingency reserve equal to 10% of the prior fiscal year's revenues plus an additional \$750,000 reserve to cover cash flow shortages throughout the year. By policy, the reserves should be approximately \$2.4 million in the current year. Reserves are critical for financial health. Without them, the City is financially unprepared to absorb the potential effects of economic downturns, state raids on city coffers, and/or natural disasters that require high levels of spending in the short-term. Without reserves, the City has little recourse other than service reductions and employee layoffs when these circumstances arise.

Implementing a local sales tax and eliminating the maximum limit on the business tax could restore reserves to a healthier level in a much shorter time, perhaps as soon as one fiscal year and certainly within two years. The chart below shows the potential impact of the proposed tax revenues on the General Fund fund balance with various revenue scenarios. The dark, dotted line represents the reserve levels required by City Council policy. The lowermost solid line shows the five-year forecast for reserves with only the savings and non-tax revenue strategies in place. Under this scenario, reserves would be restored in FY 2011/12. The other lines, as one looks higher on the chart, represent reserve forecasts that correspond with various sales and business tax scenarios: revised business tax only, new local sales tax only, and both taxes, respectively.

General Fund Reserves Forecast with Various Tax Measure Scenarios



One can see that the sales tax, which would generate approximately \$1 million in the first year and \$1.3 million or more in subsequent years, would have a major positive impact on the General Fund. It could provide faster reserves recovery and the resources to begin restoring services within 1-2 years. With both the sales tax and the revised business tax, the City’s goals for financial health can be achieved slightly faster.

Process: In order to place **each** proposed tax measure on the ballot to give the City's electorate an opportunity to vote on the measure, a resolution and the first reading of an ordinance must be approved by the City Council and sent to the County's Elections Department no later than March 7, 2008. The proposed Ordinance for each tax amends the relevant sections of the Municipal Code to implement the sales tax and/or eliminate the maximum payment on the business license tax.

The resolutions and ordinances have been drafted using successful tax measure documents from other cities as templates. Given the urgency of these matters, staff used this approach to ensure that the measures are technically sound, as the "template" documents had been reviewed and vetted for appropriateness by the Office of the County Registrar and the State Board of Equalization (for the sales tax measure). *For this reason, staff recommends that the City Council not attempt to customize these measures further at this time.* Instead, if significant changes are desired, staff recommends that the measure(s) be removed from consideration at this time with the possibility of further consideration for placement on the November 2008 election ballot.

The proposed Resolutions and Ordinance are not defined as a project under the California Environmental Quality Act ("CEQA") as there is no possibility that the activity authorized herein may have a significant effect on the environment.

The proposed tax measure will be included in the June 3, 2008 election and included with the costs of that election. The City pays Monterey County Elections for the cost of conducting elections. The County bills the City each election year for its share of the total County cost of conducting the primary election and the general election. This cost is estimated to range from \$20,000 to \$25,000.

The City Council may adopt the Resolution(s). Following the public hearing, the Council should review and discuss the draft Ordinance(s). The Council may approve or reject the first reading of the draft Ordinance. City Council may direct that the publication of the Ordinance as required by the Charter Article 15 may be satisfied by publication of a summary of a proposed Ordinance, approved by the City Attorney. If approved, the Ordinance shall then be set for second reading at the next Council meeting.

FISCAL IMPACTS:

The proposed one percent (\$0.01) sales tax would generate approximately \$1 million in FY 2008/09 and approximately \$1.3 million annually in subsequent years. The difference is due to the time required by Board of Equalization to implement the new tax; the sales tax would be effective October 1, 2008. The change in the business license tax would generate approximately \$240,000 per year.

ATTACHMENTS:

- Resolution Calling a Special Municipal Election to Establish a Transactions and Use Tax
- Draft Ordinance Adding 6.085 of the Municipal Code

- Resolution Calling a Special Municipal Election to Increase the Business License Tax
- Draft Ordinance Amending 7.04 of the Municipal Code

RESPECTFULLY SUBMITTED:

James J. Colangelo

Digitally signed: I have reviewed this document

James J. Colangelo
CITY MANAGER

RESOLUTION NO. 08-__

A RESOLUTION CALLING A SPECIAL MUNICIPAL ELECTION FOR THE PURPOSE OF SUBMITTING A PROPOSAL TO ADOPT A TRANSACTIONS AND USE TAX FOR GENERAL PURPOSES AND REQUESTING THAT THE BOARD OF SUPERVISORS OF MONTEREY COUNTY PROVIDE FOR THE CONSOLIDATION OF THIS ELECTION WITH THE ELECTION TO BE HELD ON JUNE 3, 2008.

WHEREAS, the City of Pacific Grove (“City”), despite its diligent efforts of fiscal prudence and responsibility, is operating paycheck to paycheck due to factors that compromise the City’s ability to fund vital city services; and

WHEREAS, the City Council directed staff to incorporate \$2.2 million in cost reduction strategies into the proposed FY 2008/09 budget, which could compromise the public peace, health and safety and quality of life for Pacific Grove residents and visitors; and

WHEREAS, the quality of our local services is deteriorating, with sewer repair and replacement and coastal trail repairs resulting in significant problems in need of proper management; and lack of adequate funding to repair potholes, sidewalks, local streets, street lighting, and unsafe park equipment; and

WHEREAS, a vital city services sales tax measure that is enacted as soon as possible will provide continued, essential funding to maintain police, fire, and 9-1-1 emergency services; improve City streets and parks; and maintain services for local residents; and

WHEREAS, the City Council, by Resolution No. 08-007, adopted on February 27, 2008, unanimously determined and declared that the financial circumstances of the City immediately and urgently require enactment of a new tax measure to increase revenue to the City to preserve the public peace, health and safety of the community, to avoid the work stoppage and/or service disruptions that shall result from additional staff cuts and reductions in force, and to avoid permanent impairment of valued community services provided by the library, museum, recreation departments and other cultural resources within the City; and

WHEREAS, the Council, by Resolution No. 08-007, adopted on February 27, 2008, unanimously determined and declared that the financial emergency may result in the crippling consequences of budget depletion and may severely impair public health, safety, or both; and

WHEREAS, the City Council has found and declared the existing emergency requires an immediate increase in revenues; and

WHEREAS, the City Council has identified a Transactions and Use Tax measure that will provide some of the needed revenues, and has approved the first reading of this Ordinance establishing such taxes to be administered and collected by the State Board of Equalization in the same manner and fashion as other sales and use taxes; and

WHEREAS, any tax measure submitted to voters must be consolidated with a regularly scheduled general election for members of City Council except in cases of emergency as determined by a unanimous vote of the Council pursuant to Article XIIC of the Constitution; and

WHEREAS, there is a statewide election scheduled for June 3, 2008, with this election being conducted in Monterey County by the Monterey County Registrar of Voters.

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

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

SECTION 2. A special municipal election of the City of Pacific Grove shall be held in the City of Pacific Grove on June 3, 2008, at which time there shall be submitted a proposed measure to adopt a new Transactions and Use Tax as set forth in Section 2 of this Resolution.

SECTION 3. The ballot measure requesting adoption of a new transactions and use tax shall be as follows:

City of Pacific Grove Measure _____

Pacific Grove Vital City Services Measure: To protect/maintain essential City of Pacific Grove services by funding police officers and firefighters, maintaining 9-1-1 police/fire response times, fixing potholes, improving/maintaining city streets, youth programs and parks, increasing code enforcement, expanding crime prevention programs, and preserving other general City services, shall the City sales tax be increased by one cent with published, independent annual financial audits of all expenditures available for public review?

Yes (_____)

No (_____)

SECTION 4. The measure shall pass only if a majority of the votes cast by voters voting on the measure are “yes” votes.

SECTION 5. The City Council requests the Board of Supervisors for the County of Monterey to provide for consolidation of the special municipal election called for herein with the statewide election scheduled for June 3, 2008, and to provide within the City of Pacific Grove the election precincts, polling places, voting booths, and election officers necessary to conduct the election. The Board is further requested to provide for the preparation and mailing of sample ballots to qualified voters within the City as appropriate and in the manner provided by law.

SECTION 6. The Board of Supervisors of the County of Monterey is hereby authorized to canvass, or cause to be canvassed, as provided by law the returns of this municipal election, and to certify the results of such canvass of votes.

SECTION 7. The City Clerk is authorized and directed to certify to the due adoption of this Resolution and to transmit a copy to the Board of Supervisors of the County of Monterey and to file a copy, so certified, with the County Clerk and County Registrar of Voters.

SECTION 8. The City Clerk and County Registrar of Voters are authorized to print such forms, publish such notices, and provide such information as may be necessary or convenient to assure the orderly holding of the election, and they shall do all other things necessary to facilitate the holding of the election in a manner harmonious and consistent with law.

SECTION 9. The County Registrar of Voters is authorized to bill the City for costs associated with the election called by this Resolution.

SECTION 10. The City Attorney is directed to submit an impartial analysis of the proposed measure pursuant to section 9280 of the Elections Code on or before March 24, 2008.

SECTION 11. The last day to submit arguments for or against the measure shall be March 14, 2008. Submittals are to be delivered to the Office of the City Clerk on or before 5:00 p.m. The last day to submit rebuttal arguments for each proposed measure shall be March 24, 2008. Submittals are to be delivered to the Office of the City Clerk on or before 5:00 p.m.

SECTION 12. The City Clerk shall submit all materials submitted pursuant to the Elections Code to the County Clerk on or before a date yet to be determined by the Monterey County Elections Department in accordance with the Elections Code.

SECTION 13. The City Council shall meet to declare the results of the election called for by this Resolution at their first meeting following certification of the election results.

SECTION 14. The City Clerk shall publish a copy of this Resolution in a newspaper of general circulation within the City once within fifteen (15) days after the adoption of this Resolution.

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF PACIFIC GROVE
THIS ____ day of March, 2008, by the following vote:

AYES:

NOES:

ABSENT:

APPROVED:

DANIEL J. CORT, Mayor

ATTEST:

JAMES J. COLANGELO, City Manager

APPROVED AS TO FORM:

DAVID C. LAREDO, City Attorney

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ORDINANCE NO. _____

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PACIFIC GROVE ADDING CHAPTER 6.085 TO TITLE 6 OF THE PACIFIC GROVE MUNICIPAL CODE ESTABLISHING A TRANSACTIONS AND USE TAX TO BE ADMINISTERED AND COLLECTED BY THE STATE BOARD OF EQUALIZATION.

WHEREAS, in response to the request of its citizens, the City Council of the City of Pacific Grove (“City”) desires to exercise its authority to impose a new tax in accord with the results of the election to be held on June 3, 2008; and

WHEREAS, the enactment of a new tax must be approved by the voters of the City; and

WHEREAS, this Ordinance shall take effect if and only if a majority of the voters of the City casts ballots in favor of the ballot measure authorized for that purpose at the election to be held on June 3, 2008; and

WHEREAS, the City Council, by Resolution No. 08-007, adopted on February 27, 2008, unanimously determined and declared that the financial circumstances of the City immediately and urgently require enactment of a new tax measure to increase revenue to the City to preserve the public peace, health and safety of the community, to avoid the work stoppage and/or service disruptions that shall result from additional staff cuts and reductions in force, and to avoid permanent impairment of valued community services provided by the library, museum, recreation departments and other cultural resources within the City; and

WHEREAS, the Council, by Resolution No. 08-007, adopted on February 27, 2008, unanimously determined and declared that the financial emergency may result in the crippling consequences of budget depletion and may severely impair public health, safety, or both; and

WHEREAS, the tax provided for in this Ordinance shall be enacted solely to raise revenue for any and all municipal purposes, and shall be placed into the City’s General Fund, and is not intended for regulation; and

WHEREAS, this Ordinance is exempt from the California Environmental Quality Act (“CEQA”), Public Resources Code section 21000 et seq., as it can be seen with certainty that there is no possibility that the activity authorized herein may have a significant effect on the environment; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PACIFIC GROVE DOES ORDAIN AS FOLLOWS:

SECTION 1. Authority and Findings.

The City Council enacts this Ordinance in accordance with the authority granted to cities by Article XI, Section 7, of the California Constitution. The foregoing recitals are adopted as findings of the City Council as though set forth fully herein.

SECTION 2. Addition of Chapter.

Chapter 6.085 is hereby added to Title 6 of the Pacific Grove Municipal Code.

SECTION 3. Title.

This Chapter shall be known as the City of Pacific Grove Transactions and Use Tax.

SECTION 4. Definitions.

The text set forth below shall be added to as Section 6.085.010 (Definitions) of Chapter 6.085 of the Pacific Grove Municipal Code, as follows:

“City”. The term “City” as used in this Chapter shall refer to the City of Pacific Grove.

“Operative Date”. The term “Operative Date” as used in this Chapter shall mean the first of the first calendar quarter commencing more than 110 days after the adoption of this Chapter and approval by the voters of a measure approving the imposition of the transaction and use tax.

“Transactions Tax”. The term “Transactions Tax” as used in this Chapter shall refer to that tax commonly known as “sales tax”, and the two terms shall mean the same wherever used in the Municipal Code.

SECTION 5. Contract with State.

The text set forth below shall be added to as Section 6.085.020 (Contract with State) of Chapter 6.085 of the Pacific Grove Municipal Code, as follows:

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 Transaction and Use Tax Ordinance. If the City shall not have contracted with the State Board of Equalization prior to the operative date, it shall nevertheless do so, and in such case the operative date shall be the first day of the first calendar quarter following the execution of such a contract.

SECTION 6. Purpose.

The text set forth below shall be added to as Section 6.085.030 (Purpose) of Chapter 6.085 of the Pacific Grove Municipal Code, as follows:

This Chapter has been adopted for the following, and 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 California 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 qualified voters of the City 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 requirement and limitations contained in Part 1.6 of Division 2 of the California 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 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, to the greatest degree possible, be consistent with the provisions of Part 1.6 of Division 2 of the California 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.

E. The proceeds deriving from the provisions of this Transactions and Use Tax shall be a “general tax,” the revenue from which shall be placed into the City’s General Fund and be available for any and all municipal purposes.

SECTION 7. Imposition of Transactions Tax; Rate.

The text set forth below shall be added to as Section 6.085.040 (Tax Rate) of Chapter 6.085 of the Pacific Grove Municipal Code, as follows:

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 percent (1.0%) of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in the City on and after the operative date of this Ordinance.

SECTION 8. Place of Sale; Presumption.

The text set forth below shall be added to as Section 6.085.050 (Place of Sale) of Chapter 6.085 of the Pacific Grove Municipal Code, as follows:

For the purposes of this Ordinance, all retail sales are presumed 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 State Board of Equalization.

SECTION 9. Imposition of Use Tax; Rate.

The text set forth below shall be added to as Section 6.085.060 (Use Tax) of Chapter 6.085 of the Pacific Grove Municipal Code, as follows:

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 percent (1.0%) 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 10. Adoption of Provisions of State Law by Reference.

The text set forth below shall be added to as Section 6.085.060 (State Law) of Chapter 6.085 of the Pacific Grove Municipal Code, as follows:

Except as otherwise provided herein, and except insofar as they are inconsistent with the provisions of Part 1.6 of Division 2 of the California Revenue and Taxation Code, all of the provisions of Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code, as amended and in force and effect on the operative date of this Chapter, applicable to use taxes are hereby adopted and made a part of this Ordinance and Chapter as though fully set forth herein.

SECTION 11. Limitations on Adoption of State Law and Collection of Use Taxes.

The text set forth below shall be added to as Section 6.085.070 (Limitations) of Chapter 6.085 of the Pacific Grove Municipal Code, as follows:

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 agent, 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, 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 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 California 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 6728 of the California 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 12. Exemptions and Exclusions.

The text set forth below shall be added to as Section 6.085.080 (Exemptions) of Chapter 6.085 of the Pacific Grove Municipal Code, as follows:

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 Date, 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 California Vehicle Code, aircraft licensed in compliance with Section 21411 of the California Public Utilities Code, and undocumented vessels registered under Chapter 1 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 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 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 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.

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 California Vehicle Code, aircraft licensed in compliance with Section 21411 of the California Public Utilities Code, or undocumented vessels registered under Chapter 1 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 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 California 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 13. Amendments.

The text set forth below shall be added to as Section 6.085.090 (State Law Amendments) of Chapter 6.085 of the Pacific Grove Municipal Code, as follows:

All amendments subsequent to the operative date of this Chapter to Part 1 of Division 2 of the California 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 Chapter, provided however, that no such amendment shall operate so as to affect the rate of tax imposed by this Chapter.

SECTION 14. Enjoining Collection Prohibited.

The text set forth below shall be added to as Section 6.085.100 (No Injunction) of Chapter 6.085 of the Pacific Grove Municipal Code, as follows:

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 California Revenue and Taxation Code, of any tax or any amount of tax required to be collected.

SECTION 15. If any provision, section, paragraph, sentence, clause or phrase of this Ordinance, 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 Ordinance, or any part thereof, or its application to other persons or circumstances. The City Council hereby declares that it would have passed and adopted each provision, section, paragraph, subparagraph, sentence, clause or phrase thereof, irrespective of the fact that any one or more sections, paragraphs, subparagraphs, sentences, clauses or phrases, or the application thereof to any person or circumstance, be declared invalid or unconstitutional.

SECTION 16. This Ordinance was introduced by the City Council of the City of Pacific Grove on the 5th day of March, 2008.

SECTION 17. This Ordinance shall become effective on or after the thirtieth (30th) day following its adoption and shall be imposed upon approval by the voters as set forth herein.

SECTION 18. The City Clerk is directed to publish this Ordinance in the manner and in the time required by law.

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF PACIFIC GROVE this 5th day of March, 2008, by the following vote:

AYES:

NOES:

ABSENT:

APPROVED:

DANIEL E. CORT, Mayor

ATTEST:

JAMES J. COLANGELO, City Manager

APPROVED AS TO FORM:

DAVID C. LAREDO, City Attorney

**IMPARTIAL ANALYSIS BY CITY ATTORNEY
CITY OF PACIFIC GROVE MEASURE __**

The City Council of the City of Pacific Grove (“City”) placed Measure __ on the June 3, 2008 ballot to ask voters to consider an Ordinance enacting a general Transactions and Use (sales) Tax of one percent (1%) to be administered by the State Board of Equalization. The *Pacific Grove Vital City Services Measure* would raise revenue for general purposes, including police and fire personnel, recreation programs, street improvements and other City services. The one percent (1%) tax would be in addition to current sales taxes and be collected at the same time and in the same manner as existing sales taxes. This tax cannot be taken away by the State of California or the County of Monterey.

If approved by a majority of qualified voters of the City voting on this matter, Measure __ shall amend the Pacific Grove Municipal Code.

The *Pacific Grove Vital City Services Measure* states the one percent (1%) sales tax shall be used to continue essential funding to maintain police, fire, and emergency services; to ensure the public peace, health and safety of the community, to avoid work stoppage and/or service disruptions that result from additional staff cuts, and to avoid permanent impairment of community services provided by the police, fire, library, museum, recreation departments and other cultural resources within the City. The tax shall be used to maintain local services, repair coastal trails; fund repairs to potholes, sidewalks, local streets, street lighting, and unsafe parks. This sales tax would be a general tax; therefore the tax would go into the City’s General Fund and could be used for any and all legal municipal purposes.

Revenue and Taxation Code Section 7285.9 authorizes the City to levy a transaction tax at a rate of 0.25 percent, or a multiple thereof, provided the tax is approved by a majority of the voters voting in an election on that issue. The proposed tax will increase the local sales tax rate in the City from the current 7.25% to 8.25%.

Measure __ includes a requirement that the City publish independent annual audits for public review to specify how funds raised by Measure __ are spent for City Services.

By placing Measure __ on the ballot, the City complies with Article XIIC of the California Constitution. This requires voters approve any Ordinance that imposes a general tax. The City Council, by Resolution No. 08-007, adopted on February 27, 2008, unanimously determined and declared the financial emergency may result in the crippling consequences of budget depletion and severely impair public health, safety, or both. A copy of the proposed Ordinance is printed in the sample ballot.

A “YES” vote on Measure __ means the City’s Municipal Code shall be amended to add the general Transactions and Use (sales) Tax of one percent (1%). A “NO” vote means the tax shall not be added.

David C. Laredo
City Attorney

City of Pacific Grove

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RESOLUTION NO. 08-

**A RESOLUTION OF THE CITY OF PACIFIC GROVE
CALLING A SPECIAL MUNICIPAL ELECTION FOR THE PURPOSE OF
SUBMITTING A PROPOSAL TO INCREASE THE BUSINESS LICENSE TAX FOR
GENERAL PURPOSES AND REQUESTING THAT THE BOARD OF SUPERVISORS
OF MONTEREY COUNTY TO PROVIDE FOR THE CONSOLIDATION OF THIS
ELECTION WITH THE ELECTION TO BE HELD ON JUNE 3, 2008.**

WHEREAS, the City Council directed staff to incorporate \$2.2 million in cost reduction strategies into the proposed FY 2008/09 budget, which could compromise the public peace, health and safety and quality of life for Pacific Grove residents and visitors; and

WHEREAS, a new tax measure that is enacted as soon as possible could provide revenue to restore essential services required to preserve the public peace, health, safety and welfare of the community, to avoid work stoppages and service disruptions that will result from additional staff cuts or reductions in force, and to avoid permanent impairment of valued community services provided by the library, recreation department, and other cultural resources within the City; and

WHEREAS, the imposition of a general tax requires, among other things, a two-thirds vote of the City Council and a majority vote of the voters voting in an election on the tax; and

WHEREAS, the City Council has identified a tax measure to provide some of the needed revenues, and has approved the first reading of an Ordinance amending Chapter 7.04 of the City's Municipal Code to increase the Business License Tax by deleting the maximum annual tax limit set forth in section 7.04.220; and

WHEREAS, the City relies upon its authority to levy and increase its Business License Tax under its home rule powers and in accord with Article XI of the California Constitution. The City alternatively relies upon the general authority to levy this tax by California Government Code §37101; and

WHEREAS, the proposed increase to the Business License Tax is presented as a "general tax", the revenue from which shall be placed into the City's General Fund and be available for any and all municipal purposes. This tax shall be imposed consistent with the provisions of Chapter 7.04 of the Pacific Grove Municipal Code; and

WHEREAS, any tax measure submitted to the voters is required to be consolidated with a regularly scheduled general election for members of the City Council except in cases of emergency as declared by unanimous vote of the City Council in accord with Article XIII C §2(b) of the California Constitution; and

WHEREAS, there is an election scheduled for June 3, 2008, with this election being conducted in Monterey County by the Monterey County Registrar of Voters; and

WHEREAS, the City Council, by Resolution No. 08-007, adopted on February 27, 2008, has unanimously declared and determined the existence of an emergency that requires an increase in revenues; and

WHEREAS, this Resolution is exempt from the California Environmental Quality Act (“CEQA”), Public Resources Code section 21000 et seq., as it can be seen with certainty that there is no possibility that the activity authorized herein may have a significant effect on the environment.

NOW, THEREFORE, THE CITY COUNCIL DOES RESOLVE AS FOLLOWS:

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

SECTION 2. A special municipal election of the City shall be held in the City on June 3, 2008, at which time there shall be submitted a proposed measure to increase the Business License Tax set forth in Chapter 7.04 of the Pacific Grove Municipal Code as a “general tax” as set forth in this Resolution.

SECTION 3. The Business License Tax set forth in Chapter 7.04 of the Pacific Grove Municipal Code shall be increased by deleting the maximum annual tax limit set forth in section 7.04.220. Section 7.04.220 shall then read, “Every person who engages in business within the city shall pay a license tax based upon gross receipts of the previous calendar year at the rate of one mill on each dollar of gross receipts, with a minimum annual tax of \$15.00. Any person on a fiscal-year basis may, with the consent of the collector, pay a license tax based upon gross receipts for that person’s previous fiscal year.”

SECTION 4. The Business License Tax shall be a “general tax,” the revenue from which shall be placed into the City’s General Fund and be available for any and all Municipal purposes. This tax shall be imposed consistent with the provisions of Chapter 7.04 of the Pacific Grove Municipal Code. The City Manager shall present an Ordinance to implement this Business License Tax.

SECTION 5. The ballot format for the proposal to authorize the increase to the Business License Tax by deleting the maximum annual tax limit shall be substantially as follows:

CITY MEASURE ()

Shall the Business License Tax set forth in Chapter 7.04 of the Pacific Grove Municipal Code be increased by deleting the maximum annual limit set forth in section 7.04.220?

YES/NO

SECTION 6. The measure shall pass only if a majority of the votes cast by voters voting on the measure are “yes” votes.

SECTION 7. City Council requests the Board of Supervisors of the County of Monterey to provide for consolidation of the special municipal election called for herein with the general

election scheduled for June 3, 2008, and to provide within the City of Pacific Grove the election precincts, polling places, voting booths, and election officers the same as used for the general election. The Board is further requested to provide for the preparation and mailing of sample ballots to qualified voters within the City as appropriate and in the manner provided by law.

SECTION 8. The Board of Supervisors of the County of Monterey is hereby authorized to canvass, or cause to be canvassed, as provided by law the returns of this municipal election, and to certify the results of such canvass of votes.

SECTION 9. The City Clerk is authorized to certify to the due adoption of this Resolution and to transmit a copy to the Board of Supervisors of the County of Monterey and to file a copy, so certified, with the County Clerk and County Registrar of Voters.

SECTION 10. The City Clerk and the County Registrar of Voters are authorized to print such forms, publish such notices and provide such information as may be necessary or convenient to assure the orderly holding of the election, and they shall do all other things necessary to facilitate the holding of the election in a manner harmonious and consistent with law.

SECTION 11. The County Registrar of Voters is authorized to bill the City, on a prorated basis, for costs associated with the election called by this Resolution.

SECTION 12. The City Attorney is directed to submit an impartial analysis of the proposed measure pursuant to section 9280 of the Elections Code on or before March 24, 2008.

SECTION 13. The last day to submit arguments for or against the proposed measure shall be March 14, 2008. Submittals are to be delivered to the Office of the City Clerk on or before 5:00 p.m. The last day to submit rebuttal arguments for each proposed measure shall be March 24, 2008. Submittals are to be delivered to the Office of the City Clerk on or before 5:00 p.m.

SECTION 14. The City Council shall meet to declare the results of the election called for by this Resolution at their first regular meeting following certification of election results.

SECTION 15. The City Clerk shall publish a copy of this Resolution in a newspaper of general circulation once within fifteen (15) days after the adoption of this Resolution.

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF PACIFIC GROVE
THIS ____ day of March, 2008, by the following vote:

AYES:

NOES:

ABSENT:

APPROVED:

DANIEL J. CORT, Mayor

ATTEST:

JAMES J. COLANGELO, City Manager

APPROVED AS TO FORM:

DAVID C. LAREDO, City Attorney

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ORDINANCE NO. _____

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PACIFIC GROVE AMENDING EXISTING CHAPTER 7.04 OF THE CITY OF PACIFIC GROVE MUNICIPAL CODE TO IMPLEMENT AN INCREASE TO THE BUSINESS LICENSE TAX IF IT IS APPROVED AT THE ELECTION TO BE HELD ON JUNE 3, 2008

WHEREAS, in response to the request of its citizens, the City Council of the City of Pacific Grove (“City”) desires to exercise its authority to impose a tax in accord with the results of the election to be held on June 3, 2008; and

WHEREAS, the enactment of a new tax must be approved by the voters of the City; and

WHEREAS, this Ordinance shall take effect if and only if a majority of the voters of the City casts ballots in favor of the ballot measure authorized for that purpose at the election to be held on June 3, 2008; and

WHEREAS, the City relies upon its authority to levy and increase taxes, as a charter city under its home rule powers and in accord with Article XI of the California Constitution. The City alternatively relies upon the general authority to levy this tax set forth in California Government Code §37101; and

WHEREAS, the City Council, by Resolution No. 08-007, adopted on February 27, 2008, unanimously determined and declared that the financial circumstances of the City immediately and urgently require enactment of a tax measure to increase revenue to the City to preserve the public peace, health and safety of the community, to avoid the work stoppage and/or service disruptions that shall result from additional staff cuts and reductions in force, and to avoid permanent impairment of valued community services provided by the police, fire, library, museum, recreation departments and other cultural resources within the City; and

WHEREAS, the Council, by Resolution No. 08-007, adopted on February 27, 2008, unanimously determined and declared that the financial emergency may result in the crippling consequences of budget depletion and may severely impair public health, safety, or both; and

WHEREAS, the Council, by Resolution No. _____, adopted on March 5, 2008, set a special municipal election to be held in the City on June 3, 2008, to consider one (1) measure to authorize an increase to the Business License Tax set forth in Chapter 7.04 of the Pacific Grove Municipal Code as a “general tax”; and

WHEREAS, the tax provided for in this Ordinance shall be enacted solely to raise revenue for any and all municipal purposes, and shall be placed into the City’s General Fund, and is not intended for regulation; and

WHEREAS, the operative date for the increase to the Business License Tax shall be July 1, 2008; and

WHEREAS, this Ordinance is exempt from the California Environmental Quality Act (“CEQA”), Public Resources Code section 21000 et seq., as it can be seen with certainty that there is no possibility that the activity authorized herein may have a significant effect on the environment; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PACIFIC GROVE DOES ORDAIN AS FOLLOWS:

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

SECTION 2. The text set forth in existing Section 7.04.220 of Chapter 7.04 of the Pacific Grove Municipal Code shall be changed by the deletion of all text shown in ~~strikeout text~~ and the addition of all text shown in bold, italic, underscored text (***bold, italic, underscored text***), as follows:

Every person who engages in business within the city shall pay a license tax based upon gross receipts of the previous calendar year at the rate of one mill on each dollar of gross receipts, with a minimum annual tax of \$15.00 ~~and a maximum annual tax of \$3,000.00~~. Any person on a fiscal-year basis may, with the consent of the collector, pay a license tax based upon gross receipts for that person’s previous fiscal year.

SECTION 3. The proceeds deriving from the provisions of Section 2, above, shall be a “general tax,” the revenue from which shall be placed into the City’s General Fund and be available for any and all municipal purposes.

SECTION 4. If any provision, section, paragraph, sentence, clause or phrase of this Ordinance, 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 Ordinance, or any part thereof, or its application to other persons or circumstances. The City Council hereby declares that it would have passed and adopted each provision, section, paragraph, subparagraph, sentence, clause or phrase thereof, irrespective of the fact that any one or more sections, paragraphs, subparagraphs, sentences, clauses or phrases, or the application thereof to any person or circumstance, be declared invalid or unconstitutional.

SECTION 5. This Ordinance shall become effective on the thirtieth (30th) day following passage and adoption hereof and shall be imposed upon approval of the voters as set forth herein.

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF PACIFIC GROVE this 5 of March, 2008, by the following vote:

AYES:

NOES:

ABSENT:

APPROVED:

DANIEL E. CORT, Mayor

ATTEST:

JAMES J. COLANGELO, City Manager

APPROVED AS TO FORM:

DAVID C. LAREDO, City Attorney

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**IMPARTIAL ANALYSIS BY CITY ATTORNEY
CITY OF PACIFIC GROVE MEASURE __**

The City Council of the City of Pacific Grove (“City”) placed Measure __ on the June 3, 2008 ballot to ask voters to consider an Ordinance to increase the Business License Tax within the City of Pacific Grove. This is a local tax that will be collected and placed in the City’s General Fund. This tax cannot be taken away by the State of California or the County of Monterey.

If approved by a majority of the qualified voters of the City voting on this matter, Measure __ shall amend the City of Pacific Grove Municipal Code. Pacific Grove Municipal Code Section 7.04.220 now levies a Business License Tax on businesses that conduct business within the City. The rate is set at one tenth of one percent (0.1%) of annual gross receipts for that business. The Code provides that the minimum tax is to be \$15 and the maximum tax is \$3,000. This measure would remove the \$3,000 tax limit.

This measure would not change the Business License Tax rate; it would remain at one tenth of one percent (0.1%) of annual gross receipts. By eliminating the \$3,000 cap on the License Tax, this measure would affect businesses having gross receipts of more than three million dollars (\$3,000,000) per year. This measure shall not have any affect on businesses that have lesser annual gross receipts.

This measure shall authorize a general tax. The City may use this tax revenue for general functions such as police protection, fire suppression, storm water, street and pothole repair, park maintenance and restoration, library and museum purposes, recreation, code enforcement and other services.

The City Council, by Resolution No. 08-007, adopted on February 27, 2008, unanimously determined and declared that the financial emergency exists and immediate and urgent enactment of taxes is needed to preserve the public peace, health and safety of the community, to avoid work stoppage and/or service disruptions that shall result from staff cuts and reductions in force, and to avoid impairment of services provided by the police, fire, library, museum and recreation departments. A copy of the proposed Ordinance is printed in the sample ballot.

A “YES” vote on this Measure means that Chapter 7.04 of the City of Pacific Grove Municipal Code shall be amended to delete the \$3,000 maximum Business License Tax limit. A “NO” vote on this Measure means that no change shall occur to Chapter 7.04 of the City of Pacific Grove Municipal Code, retaining the \$3,000 maximum limit on the Business License Tax.

David C. Laredo
City Attorney
City of Pacific Grove
