



**Report to the City Council
Council Meeting of July 12, 2016**

Agenda Section: New Business

Subject: Consideration of:

- 1. Second reading and adoption of an Ordinance imposing ½ percent (0.5%) transactions and use taxes and adding a new Chapter 3.25 entitled "Transactions and Use Taxes" of Title 3 entitled "Revenue and Finance" of the St. Helena Municipal Code, subject to voter approval; and**
- 2. Proposed resolution ordering the submission to the qualified electors of the City of St. Helena a measure to approve a transactions and use taxes ordinance at the General Municipal Election to be held on Tuesday, November 8, 2016; and**
- 3. Proposed resolution authorizing and setting City Council priority for filing written argument regarding a City measure to approve a transactions and use taxes ordinance and directing the City Attorney to prepare an impartial analysis for said City measure submitted at the November 8, 2016 General Municipal Election; and**
- 4. Proposed resolution providing for the filing of rebuttal argument regarding a City measure to approve a transactions and use taxes ordinance submitted at the November 8, 2016 General Municipal Election; and**
- 5. Proposed resolution providing for the release of the City Council's rebuttal argument regarding a City measure to approve a transactions and use taxes ordinance submitted at the November 8, 2016 General Municipal Election.**

CEQA Status: Not a CEQA project

Prepared By: Cindy Black, City Clerk

Approved By: Noah Housh, Acting City Manager/Planning and Community Improvement Director

NJH

BACKGROUND

The City Council at its May 24, 2016 Council meeting considered options for a sales tax measure for the November 2016 ballot. The Council directed staff to return with legislation necessary to place a transactions and use taxes ordinance on the November 8, 2016 ballot. At the June 14, 2016 Council meeting, a discussion occurred, and the Council directed staff to move forward with the transactions and use taxes measure only, without the companion non-binding advisory measure regarding use of such revenues. The City Council held and approved the first reading of the proposed transactions and use taxes ordinance at its June 28, 2016 City Council meeting.

DISCUSSION

The City Council is considering placing a measure on the November 8, 2016 ballot that would enable the City's electorate to vote on a transactions and use taxes ordinance, commonly referred to as a "sales" tax, which would impose a ½ of one percent (0.5%) sales tax increase. All revenues generated by the taxes would be deposited into the City's General Fund for general governmental purposes and could be used to maintain current levels of service, provide funds to maintain the City's long-term financial stability, and provide funding of police, fire, and public works priorities among other uses.

The next step to enact a potential the ½ of one percent (0.5%) sales tax increase is the second reading and adoption of the ordinance adding a new Chapter 3.25 entitled "Transactions and Use Taxes" of Title 3 entitled "Revenue and Finance" of the St. Helena Municipal Code.

City law regarding how the transactions and use tax will impact the taxpayers must be defined by an ordinance before the ballot measure imposing the taxation is offered to the voters. The City of St. Helena does not currently have a Transactions and Use Tax Chapter. Adding a new Chapter to the Municipal Code requires a 2/3rds vote (four affirmative votes) of the City Council. Without the new chapter, the proposed ballot measure cannot move forward.

The adoption of the ordinance only provides the framework for how the Transactions and Use Tax will be implemented. Any new tax must be approved by the voters, and not the City Council, before the tax may actually be imposed and collected. Staff is working to have this measure placed on the November 2016 ballot for approval, which

requires a resolution to be adopted by the City Council, if the Council decides to proceed with the proposed ordinance.

If the ordinance is adopted by the required 2/3rds vote of the City Council at the July 12, 2016 meeting, then the City Council will be asked to consider the adoption of four resolutions.

The first resolution provides for the submission to the St. Helena electorate of the transactions and use taxes ordinance measure. The question that is included within this resolution will be the question that is presented to the voters.

The second resolution authorizes the City Council to author a ballot argument and directs the City Attorney to prepare the impartial analysis. If the City Council authorizes ballot argument by the Council (either collectively as a body or by individual Council members), then Elections Code Section 9287 provides that its argument will receive priority for printing in the pamphlet that is distributed to voters. Thus, presuming the City Council wishes to authorize itself to author a ballot argument, the main issue to be resolved with this resolution is whether the Council will author a ballot argument as a body or as individual Council members. Hence there is a "Resolved" within the body of the second resolution that has alternative language for the Council to consider and adopt. Note that a resolution authorizing and establishing City Council priority for Council ballot argument must be adopted at the same time of adoption of the resolution submitting the measure to the voters. Also note that the second resolution establishes 5:00 p.m., Friday, July 22, 2016, as the deadline to submit ballot arguments to the City Clerk.

The third and fourth resolutions are completely discretionary. The third resolution authorizes rebuttal argument. The City Council does not have to authorize rebuttal argument on the ballot. If the Council does authorize rebuttal argument, the third resolution establishes 5:00 p.m., Friday, July 29, 2016, as the deadline to submit rebuttal arguments to the City Clerk.

Finally, if the Council does authorize rebuttal argument on the ballot, then the fourth and last resolution (also optional) allows for the Council to release their rebuttal argument to third parties that the Council members will need to identify and provide written permission to the City Clerk. Thus, if the Council has authorized rebuttal argument by adopting the third resolution, then the Council may authorize the release of rebuttal argument to others whose names would then appear in the ballot pamphlet as the author of the rebuttal argument. Note that a resolution authorizing rebuttal argument and, if authorized, the release of rebuttal argument, must be adopted at the same time of adoption of the resolution submitting the measure to the voters.

Next Steps

1. Once the ordinance is adopted by the requisite vote, the City Council will then consider a resolution providing for the submission of the transactions and use

taxes ordinance measure to the St. Helena electorate. Again, note that the ordinance must be adopted by no less than a 2/3rds vote of the City Council (4 affirmative votes).

2. The Council will also consider a resolution authorizing and thereby setting City Council priority for filing written argument regarding the tax ordinance measure and directing the City Attorney to prepare an impartial analysis for said City measure, for the November 8, 2016 General Municipal Election.
3. The Council will also consider a resolution authorizing rebuttal argument. The City Council does not have to authorize rebuttal argument on the ballot. If the Council does authorize rebuttal argument on the ballot, then the last resolution (also optional) allows for the Council to release their rebuttal argument to third parties that the Council members will need to identify and provide written permission to the City Clerk.

FISCAL IMPACT

Based on prior sales tax revenue and future projections, it is estimated that a 0.5% transactions and use tax would generate approximately \$1.4 million in revenue per year for the General Fund.

There are also costs associated with placing the measure on the ballot that must be paid to the Napa County Elections Division. Staff estimates that the cost to place this general tax measure on the November 2016 ballot will be approximately \$15,000.

RECOMMENDED ACTION

Staff recommends adopting the items 1 through 5 in order as presented.

1. Hold a second reading of the Ordinance and adopt by title only and waive further reading. Again, note that the ordinance must be adopted by no less than a 2/3rds vote of the City Council (4 affirmative votes).
2. Adopt a resolution ordering the submission to the qualified electors of the City of St. Helena a measure to approve a transactions and use taxes ordinance at the General Municipal Election. The resolution should also be adopted by no less than a 2/3rds vote of the City Council (4 affirmative votes).
3. Adopt a resolution authorizing City Council ballot argument and thereby set City Council priority for filing written argument regarding a City measure to approve a transactions and use taxes ordinance and directing the City Attorney to prepare an impartial analysis for said City measure submitted at the November 8, 2016 General Municipal Election. The deadline to submit ballot arguments to the City Clerk is set at 5:00 p.m., Friday, July 22, 2016.

4. Adopt a resolution authorizing rebuttal argument regarding a City measure to approve a transactions and use taxes ordinance submitted at the November 8, 2016 General Municipal Election. The deadline to submit rebuttal arguments to the City Clerk is set at 5:00 p.m., Friday, July 29, 2016.

5. Adopt a resolution authorizing the City Council to release their rebuttal argument regarding a City measure to approve a transactions and use taxes ordinance submitted at the November 8, 2016 General Municipal Election to third parties that the Council members will need to identify and provide written permission to the City Clerk.

ATTACHMENTS:

1. Ordinance imposing ½ percent (0.5%) transactions and use taxes and adding a new Chapter 3.25 entitled "Transactions and Use Taxes" of Title 3 entitled "Revenue and Finance" of the St. Helena Municipal Code
2. Resolution ordering the submission to the qualified electors of the City of St. Helena a measure to approve a transactions and use taxes ordinance at the General Municipal Election to be held on Tuesday, November 8, 2016; and
3. Resolution authorizing and setting City Council priority for filing written argument regarding a City measure to approve a transactions and use taxes ordinance and directing the City Attorney to prepare an impartial analysis for said City measure submitted at the November 8, 2016 General Municipal Election
4. Resolution providing for the filing of rebuttal argument regarding a City measure to approve a transactions and use taxes ordinance submitted at the November 8, 2016 General Municipal Election
5. Resolution releasing rebuttal argument regarding a City measure to approve a transactions and use taxes ordinance submitted at the November 8, 2016 General Municipal Election

ORDINANCE NO.

**ORDINANCE OF THE CITY OF ST. HELENA
IMPOSING TRANSACTIONS AND USE TAXES**

The people of the City of St. Helena do ordain as follows:

SECTION 1.

A new Chapter 3.25 entitled "Transactions and Use Taxes" of Title 3 entitled "Revenue and Finance" of the St. Helena Municipal Code is hereby added as follows:

3.25.010. TITLE. This chapter shall be known as the City of St. Helena Transactions and Use Taxes. The City of St. Helena hereinafter shall be called "City." This chapter shall be applicable in the incorporated territory of the City.

3.25.020. OPERATIVE DATE. "Operative Date" means the first day of the first calendar quarter commencing more than 110 days after the effective date of this chapter. This chapter relates to the levying and collecting of the City of St. Helena Transactions and Use Taxes authorized pursuant to Revenue and Taxation Code §7285.9 for general purposes, and submitted to the City of St. Helena electorate at an election called for November 8, 2016. If approved by a majority of the electors voting on the measure, then the effective date of this chapter shall be ten (10) days following the date the vote on the measure is declared by the City Council in accordance with Elections Code §9217.

3.25.030. PURPOSE. This chapter 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 retail transactions and use taxes 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 ordinance which shall be effective if a majority of the electors voting on the measure vote to approve the imposition of the taxes at an election called for that purpose.

B. To adopt retail transactions and use taxes that incorporate 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 retail transactions and use taxes that impose a tax and provide 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 retail transactions and use taxes 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 chapter.

3.25.040. 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 taxes law; 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.

3.25.050. 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 (0.5%) 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 chapter.

3.25.060. PLACE OF SALE. For the purposes of this chapter, all retail sales are consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or his agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. The gross receipts from such sales shall include delivery charges, when such charges are subject to the state sales and use tax, regardless of the place to which delivery is made. In the event a retailer has no permanent place of business in the State or has more than one place of business, the place or places at which the retail sales are consummated shall be determined under rules and regulations to be prescribed and adopted by the State Board of Equalization.

3.25.070. 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 chapter for storage, use or other consumption in said territory at the rate of one half of one percent (0.5%) 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.

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

3.25.090. 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 chapter.

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

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

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

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

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

3.25.100. PERMIT NOT REQUIRED. If a seller's permit has been issued to a retailer under Section 6067 of the Revenue and Taxation Code, an additional transactor's permit shall not be required by this chapter.

3.25.110. 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 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 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 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 law.

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

3. If the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into prior to the operative date of this chapter.

4. If the possession of, or the exercise of any right or power over, the tangible personal property arises under a lease which is a continuing purchase of such property for any period of time for which the lessee is obligated to lease the property for an amount fixed by a lease prior to the operative date of this chapter.

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 chapter 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.

3.25.120. AMENDMENTS. All amendments subsequent to the effective date of this chapter 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 chapter, provided however, that no such amendment shall operate so as to affect the rate of tax imposed by this chapter.

3.25.130. 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 chapter, 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.

3.25.140. VIOLATIONS-PENALTIES. Any person violating any of the provisions of this chapter shall be deemed guilty of a misdemeanor and upon conviction thereof shall be punishable by a fine of not more than five hundred dollars (\$500.00) or by imprisonment for a period of not more than six months, or by both such fine and imprisonment.

SECTION 2.

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 3.

COMPLIANCE WITH CEQA. The City Council hereby finds that the action to adopt this ordinance is exempt from the provisions of the California Environmental Quality Act (Public Resources Code Section 21000, et seq.) (CEQA) because the City Council hereby finds that it can be seen with certainty that there is no possibility the adoption and implementation of this ordinance may have a significant effect on the environment, and accordingly the adoption of this ordinance is not subject to CEQA pursuant to CEQA Guidelines Section 15061(b)(3). Additionally, the ordinance involves the creation of a government funding mechanism which does not involve any commitment to any specific project which may result in a potentially significant impact on the environment and thus is not a project subject to the requirements of CEQA pursuant to CEQA Guidelines Section 15378 (b)(4).

SECTION 4.

EFFECTIVE DATE. This ordinance relates to the levying and collecting of the City of St. Helena Transactions and Use Taxes authorized pursuant to Revenue and Taxation Code §7285.9 for general purposes, and submitted to the City of St. Helena electorate at an election called for November 8, 2016. If this ordinance is approved by a majority of the electors voting on the measure, then the ordinance shall become effective ten (10) days following the date the vote is declared by the City Council in accordance with Elections Code §9217.

The foregoing ordinance was introduced before the City Council of the City of St. Helena, at its regular meeting of Tuesday, June 28, 2016, and adopted at its regular meeting held on Tuesday, July 12, 2016, by the following vote:

Mayor Galbraith: _____
Vice Mayor White: _____
Councilmember Crull: _____
Councilmember Dohring: _____
Councilmember Pitts: _____

APPROVED:

ATTEST:

Alan Galbraith, Mayor

Cindy Black, City Clerk

RESOLUTION NO 2016-**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ST. HELENA
ORDERING THE SUBMISSION TO THE QUALIFIED ELECTORS OF THE
CITY OF ST. HELENA A MEASURE TO APPROVE A TRANSACTIONS
AND USE TAXES ORDINANCE AT THE GENERAL MUNICIPAL ELECTION
TO BE HELD ON TUESDAY, NOVEMBER 8, 2016**

WHEREAS, the City Council of the City of St. Helena has established a goal to secure the City's financial future, and the City's Ad Hoc Revenue Source Task Force and City staff have been exploring revenue enhancing options for the City Council's consideration; and

WHEREAS, the City has experienced minimal revenue growth in recent years which is expected to continue into the future due to the City's limited revenue streams, which are primarily comprised of property tax and sales tax; and

WHEREAS, while the City's transient occupancy tax revenue is expected to increase in future years with the addition of new hotels operating within the City, City expenses still outpace revenues and accordingly additional revenue is needed to not only adequately fund the City's ongoing operations, but to also address long neglected infrastructure and capital improvement needs within the City; and

WHEREAS, after considering the recommendations of the City's Ad Hoc Revenue Source Task Force and City staff, the City Council directed staff to provide it with information related to the imposition of transactions and use taxes for ongoing operations, infrastructure and capital improvement needs within the City; and

WHEREAS, at its regular meeting of May 24, 2016, City staff presented the City Council with information related to the imposition of transactions and use taxes pursuant to Revenue and Taxation Code §7285.9 for general purpose, or alternatively pursuant to Revenue and Taxation Code §7285.91 for specific purposes, and after duly considering all information and public testimony thereon, the City Council directed staff to present it with legislation necessary to place a transactions and use taxes ordinance on the November 8, 2016 ballot pursuant to Revenue and Taxation Code §7285.9 for general purposes; and

WHEREAS, at the City Council's regular meeting of Tuesday, June 28, 2016, the proposed "ORDINANCE OF THE CITY OF ST. HELENA IMPOSING TRANSACTIONS AND USE TAXES", attached hereto and incorporated herein by reference as Exhibit "A" (the "Transactions And Use Taxes Ordinance"), which imposes a tax at the rate of one half of one percent (0.5%) of the gross receipts of all retailers in the City from the sale of tangible personal property, as well as an excise tax at the rate of one half of one percent (0.5%) on the storage, use or other consumption of tangible personal property purchased from any retailer in the City, was introduced and thereafter adopted by a two-thirds vote of the City Council at its regular meeting of Tuesday, July 12, 2016; and

WHEREAS, a consolidated general municipal election to be held on Tuesday, November 8, 2016, has been called by Resolution No. 2016-73, adopted on June 14, 2016 (the "Election"); and

WHEREAS, pursuant to Government Code Section 53724 and Elections Code Section 9222, the City Council desires to submit the Transactions And Use Taxes Ordinance to the qualified electors of the City of St. Helena at the Election; now, therefore, be it

RESOLVED, that the City Council of the City of St. Helena does hereby declare, determine and order as follows:

MEASURE TO BE SUBMITTED TO THE VOTERS

Section 2(b) of Article XIIC of the California Constitution (Proposition 218) requires that a general tax submitted to the voters for approval shall be consolidated with the regularly scheduled general municipal election for members of the City Council, unless a fiscal emergency is declared by a unanimous vote of the City Council. A consolidated general municipal election for the purpose of electing a Mayor for a full term of two (2) years and two St. Helena City Council seats for full terms of four (4) years, to be held on Tuesday, November 8, 2016, has been called by City of St. Helena Resolution No. 2016-73, adopted June 14, 2016. The City of St. Helena City Council desires that the Transactions And Use Taxes Ordinance be submitted to the voters for approval at the same election.

The full text of the Transactions And Use Taxes Ordinance, attached to this Resolution as Exhibit A, shall be printed in the voter pamphlet. Pursuant to Government Code Section 53724 and Elections Code Section 9222, the City Council hereby submits the Transactions And Use Taxes to the voters at the Election and orders the following question to be submitted to the voters on the ballot as follows:

"To fund vital City services such as local street maintenance, 911 emergency medical, police and fire response, pedestrian/cyclist/traffic safety, park maintenance, library services, programs for youth and seniors, and to preserve the City's long-term financial stability and small town character, shall the City of St. Helena adopt a ½ % cent Transactions and Use Tax, generating approximately \$1,400,000 annually with all revenues benefiting the City?"

Yes _____ No _____

This question requires the approval of a majority of those casting votes; and, be it

FURTHER RESOLVED, should any section, subsection, clause or provision of this resolution for any reason be held to be invalid, then the remainder of the resolution shall be deemed valid, it being expressly declared that this resolution, and each and every

section, subsection, clause and phrase hereof would have been prepared, proposed, approved, adopted and/or ratified even if any other section, subsection, sentence, clause or phrase of this resolution were declared invalid; and, be it

FURTHER RESOLVED, the City Council hereby finds that the proposed Transactions And Use Taxes Ordinance is exempt from the provisions of the California Environmental Quality Act (Public Resources Code Section 21000, et seq.) (CEQA) because the City Council hereby finds that it can be seen with certainty that there is no possibility the adoption and implementation of the ordinance may have a significant effect on the environment, and accordingly the adoption of the ordinance is not subject to CEQA pursuant to CEQA Guidelines Section 15061(b)(3); additionally, the ordinance involves the creation of a government funding mechanism which does not involve any commitment to any specific project which may result in a potentially significant impact on the environment and thus is not a project subject to the requirements of CEQA pursuant to CEQA Guidelines Section 15378 (b)(4).

PASSED, APPROVED and ADOPTED at a regular meeting of the City Council of the City of St. Helena held on the 12th of July, 2016 by the following vote:

Mayor Galbraith: _____
Vice Mayor White: _____
Councilmember Crull: _____
Councilmember Dohring: _____
Councilmember Pitts: _____

APPROVED:

ATTEST:

Alan Galbraith, Mayor

Cindy Black, City Clerk

RESOLUTION NO. 2016-

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ST. HELENA
AUTHORIZING AND SETTING CITY COUNCIL PRIORITY FOR FILING WRITTEN
ARGUMENT REGARDING A CITY MEASURE TO APPROVE A TRANSACTIONS
AND USE TAXES ORDINANCE AND DIRECTING THE CITY ATTORNEY TO
PREPARE AN IMPARTIAL ANALYSIS FOR SAID CITY MEASURE SUBMITTED AT
THE NOVEMBER 8, 2016 GENERAL MUNICIPAL ELECTION**

WHEREAS, a General Municipal Election is to be held in the City of St. Helena, California on November 8, 2016, at which there will be submitted to the qualified electors of the City of St. Helena the following measure regarding a Transactions and Use Taxes Ordinance:

<p>MEASURE __</p> <p>“To fund vital City services such as local street maintenance, 911 emergency medical, police and fire response, pedestrian/cyclist/traffic safety, park maintenance, library services, programs for youth and seniors, and to preserve the City’s long-term financial stability and small town character, shall the City of St. Helena adopt a ½ % cent Transactions and Use Tax, generating approximately \$1,400,000 annually with all revenues benefiting the City?”</p>	YES
	NO

now, therefore, be it

RESOLVED, that in accordance with California Elections Code §9282, the City Council of the City of St. Helena, California, does resolve, declare, determine, and order as follows:

[That the City Council of the City of St. Helena is authorized to file a written argument [**in favor of / against**] the City measure as specified above, accompanied by the printed name(s) and signature(s) of the author(s) submitting it, in accordance with Article 4, Chapter 3, Division 9 of the Elections Code of the State of California and to change the argument until and including the date fixed by the City Clerk after which no arguments for or against the City measure may be submitted to the City Clerk.]

OR

[That the City Council of the City of St. Helena authorizes any and all members of the City Council to individually file written argument in favor of or against the City measure, accompanied by the printed name accompanied by the printed name(s) and signature(s) of the author(s) submitting it, in accordance with Article 4, Chapter 3, Division 9 of the Elections Code of the State of California and to change the argument

until and including the date fixed by the City Clerk after which no arguments for or against the City measure may be submitted to the City Clerk.]; and, be it further

RESOLVED, the in accordance with California Elections Code §9282, the arguments, not exceeding 300 words, shall be filed with the City Clerk no later than **5:00 p.m. on Friday, July 22, 2016**, signed, with the printed name(s) and signature(s) of the author(s) submitting it, or if submitted on behalf of an organization, the name of the organization, and the printed name and signature of at least one of its principal officers who is the author of the argument. The arguments shall be accompanied by the *Form of Statement to Be Filed By Author(s) of Argument*, which can be obtained from the Office of the City Clerk; and be it further

RESOLVED, that the City Council directs the City Clerk to transmit a copy of the measure regarding the Transactions and Use Taxes Ordinance to the City Attorney. The City Attorney shall prepare an impartial analysis of the measure showing the effect of the measure on the existing law and the operation of the measure. The impartial analysis shall be filed with the City Clerk no later than **5:00 p.m. on Friday, July 22, 2016**.

PASSED, APPROVED and ADOPTED at a regular meeting of the City Council of the City of St. Helena held on the 12th of July, 2016 by the following vote:

Mayor Galbraith: _____
Vice Mayor White: _____
Councilmember Crull: _____
Councilmember Dohring: _____
Councilmember Pitts: _____

APPROVED:

ATTEST:

Alan Galbraith
Mayor

Cindy Black
City Clerk

RESOLUTION NO.

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ST. HELENA PROVIDING FOR THE FILING OF REBUTTAL ARGUMENT REGARDING A CITY MEASURE TO APPROVE A TRANSACTIONS AND USE TAXES ORDINANCE SUBMITTED AT THE NOVEMBER 8, 2016 GENERAL MUNICIPAL ELECTION

WHEREAS, a General Municipal Election is to be held in the City of St. Helena, California on November 8, 2016, at which there will be submitted to the qualified electors of the City of St. Helena the following measure regarding a Transactions And Use Taxes Ordinance:

MEASURE __	
"To fund vital City services such as local street maintenance, 911 emergency medical, police and fire response, pedestrian/cyclist/traffic safety, park maintenance, library services, programs for youth and seniors, and to preserve the City's long-term financial stability and small town character, shall the City of St. Helena adopt a ½ % cent Transactions and Use Tax, generating approximately \$1,400,000 annually with all revenues benefiting the City?"	YES
	NO

; and

WHEREAS, the City Council elected to author ballot argument in support of or against the measure, and Section 9285 of the California Elections Code authorizes the City Council, at its discretion, to adopt provisions for the filing of rebuttal arguments for measures submitted at municipal elections; now, therefore, be it

RESOLVED, that pursuant to Section 9285 of the California Elections Code, when the City Clerk has selected the argument for and against the measure which will be printed and distributed to the voters, the City Clerk shall send a copy of the argument in favor of the measure to the authors of the argument against, and a copy of the argument against to the authors of the argument in favor of the measure immediately upon receiving the arguments. The authors may prepare and submit rebuttal arguments not exceeding 250 words or may authorize in writing any other person or persons to prepare, submit, or sign the rebuttal argument. The rebuttal arguments shall be filed by **5:00 p.m. on Friday, July 29, 2016**, accompanied by the printed names and signatures of the persons submitting it, or if submitted on behalf of an organization, the name of the organization, and the printed name and signature of at least one of its principal officers. The rebuttal arguments shall be accompanied by the *Form of Statement To Be Filed By Author(s) of Argument*, which can be obtained from the Office of the City Clerk. Rebuttal arguments shall be printed in the same manner as the direct arguments, and rebuttal argument shall immediately follow the direct argument which it seeks to rebut; and, be it

FURTHER RESOLVED, that all previous resolutions providing for the filing of rebuttal arguments for city measures are hereby repealed and the provisions of this resolution providing for the filing of rebuttal arguments regarding a city measure to approve a Transactions And Use Taxes Ordinance shall only apply to the General Municipal Election to be held on November 8, 2016, and shall thereafter be repealed.

PASSED, APPROVED and ADOPTED at a regular meeting of the City Council of the City of St. Helena held on the 12th of July, 2016 by the following vote:

Mayor Galbraith: _____
Vice Mayor White: _____
Councilmember Crull: _____
Councilmember Dohring: _____
Councilmember Pitts: _____

APPROVED:

ATTEST:

Alan Galbraith
Mayor

Cindy Black
City Clerk

RESOLUTION NO.**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ST. HELENA
RELEASING REBUTTAL ARGUMENT REGARDING A CITY MEASURE TO
APPROVE A TRANSACTIONS AND USE TAXES ORDINANCE SUBMITTED
AT THE NOVEMBER 8, 2016 GENERAL MUNICIPAL ELECTION**

WHEREAS, a General Municipal Election is to be held in the City of St. Helena, California on November 8, 2016, at which there will be submitted to the qualified electors of the City of St. Helena the following measure regarding a Transactions And Use Taxes Ordinance:

MEASURE ____ "To fund vital City services such as local street maintenance, 911 emergency medical, police and fire response, pedestrian/cyclist/traffic safety, park maintenance, library services, programs for youth and seniors, and to preserve the City's long-term financial stability and small town character, shall the City of St. Helena adopt a ½ % cent Transactions and Use Tax, generating approximately \$1,400,000 annually with all revenues benefiting the City?"	YES
	NO

and;

WHEREAS, the City Council elected to author ballot argument in support of or against the measure and, in accordance with California Elections Code §9285, to permit rebuttal argument; and

WHEREAS, as authorized by California Elections Code §9285, the City Council wishes to authorize the release of the City Council's rebuttal argument to individual voters; now, therefore, be it

RESOLVED, that as to the measure approving a Transactions And Use Taxes Ordinance, the City Council authorizes each individual member of the City Council to release rebuttal argument in writing to any other person or persons to prepare, submit, or sign the rebuttal argument.

PASSED, APPROVED and ADOPTED at a regular meeting of the City Council of the City of St. Helena held on the 12th of July, 2016 by the following vote:

Mayor Galbraith: _____
Vice Mayor White: _____
Councilmember Crull: _____
Councilmember Dohring: _____
Councilmember Pitts: _____

APPROVED:

ATTEST:

Alan Galbraith
Mayor

Cindy Black
City Clerk

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