

**INITIATIVE MEASURE TO BE SUBMITTED DIRECTLY TO THE VOTERS**

The city attorney has prepared the following title and summary of the chief purpose and points of the proposed measure:

**FIRE AND FACILITIES SALES TAX INITIATIVE**

The Fire and Facilities Sales Tax Initiative proposes to amend the Lodi Municipal Code to add new Chapter 3.09 adding an additional one quarter cent transaction and use (sales) tax. The tax would be paid in addition to current State and local sales taxes and would be collected at the same time, in the same manner, and on the same items as existing sales taxes. The sales tax levy must be approved by a two-thirds vote of the qualified voters in the City voting in an election on the issue. If approved, the sales tax levy would remain in effect for ten years.

The initiative requires that the proceeds of the tax be spent on the following projects in the following priority: 1. Placing paramedics on fire engines in Lodi (up to \$700,000 per year for six years); 2. Design and construction of Fire Station #5 which shall be located in the southeast portion of Lodi (up to \$2,000,000); 3. Construction of the Lodi Aquatics Center (up to \$9,000,000); 4. Design and construction of a replacement for Fire Station #2, which shall be located in the eastern portion of Lodi (up to \$2,000,000); 5. Construction of a downtown indoor sports center (up to \$9,000,000); and 6. Maintenance and operation of the facilities above (up to \$1,500,000). The initiative requires that the proceeds be spent on the above projects and no others.

The initiative also establishes an oversight committee to ensure that the proceeds are spent on the listed projects. The oversight committee would also have the power to, jointly with the City Council, approve proposed changes in the priority or maximum expense of projects based upon changed circumstances.

**AN ORDINANCE OF THE CITY OF LODI IMPOSING  
A TRANSACTIONS AND USE TAX TO BE ADMINISTERED  
BY THE STATE BOARD OF EQUALIZATION  
AND ADDING CHAPTER 3.09 TO THE LODI MUNICIPAL CODE**

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**THE PEOPLE OF THE CITY OF LODI DO ORDAIN AS FOLLOWS:**

**SECTION 1.** The Lodi Municipal Code is hereby amended by the addition of Chapter 3.09, which shall read as follows:

**3.09.010. Title and Effect**

This chapter shall be known as the Lodi Transactions and Use Tax Ordinance. This chapter shall be applicable in the incorporated territory of the City of Lodi ("City"). This chapter shall complement, and not replace or supersede, the City's existing sales and use tax, as such tax is described in Chapter 3.08 of the Municipal Code.

**3.09.020. Operative Date**

As used in Chapter 3.09, "Operative Date" means the first day of the first calendar quarter commencing more than 110 days after the adoption of this chapter. If this chapter is approved by the voters at the March 2005 election, the operative date shall be July 1, 2005.

**3.09.030. Purpose**

This chapter is adopted to achieve the following, among other purposes, and the City Council directs that the provisions hereof be interpreted in order to accomplish those purposes:

A. To impose retail transactions and use tax regulations in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code if two thirds of the electors voting on the measure vote to approve the imposition of the tax at a special election called for that purpose.

B. To adopt retail transactions and use tax regulations 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 tax regulations that impose a tax and provide a measure therefor 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 tax regulations 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.

**3.09.040. Expenditure Plan**

A. The Expenditure Plan is designed to ensure that the City accomplishes the specific projects listed below with the revenue generated from the transactions and use tax. The revenue from the transactions and use tax shall be expended on these specific projects in the following order of priority:

- 1. Placing paramedics on fire engines in Lodi (up to \$700,000 per year for six years);

2. Design and construction of Fire Station #5, which shall be located in the southeast portion of Lodi (up to \$2,000,000);
3. Construction of the Lodi Aquatics Center (up to \$9,000,000);
4. Design and construction of a replacement for Fire Station #2, which shall be located in the eastern portion of Lodi (up to \$2,000,000);
5. Construction of a downtown indoor sports center (up to \$9,000,000); and
6. Maintenance and operation of the facilities above (up to \$1,500,000).

B. Once the City has collected revenue from this transactions and use tax in the amount of \$700,000, it shall hire an appropriate number of paramedics and begin providing paramedic services on fire engines in the City within twelve months. Thereafter, subject to its ongoing duty to expend \$700,000 per year to fund paramedics pursuant to this Expenditure Plan, once the City collects the amount listed for each subsequent project it shall begin design or construction of the designated facilities within six months.

C. The City Council shall appoint an advisory committee to ensure that the revenue from the transactions and use tax is spent in accordance with the actual terms and overall intent of this ordinance. The committee shall consist of five individuals and shall, at all times, include one member of Lodi Professional Firefighters Local 1225, one member of the Lodi City Swim Club, one member of the Lodi Sports Foundation, one member of the City Council, and one person selected at large by the City Council in its discretion. Each member of the advisory committee shall serve for a term of two years, which term may be renewed by the City Council. In the event of a vacancy on the committee, the City Council shall appoint an appropriate replacement member.

D. If the City Council and the advisory committee both determine that the maximum dollar amount to be spent on one of more of these projects is insufficient to achieve the goals of this ordinance, the City Council may increase the maximum dollar amount for such project(s), provided that it first holds a noticed public hearing and makes specific findings that the increased expenditures for one or more projects is necessary to complete such project(s) in an effective manner and to fulfill the intent of this ordinance.

E. If the City Council and the advisory committee both determine that the order of priority for these projects should be changed, the City Council may change the order of priority, provided that it first holds a noticed public hearing and makes specific findings that the change in the order of priority is in the best interests of the City and its residents.

F. Once revenue in the amounts listed above has been spent on the services and facilities included in each of these projects, any remaining revenue raised through this transactions and use tax shall be spent to help maintain such services and facilities.

#### **3.09.050 Contract with State**

Prior to the Operative Date of July 1, 2005, the City shall contract with the State Board of Equalization to perform all functions incident to the administration and operation of these transactions and use tax regulations; 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.

#### **3.09.060. 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 .25% 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.

#### **3.09.070. 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.

#### **3.09.080. 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 .25% 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.

#### **3.09.090. 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.

#### **3.09.100. 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.

**3.09.110. 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.

**3.09.120. 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 regulations.
- 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.

**3.09.130. 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. Except as provided above and in Section 3.40.140, this chapter may be amended only by the voters pursuant to the provisions of Elections Code section 9217 and as provided by law.

**3.09.140. Termination of Tax**

The transactions and use tax imposed by this Chapter shall terminate ten years from the Operative Date.

**3.09.150. 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."

**SECTION 2. Severability.** If any provision of this chapter or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the chapter which can be given effect without the invalid provision or application, and to this end the provisions of this chapter are severable.

**SECTION 3. Effective Date.** After its adoption by the voters, this chapter shall be in full force and effect ten (10) days after the vote is declared by the legislative body, pursuant to the provisions of Elections Code sections 9217 and 15400 and as provided by law.

**Notice of Intent to Circulate Petition and  
Request for Ballot Title and Summary**

Notice is hereby given by the persons whose names appear hereon of their intention to circulate the petition within the City of Lodi for the purpose of placing on the ballot, for a special election, an initiative asking the voters to approve a one quarter cent increase in the transactions and use (sales) tax. A statement of the reasons for the proposed action as contemplated in the petition is as follows:

This special transactions and use (sales) tax shall be used to fund the following projects within the City of Lodi in the following order of priority:

1. Placing paramedics on fire engines in Lodi (up to \$700,000 per year for six years);
2. Design and construction of Fire Station #5, which shall be located in the southeast portion of Lodi (up to \$2,000,000);
3. Construction of the Lodi Aquatics Center (up to \$9,000,000);
4. Design and construction of a replacement for Fire Station #2, which shall be located in the eastern portion of Lodi (up to \$2,000,000);
5. Construction of a downtown indoor sports center (up to \$9,000,000);  
and
6. Maintenance and operation of the facilities above (up to \$1,500,000).

John E. Johnson      John Griffin      Pete Iturraran

**WE REQUEST THAT THE ORDINANCE BE SUBMITTED IMMEDIATELY TO A VOTE OF THE PEOPLE AT A SPECIAL ELECTION.**