

CALL AND NOTICE OF SPECIAL MEETING

CITY OF HUNTINGTON PARK

CALLED BY MAYOR JHONNY PINEDA

NOTICE IS HEREBY GIVEN That a Special Meeting of the City Council of the City of Huntington Park will be held on Tuesday, July 3, 2018, at 7:30 p.m. at City Hall Council Chambers, 6550 Miles Avenue, Huntington Park, CA 90255

Jhonny Pineda
Mayor

Karina Macias
Vice Mayor

Graciela Ortiz
Council Member



Marilyn Sanabria
Council Member

Manuel "Manny" Avila
Council Member

All agenda items and reports are available for review in the City Clerk's Office and www.hpca.gov. Any writings or documents provided to a majority of the City Council regarding any item on this agenda (other than writings legally exempt from public disclosure) will be made available for public inspection in the Office of the City Clerk located at 6550 Miles Avenue, Huntington Park, California 90255 during regular business hours, 7:00 a.m. to 5:30 p.m., Monday – Thursday, and in the Council Chambers at City Hall during the meeting.

Any person who requires a disability-related modification or accommodation, including auxiliary aids or services, in order to participate in the public meeting may request such modification, accommodation, aid or service by contacting the City Clerk's Office either in person at 6550 Miles Avenue, Huntington Park, California or by telephone at (323) 584-6230. Notification in advance of the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

PLEASE SILENCE ALL CELL PHONES AND OTHER ELECTRONIC EQUIPMENT WHILE COUNCIL IS IN SESSION. Thank you.

PLEASE NOTE--The numerical order of items on this agenda is for convenience of reference. Items may be taken out of order upon request of the Mayor or Members of the City Council. Members of the City Council and the public are reminded that they must preserve order and decorum throughout the Meeting. In that regard, Members of the City Council and the public are advised that any delay or disruption in the proceedings or a refusal to obey the orders of the City Council or the presiding officer constitutes a violation of these rules.

- The conduct of City Council meetings is governed by the portion of the California Government Code commonly known as the "Brown Act" and by the Huntington Park City Council Meeting Rules of Procedure.
- The City Council meeting is for conducting the City's business, and members of the audience must obey the rules of decorum set forth by law. This means that each speaker will be permitted to speak for three minutes to address items that are listed on the City Council agenda or topics which are within the jurisdictional authority of the City.
- No profanity, personal attacks, booing, cheering, applauding or other conduct disruptive to the meeting will be permitted. Any person not adhering to the Rules of Procedure or conduct authorized by the Brown Act may be asked to leave the Council Chambers.
- All comments directed to the City Council or to any member of the City Council must be directed to the Mayor (or Chairperson if Mayor is absent).

We ask that you please respect the business nature of this meeting and the order required for the proceedings conducted in the Council Chambers.

Public Comment

The Council encourages all residents of the City and interested people to attend and participate in the meetings of the City Council.

If you wish to address the Council, please complete the speaker card that is provided at the entrance to the Council Chambers and give to City Clerk prior to the start of Public Comment.

For both open and closed session each speaker will be limited to three minutes per Huntington Park Municipal Code Section 2-1.207. Time limits may not be shared with other speakers and may not accumulate from one period of public comment to another or from one meeting to another. **This is the only opportunity for public input except for scheduled public hearing items.**

All comments or queries shall be addressed to the Council as a body and not to any specific member thereof. Pursuant to Government Code Section 54954.2(a)(2), the Ralph M. Brown Act, no action or discussion by the City Council shall be undertaken on

any item not appearing on the posted agenda, except to briefly provide information, ask for clarification, provide direction to staff, or schedule a matter for a future meeting.

Additions/Deletions to Agenda

Items of business may be added to the agenda upon a motion adopted by a minimum two-thirds vote finding that there is a need to take immediate action and that the need for action came to the attention of the City or Agency subsequent to the agenda being posted. Items may be deleted from the agenda upon the request of staff or Council.

Important Notice

The City of Huntington Park shows replays of City Council Meetings on Local Access Channel 3 and over the Internet at www.hpca.gov. NOTE: Your attendance at this public meeting may result in the recording and broadcast of your image and/or voice.

AGENDA

CALL TO ORDER

ROLL CALL

Mayor Jhonny Pineda
Vice Mayor Karina Macias
Council Member Manuel "Manny" Avila
Council Member Graciela Ortiz
Council Member Marilyn Sanabria

PUBLIC COMMENT

Pursuant to Government Code Section 54954.3(a) Members of the public will have an opportunity to address the City Council on items listed on this special meeting agenda. For items on this agenda each speaker will be limited to three minutes per Huntington Park Municipal Code Section 2-1.207. Time limits may not be shared with other speakers and may not accumulate from one period of public comment to another or from one meeting to another.

STAFF RESPONSE

REGULAR AGENDA

OFFICE OF THE CITY CLERK

1. Consideration and Approval of Resolution Certifying Election Results of the June 5, 2018, Consolidated Special Municipal Election

RECOMMENDATION OF ITEM UNDER CONSIDERATION:

1. Adopt Resolution No. 2018-17, Reciting the Fact of the Consolidated Special Municipal Election held on Tuesday, June 5, 2018, and Declaring the Results and Such Other Matters as Provided by law; and
2. Acknowledge adoption of Urgency Ordinance No. 2018-963, ratifying the transactions and use tax upon the operative date following the passage of Measure "S".

REGULAR AGENDA (CONTINUED)

OFFICE OF THE CITY CLERK (CONTINUED)

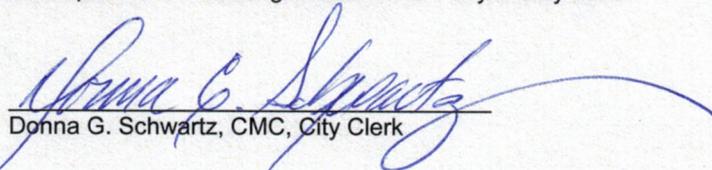
2. Consideration and Approval of an Ordinance Amending Urgency Ordinance No. 2018-963 and Corresponding Provisions of the Huntington Park Municipal Code, to Establish a Local Transaction and Use Tax Rate Consistent with California Law

RECOMMENDATION OF ITEM UNDER CONSIDERATION:

1. Waive first reading and introduce Ordinance No. 2018-965, Amending Urgency Ordinance No. 2018-963 and Corresponding Provisions of the Huntington Park Municipal Code, to Establish a Local Transaction and Use Tax Rate Consistent with California law; and
2. Schedule the second reading and adoption of said Ordinance, as described above, for the July 17, 2018 City Council meeting.

ADJOURNMENT

I Donna G. Schwartz, hereby certify under penalty of perjury under the laws of the State of California that the foregoing notice/agenda was posted at City of Huntington Park City Hall and made available at www.hpca.gov not less than 24 hours prior to the meeting. Dated this 2nd day of July 2018.


Donna G. Schwartz, CMC, City Clerk



CITY OF HUNTINGTON PARK

Administration
City Council Agenda Report

July 3, 2018

Honorable Mayor and Members of the City Council
City of Huntington Park
6550 Miles Avenue
Huntington Park, CA 90255

Dear Mayor and Members of the City Council:

CONSIDERATION AND APPROVAL OF RESOLUTION CERTIFYING ELECTION RESULTS OF THE JUNE 5, 2018, CONSOLIDATED SPECIAL MUNICIPAL ELECTION

IT IS RECOMMENDED THAT THE CITY COUNCIL:

1. Adopt Resolution No. 2018-17, Reciting the Fact of the Consolidated Special Municipal Election held on Tuesday, June 5, 2018, and Declaring the Results and Such Other Matters as Provided by law; and
2. Acknowledge adoption of Urgency Ordinance No. 2018-963, ratifying the transactions and use tax upon the operative date following the passage of Measure "S".

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On February 20, 2018, Urgency Ordinance No. 2018-963 was adopted to take effect upon an operative date following the passage Measure "S" during the June 5, 2018, Consolidated Special Municipal Election.

Pursuant to Sections 10262, 10263 and 10264 of the State Elections Code, the City Council is being requested to adopt a resolution reciting results of the June 5, 2018, Consolidated Special Municipal Election. On June 29, 2018, the City received the Canvass Certificate and Statement of Votes Casts, attached to said resolution as Exhibit "A".

Upon the acceptance of the Certificate of Canvass, and the adoption of the required resolution, the City Clerk shall enter into the record of the City Council a statement of the results of the elections showing: the whole number of ballots cast in the City.

CONSIDERATION AND APPROVAL OF RESOLUTION CERTIFYING ELECTION RESULTS OF THE JUNE 5, 2018, CONSOLIDATED SPECIAL MUNICIPAL ELECTION

July 3, 2018

Page 2 of 2

Following adoption of the resolution and based on the outcome of the election, it is appropriate for the City Council to acknowledge adoption of Urgency Ordinance No. 2018-963.

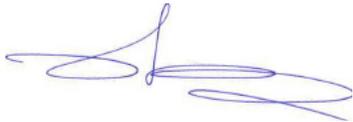
FISCAL IMPACT/FINANCING

None

CONCLUSION

Upon City Council approval, staff will proceed as directed.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Ricardo Reyes', with a stylized flourish at the end.

RICARDO REYES
Interim City Manager

A handwritten signature in blue ink, appearing to read 'Donna G. Schwartz', with a flourish at the end.

DONNA G. SCHWARTZ
City Clerk

ATTACHMENT(S)

- A. Resolution No. 2018-17.
- B. Urgency Ordinance No. 2018-963.

ATTACHMENT "A"

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MEASURE "S": CITY OF HUNTINGTON PARK CITY SERVICES PROTECTION MEASURE	
To maintain and improve services such as 911 emergency services, public safety, senior services, community programs and prevent significant cuts to essential services, by funding general City services including hiring additional police personnel, maintaining anti-gang and graffiti efforts, youth and after-school parks and recreation services, expanding and improving City parks, fixing City streets and public infrastructure, shall the City sales tax be increased by one cent with annual financial audits, expenditure reports, and financial oversight?	YES _____
	NO _____

(d) That the number of votes given at each precinct and the number of votes given in the City to the measure above named, and the results of the election, are as listed in Exhibit "A" attached hereto and incorporated herein.

SECTION 3. The City Council does declare and determine that as a result of the election, a majority of the voters voting on Measure "S" did vote in favor of it, and that the measure was carried, and shall be deemed adopted and ratified.

SECTION 4. The City Clerk shall enter into the record of the City Council of the City a statement of the results of the election showing the information set forth above in Section 2 of this Resolution.

SECTION 5. The City Clerk shall certify to the passage and adoption of this Resolution, and it shall become effective immediately upon approval.

PASSED, APPROVED, AND ADOPTED this 3rd day of July, 2018.

CITY OF HUNTINGTON PARK

Jhonny Pineda, Mayor

ATTEST:

Donna G. Schwartz, CMC
City Clerk

APPROVED AS TO FORM:

Arnold M. Alvarez-Glasman, City Attorney

EXHIBIT A

**LOS ANGELES COUNTY CERTIFIED STATEMENT OF JUNE 5, 2018,
ELECTION RESULTS**

Los Angeles County
Registrar-Recorder/County Clerk

Certificate of the Canvass of the Election Returns

I, DEAN C. LOGAN, Registrar-Recorder/County Clerk of the County of Los Angeles, of the State of California, DO HEREBY CERTIFY that pursuant to the provisions of Section 15300 et seq. of the California Elections Code, I did canvass the returns of the votes cast for each elective office and/or measure(s) for

Huntington Park City

at the Statewide Direct Primary Election, held on the 5th day of June 2018.

I FURTHER CERTIFY that the Statement of Votes Cast, to which this certificate is attached, shows the total number of ballots cast in said jurisdiction, and that the whole number of votes cast for each candidate and/or measure(s) in said jurisdiction in each of the respective precincts therein, and the totals of the respective columns and the totals as shown for each candidate and/or measure(s) are full, true and correct.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal this
29th day of June 2018.



Dean Logan

DEAN C. LOGAN
Registrar-Recorder/County Clerk
County of Los Angeles

HUNTINGTON PARK CITY SPEC MEASURES

FINAL OFFICIAL STATEMENT OF VOTES CAST BY PRECINCT

LOCATION	REGISTRATION	BALLOTS CAST	YES		NO	
			YES	NO	YES	NO
HUNTINGTON PARK - 2850001A	1334	201	137	45		
VOTE BY MAIL	0	81	46	28		
TOTAL	1334	282	183	73		
HUNTINGTON PARK - 2850005B	922	127	77	18		
VOTE BY MAIL	0	38	25	9		
TOTAL	922	165	102	27		
HUNTINGTON PARK - 2850006A	1428	171	121	33		
VOTE BY MAIL	0	81	43	24		
TOTAL	1428	252	164	57		
HUNTINGTON PARK - 2850008A	1051	163	110	36		
VOTE BY MAIL	0	46	25	13		
TOTAL	1051	209	135	49		
HUNTINGTON PARK - 2850010C	1574	224	151	38		
VOTE BY MAIL	0	103	72	19		
TOTAL	1574	327	223	57		
HUNTINGTON PARK - 2850012A	1347	211	127	55		
VOTE BY MAIL	0	105	62	30		
TOTAL	1347	316	189	95		
HUNTINGTON PARK - 2850015A	1531	215	146	37		
VOTE BY MAIL	0	106	69	26		
TOTAL	1531	321	215	63		
HUNTINGTON PARK - 2850017A	1489	201	148	22		
VOTE BY MAIL	0	101	79	13		
TOTAL	1489	302	227	35		
HUNTINGTON PARK - 2850019B	1427	183	120	43		
VOTE BY MAIL	0	87	55	25		
TOTAL	1427	270	175	68		
HUNTINGTON PARK - 2850022A	1113	162	105	42		
VOTE BY MAIL	0	99	64	32		
TOTAL	1113	261	169	74		
HUNTINGTON PARK - 2850025A	1224	167	102	42		
VOTE BY MAIL	0	86	62	16		
TOTAL	1224	253	164	58		
HUNTINGTON PARK - 2850026A	1319	184	129	36		
VOTE BY MAIL	0	99	61	29		
TOTAL	1319	283	190	65		
HUNTINGTON PARK - 2850029A	1225	203	123	49		
VOTE BY MAIL	0	70	46	20		
TOTAL	1225	273	169	69		

FINAL OFFICIAL STATEMENT OF VOTES CAST BY PRECINCT

HUNTINGTON PARK CITY SPEC MEASURES

LOCATION	REGISTRATION	BALLOTS CAST	MEASURES	
			YES	NO
PRECINCT TOTAL	19494	2780	1844	565
VBM TOTAL	0	1298	839	336
GROUP TOTAL	0	0	0	0
GRAND TOTAL	19494	4078	2683	901

ATTACHMENT "B"

1 **URGENCY ORDINANCE NO. 2018-963**

2 **AN URGENCY ORDINANCE OF THE CITY COUNCIL OF THE**
3 **CITY OF HUNTINGTON PARK, CALIFORNIA, ADOPTING A**
4 **GENERAL TRANSACTIONS AND USE TAX TO BE**
5 **ADMINISTERED BY THE STATE BOARD OF EQUALIZATION**
6 **PURSUANT TO CALIFORNIA REVENUE & TAXATION CODE**
7 **SECTIONS 7251 ET SEQ., SUBJECT TO VOTER APPROVAL**

8 **WHEREAS**, despite the City of Huntington Park's efforts to maintain fiscal
9 management and accountability, it is experiencing serious and detrimental financial and
10 budgetary impacts because of increased service demands, difficulty recruiting and retaining
11 of qualified employees, deferred maintenance and improvements to public utilities and
12 infrastructure, and a reduction in state and federal funding support, and like many cities in
13 California faces inadequate funding to address essential public safety and public service
14 needs;

15 **WHEREAS**, the City has implemented a number of cost-saving measures, having
16 reduced the number of employees, implemented operational efficiency and other controls,
17 deferred cost of living adjustments, and deferred utility and capital improvement needs;

18 **WHEREAS**, the City has identified millions of dollars in needed funding to address
19 these needs;

20 **WHEREAS**, various changes in state and federal law and policy have significantly
21 reduced or entirely eliminated local programs and revenues sources the City was previously
22 reliant on, and recent changes in state law have increased local costs associated with public
23 safety efforts and state program administration;

24 **WHEREAS**, despite its efforts, the City of Huntington Park is projecting a general
25 fund budget deficit and the City's general fund reserves may be entirely depleted in the near
26 future;

27 **WHEREAS**, without an immediate source of new revenue, the City of Huntington
28 Park will be forced to make further reductions to essential services to the community;

WHEREAS, a local revenue measure will make it possible for the City of Huntington
Park to improve: its overall community services, for example, by hiring additional police
officers and fire personnel to reduce emergency response times, and recruit and maintain the
most qualified public safety personnel; fix and repair the condition of deteriorating
neighborhood streets and major roads and highways which would improve traffic flow,
reduce congestion, and improve emergency response times; fighting blight and crime by
expanding neighborhood graffiti removal programs, youth anti-gang and drugs prevention
programs, and after-school programs and activities; and

WHEREAS, pursuant to Section 2(b) of Article XIIC of the California Constitution,
the City Council has unanimously declared the existence of an emergency in that there are
immediate financial risks and dangers, as described in the Resolution declaring an emergency
adopted on even date herewith, to the public welfare and the City's financial ability to
provide essential municipal services without disruption, and the City Council has called a
special municipal election for Tuesday, June 5, 2018, at which election this Ordinance shall
be submit to the qualified voters of the City of Huntington Park.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF
HUNTINGTON PARK DOES HEREBY ORDAIN AS FOLLOWS, AND IF

1 **APPROVED BY THE VOTERS OF THE CITY OF HUNTINGTON PARK, THE**
2 **PEOPLE OF THE CITY OF HUNTINGTON PARK DO ORDAIN AS FOLLOWS:**

3 **SECTION 1. DECLARATION OF URGENCY.** This Ordinance is adopted
4 as an urgency measure pursuant to Government Code section 36934, to take effect upon the
5 Operative Date as defined herein. Based upon the staff reports, presentations, public
6 testimony, and other matters presented to the City Council during its consideration of this
7 Ordinance, the City Council hereby finds and declares that the foregoing recitals are true and
8 correct, and expressly incorporates the same herein as a substantive part of this Ordinance,
9 and further that such recitals accurately reflect the dire financial condition of the City, the
10 immediate and long-term needs of the City, and the inadequacy of existing revenues to fund
11 such needs, all of which create a present and immediate threat to the public health, safety and
12 general welfare of the community, in that absent the adoption of this Ordinance, the City will
13 lack sufficient revenues to fund necessary public safety and community services and
14 programs, or to pay for essential improvements, repairs, and maintenance of public
15 infrastructure and facilities.

16 **SECTION 2. TITLE AND SCOPE.** This Ordinance shall be known as the “City of
17 Huntington Park Transactions and Use Tax Ordinance.” The City of Huntington Park shall be
18 called “City” herein, and this Ordinance shall be applicable in the incorporated territory of the
19 City.

20 **SECTION 3. OPERATIVE DATE.** “Operative Date” as used herein means the
21 first day of the first calendar quarter commencing more than one hundred and ten (110) days
22 after the City Council declares the results of the special election held on June 5, 2018.

23 **SECTION 4. PURPOSE.** This Ordinance is adopted to achieve the following
24 purposes, among others, and directs that the provisions hereof be interpreted in order to
25 accomplish those purposes:

26 A. To impose a retail transactions and use tax in accordance with the provisions of
27 Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue & Taxation Code and
28 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 electors 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 requirements and limitations contained in Part 1.6 of
Division 2 of the Revenue & 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 adopts 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 Sales and Use
Taxes.

D. To adopt a retail transactions and use tax Ordinance 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 & 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.

29 **SECTION 5. CONTRACT WITH THE STATE.** Prior to the Operative
30 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 tax Ordinance;

1 provided that if the City shall not have contracted with the State Board of Equalization prior
2 to the Operative Date, it shall nevertheless so contract and in such case the Operative Date
shall be the first day of the first calendar quarter following the execution of the contract.

3 **SECTION 6. TRANSACTIONS TAX RATE.** For the privilege of selling tangible
4 personal property at retail, a tax is hereby imposed upon all retailers in the incorporated
5 territory of the City at the rate of one percent (1%) 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 Ordinance.

6 **SECTION 7. PLACE OF SALE.** For purposes of this Ordinance, all retail sales are
7 consummated at the place of business of the retailer unless the tangible personal property
8 sold is delivered by the retailer or his agent to an out-of-state destination or to a common
9 carrier for delivery to an out-of-state destination. The gross receipts from such sales shall
10 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.

11 **SECTION 8. USE TAX RATE.** An excise tax is hereby imposed on the storage,
12 use or other consumption in the City of tangible personal property purchased from any
13 retailer on and after the Operative Date of this Ordinance for storage, use or other
14 consumption in said territory at the rate of one percent (1%) 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.

15 **SECTION 9. ADOPTION OF PROVISIONS OF STATE LAW.** Except as
16 otherwise provided in this Ordinance, and except insofar as they are inconsistent with the
17 provisions of Part 1.6 of Division 2 of the Revenue & 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 Ordinance as though fully set forth herein.

18 **SECTION 10. LIMITATIONS ON ADOPTION OF STATE LAW AND**
19 **COLLECTION OF USE TAXES.** In adopting the provisions of Part 1 of Division 2 of the
Revenue & Taxations Code:

20 A. Wherever the State of California is named or referred to as the taxing entity, the
21 name of the City shall be substituted therefor. However, the substitution shall not be made
when:

22 1) The word "State" is used as part of the title of the State Controller, State
23 Treasurer, State Board of Control, State Board of Equalization, State Treasury, or the
Constitution of the State of California;

24 2) The result of that substitution would require action to be taken by or against
25 the 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
Ordinance;

26 3) In those sections, including, but not necessarily limited to sections referring
27 to the exterior boundaries of the State of California, where the results of the substitution
would be to:

28 a) Provide an exception 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

1 tax by the State under the provisions of Part 1 of Division 2 of the Revenue & Taxation
2 Code, or;

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

6 4) In Sections 6701, 6702 (except in the last sentence thereof), 6711, 6715,
7 6737, 6797, or 6828 of the Revenue & Taxation Code; and

8 5) The word "City" shall be substituted for the word "State" in the phrase
9 "retailer engaged in the business of this state" in Section 6203 and in the definition of that
10 phrase in Section 6203.

11 **SECTION 11. PERMIT NOT REQUIRED.** If a seller's permit has been issued to
12 a retailer under Section 6067 of the Revenue & Taxation Code, an additional transactor's
13 permit shall not be required by this Ordinance.

14 **SECTION 12. EXEMPTIONS AND EXCLUSIONS.**

15 A. There shall be excluded from the measure of the transactions tax and the use tax
16 the amount of any sales tax or use tax imposed by the State of California or by any city, city
17 and county, or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law,
18 or the amount of any state-administered transactions or use tax.

19 B. There are exempted from the computation of the amount of transactions tax the
20 gross receipts from:

21 1) Sales of tangible personal property, other than fuel or petroleum products, to
22 operators of aircraft to be used or consumed principally outside the county in which the sale
23 is made and directly and exclusively in the use of such aircraft as common carriers of persons
24 or property under the authority of the laws of this State, the United States, or any foreign
25 government.

26 2) Sales of property to be used outside the City which is shipped to a point
27 outside the City, pursuant to the contract of sale, by delivery to such point by the retailer or
28 his agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point.
For the purpose 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 Ordinance.

1 4) A lease of tangible personal property which is a continuing sale of such
2 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 Ordinance.

3 5) For the purposes of subparagraphs (3) and (4) of this section, the sale or
4 lease of tangible personal property shall be deemed not to be obligated pursuant to a
5 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 C. There are exempted from the use tax imposed by this Ordinance, the storage,
7 use or other consumption in this City of tangible personal property:

8 1) The gross receipts from the sale of which have been subject to a
9 transactions tax under any state-administered transactions and use tax ordinance.

10 2) Other than fuel or petroleum products purchased by operators of aircraft
11 and used or consumed by such operators directly and exclusively in the use of such
12 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.

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

15 4) If the possession of, or the exercise of any right or power over, the
16 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.

17 5) For the purposes of subparagraphs (3) and (4) of this section, storage,
18 use, or other consumption, or possession of, or exercise of any right or power over,
19 tangible personal property shall be deemed not to be obligated pursuant to a contract or
20 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.

21 6) Except as provided in subparagraph (7), a retailer engaged in business in the
22 City shall not be required to collect use tax from the purchaser of tangible personal property,
23 unless the retailer ships or delivers the property into the City or participates within the City in
24 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.

25 7) "A retailer engaged in business in the City" shall also include any retailer of
26 any of the following: vehicles subject to registration pursuant to Chapter 1 (commencing with
27 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
28 (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.

1 **SECTION 13. NEW REVENUE USE RESTRICTION.** Any new revenues
2 generated by the passage and collection of this transaction and use tax shall be available for
any general fund purpose(s).

3 **SECTION 14. AMENDMENTS TO STATE LAW.** All amendments subsequent to
4 the effective date of this Ordinance 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
5 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
6 Ordinance, provided however, that no such amendment shall operate so as to affect the rate of
tax imposed by this Ordinance.

7 **SECTION 15. ENJOINING COLLECTION FORBIDDEN.** No injunction or writ
8 of mandate or other legal or equitable process shall be issued 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
9 prevent or enjoin the collection under this Ordinance, 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.

10 **SECTION 16. SEVERABILITY.** If any provision of this Ordinance or the
11 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
12 affected thereby.

13 **SECTION 17. EFFECTIVE DATE AND SUBMISSION TO VOTERS.** This
14 Ordinance relates to the levying and collecting of City transactions and use taxes and shall
take effect immediately. However, no tax imposed by this Ordinance shall be effective unless
15 that tax has been approved by the voters of the City, at an election held on June 5, 2018, as
required by Section 2(b) of Article XIIC of the California Constitution and applicable law.

16 **SECTION 18. AMENDMENT AND TERMINATION.** The authority to levy the
17 taxes imposed by this Ordinance shall continue indefinitely until this ordinance is repealed.
The City Council may amend this Ordinance to reduce the rate of the taxes, either
18 permanently or for a set period of time, without a further vote of the people. However, as
required by Article XIIC of the California Constitution, no amendment to this Ordinance
19 may increase the rates of the taxes above what is authorized by this Ordinance unless such
amendment is submitted to and approved by the voters.

20 **SECTION 19. DECLARATION.** The proceeds of the taxes imposed by this
21 Ordinance may be used for any lawful purpose of the City, as authorized by Ordinance,
Resolution or action of the City Council or by Ordinance adopted by the electorate of the
22 City. These taxes do not meet the criteria established by Section (d) of Article XIIC of the
California Constitution for special taxes, and are general taxes imposed for general
23 government purposes.

24 **SECTION 20. ACCOUNTABILITY.** The City's expenditure of the proceeds of the
25 taxes imposed by this Ordinance shall be reviewed annually in conjunction with, and as part
of the City's usual annual financial audit, and the results of such review shall be made
available for inspection by the public.

26 **SECTION 21. CODIFICATION.** If a majority of the electors voting on this
27 Ordinance vote to approve the imposition of the tax imposed hereby at an election called for
that purpose, Sections 2 through 19, inclusive, of this Ordinance, shall be codified in the
28 Huntington Park Code at Title 3, Chapter 12 "Transactions and Use Tax", Section 3-12.01
through Section 3-12.19.



CITY OF HUNTINGTON PARK

Administration
City Council Agenda Report

July 3, 2018

Honorable Mayor and Members of the City Council
City of Huntington Park
6550 Miles Avenue
Huntington Park, CA 90255

Dear Mayor and Members of the City Council:

CONSIDERATION AND APPROVAL OF AN ORDINANCE AMENDING URGENCY ORDINANCE NO. 2018-963 AND CORRESPONDING PROVISIONS OF THE HUNTINGTON PARK MUNICIPAL CODE, TO ESTABLISH A LOCAL TRANSACTION AND USE TAX RATE CONSISTENT WITH CALIFORNIA LAW

IT IS RECOMMENDED THAT THE CITY COUNCIL:

1. Waive first reading and introduce Ordinance No. 2018-965, Amending Urgency Ordinance No. 2018-963 and Corresponding Provisions of the Huntington Park Municipal Code, to Establish a Local Transaction and Use Tax Rate Consistent with California law; and
2. Schedule the second reading and adoption of said Ordinance, as described above, for the July 17, 2018 City Council meeting.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On February 20, 2018, the City Council of the City of Huntington Park ("City") adopted Urgency Ordinance No. 2018-963 ("Ordinance"), imposing a one percent (1% or \$0.01) local transactions and use tax for general fund purposes on transactions completed within the City ("TUT") pursuant to California Revenue & Taxation Code Section 7251 et seq., subject to voters of the City approving the Ordinance at a local election as required by California's Constitution.

The Ordinance was placed on the local ballot as "Measure S" at the special municipal election held on June 5, 2018, and Measure S was approved by more than a majority of qualified voters in the City such that the Ordinance and TUT may be imposed by the City.

CONSIDERATION AND APPROVAL OF AN ORDINANCE AMENDING URGENCY ORDINANCE NO. 2018-963 AND CORRESPONDING PROVISIONS OF THE HUNTINGTON PARK MUNICIPAL CODE, TO ESTABLISH A LOCAL TRANSACTION AND USE TAX RATE CONSISTENT WITH CALIFORNIA LAW

July 3, 2018

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General Transactions and Use Tax

Section 6 of the Ordinance, titled Transactions Tax Rate, imposes a tax upon all retailers in the incorporated territory of the City at the rate of one percent (1%) 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 the Ordinance.

Section 8 of the Ordinance, titled Use Tax Rate, imposes an excise tax 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 the Ordinance at a rate of one percent (1%) of the sales price of the property.

Tax Rate Limits

Before Measure S was approved by City voters, on March 7, 2017, qualified voters in the County of Los Angeles, California approved Measure H imposing a local TUT at the rate of one-half percent (0.5% or \$0.005) to fund homeless services and prevention, with a “sunset date” of ten (10) years.

The combined tax rates imposed by Measure H and Measure S, when added to existing levies, would exceed the maximum tax rate that may be imposed by local governments under California law, such that the tax rate imposed by the City of Huntington Park by the Ordinance must be reduced to not-more-than three-quarters of one percent (0.75% or \$0.075) unless and until Measure H, or another locally-imposed levy, expires at which point the TUT rate imposed by City of Huntington Park by the Ordinance may return to one percent (1%) as approved by City voters in Measure S.

Section 18 of the Ordinance authorizes the City Council to reduce the rate of the TUT to below one percent (1%), either permanently or for a set period of time, without a further vote of the people, and as required by Article XIIC of the California Constitution, no amendment to the Ordinance may increase the rate of taxes above that approved by local voters.

City staff recommends amending Sections 6 and 8 of the Ordinance and the corresponding codified sections of the Huntington Park Municipal Code to impose rates of three quarters of one percent (0.75%), in accordance with Measure S approved by voters of the City, which the City Council may later increase the rates established by Section 6 and 8 to a maximum of one percent (1%) without a further vote of the public.

FISCAL IMPACT/FINANCING

It is estimated by the Finance Department that as amended the TUT will generate approximately four million, five hundred and eighty-nine thousand, eight hundred and sixty dollars (\$4,589,860.00) to the City’s General Fund, and such revenues would be available to ensure the preservation and strengthening City services.

CONSIDERATION AND APPROVAL OF AN ORDINANCE AMENDING URGENCY ORDINANCE NO. 2018-963 AND CORRESPONDING PROVISIONS OF THE HUNTINGTON PARK MUNICIPAL CODE, TO ESTABLISH A LOCAL TRANSACTION AND USE TAX RATE CONSISTENT WITH CALIFORNIA LAW

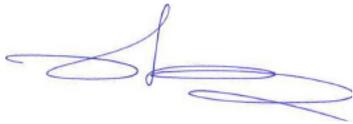
July 3, 2018

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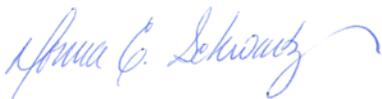
CONCLUSION

Upon City Council approval, staff will proceed as directed.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Ricardo Reyes', with a stylized flourish at the end.

RICARDO REYES
Interim City Manager

A handwritten signature in blue ink, appearing to read 'Donna G. Schwartz', with a flourish at the end.

DONNA G. SCHWARTZ
City Clerk

ATTACHMENT(S)

A. Ordinance No. 2018-965 Amending Urgency Ordinance No. 2018-963.

ATTACHMENT "A"

1 **WHEREAS**, the City Council finds that this Ordinance is necessary and
2 appropriate, in furtherance of the public health, safety, and general welfare,
3 consistent with the voters' intention of approving Measure S, and consistent with the
4 provisions of California Law.

5 **NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE**
6 **CITY OF HUNTINGTON PARK AS FOLLOWS:**

7 **SECTION 1.** The recitals set forth above are incorporated herein and by this
8 reference made an operative part hereof.

9 **SECTION 2.** The Ordinance was approved by more than a majority of
10 qualified voters of the City as "Measure S" at a special municipal election held on
11 June 5, 2018, and accordingly the City of Huntington Park may impose and enforce
12 the local transactions and use tax established by the Ordinance at a rate of not
13 more than one percent (1%), or such lesser rate as may be desired by the City or
14 otherwise required by law, without a further vote of the public.

15 **SECTION 3.** Section 6 of the Ordinance, "Transactions Tax Rate," and Title
16 3, Chapter 12 "Transactions and Use Tax," Section 3-12.05, the corresponding
17 codified section of the Huntington Park Municipal Code as described in Section 21
18 of the Ordinance, is hereby amended to read as follows:

19 For the privilege of selling tangible personal property at retail, a tax is hereby
20 imposed upon all retailers in the incorporated territory of the City at the rate of three-
21 quarters of one percent (~~40.75%~~) of the gross receipts of any retailer from the sale
22 of all tangible personal property sold at retail in said territory on and after the
23 operative date of this Ordinance. In accordance with Measure S approved by voters
24 of the City at a local election held on June 5, 2018, the City Council may increase
25 the rate established by this section to a maximum of one percent (1%) without a
26 further vote of the public.

27 **SECTION 4.** Section 8 of the Ordinance, "Use Tax Rate," and Title 3,
28 Chapter 12 "Transactions and Use Tax," Section 3-12.07, the corresponding
codified section of the Huntington Park Municipal Code as described in Section 21
of the Ordinance, is hereby amended to read 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 three-quarters of one percent (~~40.75%~~) 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. In

1 accordance with Measure S approved by voters of the City at a local election held
2 on June 5, 2018, the City Council may increase the rate established by this section
3 to a maximum of one percent (1%) without a further vote of the public.

4 **SECTION 5.** Except as specifically amended herein, the Ordinance adopted
5 on February 20, 2018, and approved as "Measure S" by qualified voters of the City
6 of Huntington Park on June 5, 2018, shall remain in full force and effect, and shall
7 be deemed to be incorporated herein fully by this reference.

8 **SECTION 6.** If any provision of this Ordinance or the application thereof to
9 any person or circumstance is held invalid, the remainder of the Ordinance and the
10 application of such provision to other persons or circumstances shall not be affected
11 thereby.

12 **SECTION 7.** This Ordinance relates to the levying and collecting of City
13 transactions and use taxes and shall take effect thirty (30) days after its adoption.

14 **SECTION 8.** The City Clerk shall certify to the adoption of this Ordinance
15 and shall cause the same to be published as required by law.

16 **PASSED, APPROVED and ADOPTED** this ____ day of ____, 2018.

17 _____
18 Jhonny Pineda, Mayor

19 **ATTEST:**

20 _____
21 Donna G. Schwartz, CMC
22 City Clerk

23 **APPROVED AS TO FORM:**

24 _____
25 Arnold M. Alvarez-Glasman,
26 City Attorney