



City of Weed

Agenda Item Summary

Meeting: City Council – 9 July 2026

Department:

City Manager/Administration

Agenda Item Title:

City of Weed Essential City Services Measure -
Proposed 1.5% General Transactions and Use Tax

Staff Recommendation:

Staff recommends that the City Council take the following actions by separate motions and roll-call votes:

1. Introduce and waive first reading of Ordinance No. 493-2026, entitled “An Ordinance of the City Council of the City of Weed Imposing a One and One-Half Percent Transactions and Use Tax for General Governmental Purposes to Be Administered by the California Department of Tax and Fee Administration Subject to the Approval of the Voters.”
2. Adopt Resolution No. 30-2026, entitled “A Resolution of the City Council of the City of Weed Placing a Measure Regarding a Transactions and Use Tax on the Ballot for the General Municipal Election Called for November 3, 2026.”

Background and Community Engagement:

The City Council is being asked to consider placing the City of Weed Essential City Services Measure before City voters at the November 3, 2026, General Municipal Election. If approved by a majority of voters, the measure would establish 1.5% general transactions and use tax administered by the California Department of Tax and Fee Administration. The tax is estimated to generate approximately \$1,700,000 annually for the City’s General Fund and would remain in effect until ended by voters.

The proposed measure is intended to provide a locally controlled source of general revenue for essential City services, including 911 emergency services, fire protection and wildfire prevention, emergency medical response, police patrol and protection, building safety and inspection, streets, roads, sidewalks, City infrastructure, snow removal, and other lawful general City services. Because the measure is a general tax, the proceeds would be deposited into the General Fund and could be used for any lawful municipal purpose.

To inform residents about the City’s budget, service demands, infrastructure needs, and the potential consideration of a locally controlled sales tax, City staff conducted a series of public community meetings during June 2026. The outreach included two in-person meetings and one virtual meeting conducted through Zoom. The City also distributed a community mailer to households, published information through its website and social media channels, and developed informational content featuring City services and operational challenges.

The community presentations identified several continuing pressures on City operations:

- Fire responses increased from 402 calls in 2023 to 812 calls in 2025, while volunteer participation has declined.
- Current Police Department staffing does not provide continuous 24-hour police coverage every day of the year, and rural recruitment and retention remain difficult.
- The City's fire station is more than 100 years old and is not owned by the City.
- Approximately 15 of the City's 25 miles of roadway require repair, and significant portions of the roadway network have been rated fair to poor.
- Portions of the sewer system date to the 1940s, the wastewater system is operating at or near capacity, and gaps remain in storm-drainage infrastructure.
- Operating costs for personnel, insurance, equipment, utilities, construction, maintenance, and regulatory compliance continue to increase.

The City has responded through grant funding, staffing vacancies, delayed maintenance, operational efficiencies, and the use of one-time resources. These strategies have helped preserve services, but do not establish an ongoing revenue source for recurring operations and deferred infrastructure needs.

Proposed Ordinance:

The proposed ordinance would add Chapter 3.30, "Transactions and Use Tax of 2026," to Title 3 of the Weed Municipal Code. The ordinance establishes a 1.5% transactions tax on taxable retail sales and a corresponding 1.5% use tax on taxable property stored, used, or otherwise consumed in the City, consistent with State law.

The ordinance is drafted for administration by the California Department of Tax and Fee Administration and incorporates the statutory provisions necessary for uniform collection. It would become operative only if approved by a majority of City voters. The ordinance has no automatic sunset date and would remain in effect until ended by the voters.

The ordinance does not approve a specific spending plan or legally earmark the revenue for a particular department or project. This preserves the measure's status as a general tax and allows future City Councils to appropriate the proceeds through the annual public budget process, in accordance with community needs and legal requirements.

Proposed Resolution and Election Procedures:

The accompanying resolution would approve submission of the ordinance to the voters and place the measure on the November 3, 2026, ballot. The resolution also requests consolidation with the General Municipal Election, authorizes coordination with the Siskiyou County Elections Department, provides ballot arguments and rebuttals, directs the City Attorney to prepare an impartial analysis, and authorizes payment of the City's proportionate election costs.

Staff and the City Attorney may add factual recitals to the final resolution documenting the City's community engagement, service demands, infrastructure conditions, and need for stable locally controlled revenue. Any such recitals would supplement, but not alter, the operative election provisions or the attorney-approved ballot question.

Ballot Question:

Shall a measure maintaining 911 emergency services, fire protection and wildfire prevention, emergency medical response; 24-hour police patrol/protection, building safety and inspection; streets, roads, sidewalks and City infrastructure; snow removal, and other general City services, long-term financial stability, by establishing a 1.5% sales tax providing approximately \$1,700,000 annually until repealed by voters, subject to regular audits, be adopted?

Required Council Approval:

Under California law, the ordinance imposing a general transaction and use tax must be approved by at least two-thirds of all members of the City Council before it may be submitted to voters. The resolution placing the measure on the ballot should be acted upon separately. The tax would take effect only if subsequently approved by a majority of voters during the November 3 election.

Fiscal Impact:

The City must reimburse Siskiyou County for its proportionate share of the costs of consolidating and conducting the election. The final cost will depend on County election charges, ballot length, and the number of participating jurisdictions. The City will also incur legal, publication, administrative, and CDTFA implementation costs.

If approved by voters, the measure is estimated to generate approximately \$1,700,000 annually for the General Fund. Actual receipts will vary based on taxable sales, economic conditions, the operative date, and State administration and collection charges. No revenue will be collected unless the voters approve the ordinance and it becomes operative.

Alternative Actions:

The City Council may:

- Direct revisions to the resolution or ordinance and continue the item, provided all election filing deadlines can still be met;
- Introduce the ordinance but decline to adopt the resolution, in which case the measure would not be placed on the November 3, 2026, ballot;
- Decline to introduce or adopt either document; or
- Provide other direction consistent with applicable election and tax law.

Environmental Review:

The proposed actions are not subject to further review under the California Environmental Quality Act. Calling an election is not a project under CEQA, and adoption of a government funding mechanism that does not commit the City to a specific physical project is not a project under CEQA Guidelines section 15378(b)(4). Any future project funded with measure proceeds

funding mechanism that does not commit the City to a specific physical project is not a project under CEQA Guidelines section 15378(b)(4). Any future project funded with measure proceeds will undergo any environmental review required by law before implementation.

Attachments:

1. Proposed Ordinance No. 493-2026 - City of Weed Transactions and Use Tax Ordinance of 2026
2. Proposed Resolution No. 30-2026 - Resolution Placing the Transactions and Use Tax Measure on the November 3, 2026 Ballot