



## Staff Report

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**TO:** Honorable Mayor and Members of the Town Council  
**FROM:** Wes Heathcock, Town Manager  
**DATE:** May 14, 2024  
**RE:** Consideration of an Ordinance Extending an Existing One-Quarter Cent Transaction and Use (Sales) Tax to Fund Local Community Services

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### RECOMMENDATION

The Town Council should introduce, read the title of, and waive further reading of the attached resolution and ordinance asking voters whether the existing one-quarter percent (i.e., 0.25%) transaction and use (sales) tax to fund community services should be extended. The Council should also direct staff on future actions.

### ISSUE STATEMENT AND DISCUSSION

#### ***Background***

The attached drafted Resolution and Ordinance extend the existing one-quarter percent transaction and use tax which is set to expire in 2026. If the Council would like to present an extension of the transaction and use tax to Loomis voters before it lapses in 2026, the measure should be placed on the upcoming November 2024 ballot because: 1) general tax measures are required to be on the same ballot as Town Council elections, except in extraordinary circumstances; and 2) the Town will not begin to receive tax revenue until the April following a tax measure approved in November. Therefore, if the existing tax is not extended this year, the next opportunity will be in November 2026, and revenue from a 2026 measure will not begin to flow to the Town until April of 2027.

In July 2016, Placer County closed the Loomis Branch Library. In response, the Town Council of Loomis voted 5-0 to establish a municipal (town) library, and put a sales tax (Measure F) and advisory measure (Measure G) on the November 2016 ballot. Measure F was a general tax measure, intended to generate general funds. Through Measure G, voters advised that these funds should be used for community services like the library and community learning center. Loomis voters approved Measures F and G. The 0.25 percent sales tax imposed by Measure F is set to expire in 2026. The proposed ordinance submitted for the Council's consideration would extend the Town's authority to levy the one-quarter percent sales tax until such authority is repealed by Loomis voters.

Last year, a citywide survey was conducted to determine Loomis voters' opinions on the Library and a potential sales tax renewal. The survey found that voters broadly agree that the Library and Community Learning Center is an important resource and community space. During the survey, voters were read the proposed ballot measure language and asked if they think they would vote "yes" in favor of the measure or "no" in opposition. Three-quarters of voters (75%) responded that they would support the measure.<sup>1</sup>

The purpose of this report is to provide the Town Council with information on the proposed extension to the sales tax, and to provide Council with a draft Resolution and Ordinance for its consideration should the Council decide to move forward with a ballot measure on the question.

### ***Discussion***

Retailers engaged in business in California must register with the California Department of Tax and Fee Administration (CDTFA) and pay the state's sales tax, which applies to all retail sales of goods and merchandise except those sales specifically exempted by law. The sales tax is levied on retailers for the privilege of selling goods in California and retailers typically pass this tax along to the consumer. The use tax generally applies to the storage, use, or other consumption in California of goods purchased from retailers in transactions not subject to the sales tax. For example, use tax applies to purchases shipped to a California consumer from another state.

In California, the base sales tax rate is 7.25 percent for all cities and counties. Of that total, the state receives six percent, counties receive 0.25 percent for transportation, and cities receive one percent. Transactions and use taxes are layered on top of the base sales tax rate. Loomis' current sales tax rate is 7.5 percent. The proposed ordinance would not increase the sales tax rate in Loomis; it would simply extend the 0.25 percent transaction and use tax currently in effect.

### ***Ballot Measure Timing***

State law requires the resolution calling for the municipal election to be adopted at least 88 days prior to the election. To place this matter on the November 2024 ballot, the Placer County Elections Office needs the resolution by July 3, 2024. The last scheduled Town Council meeting before the elections office deadline is the June 11, 2024 meeting.

For the November 2024 ballot, the Placer County Elections Office has set August 9, 2024, as the last day to file arguments in support or against any measures and August 19, 2024, as the last day to file rebuttal arguments.

Should the measure pass, it will extend the existing quarter percent Loomis transaction and use tax until the tax is repealed by voters.

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<sup>1</sup> To be exact, 51% of likely November 2024 voters stated they would definitely vote in favor of the measure, 22% stated they would probably vote yes, and 2% responded that they were undecided, but leaned towards voting in favor of the measure. Only 12% of likely November 2024 voters said they would definitely not vote in favor of the measure, 5% stated they would probably vote no, and 2% were undecided, but leaned towards voting to oppose the measure. Five percent of likely November 2024 voters were undecided.

## **FINANCIAL AND/OR POLICY IMPLICATIONS**

If the one-quarter percent transaction and use tax extension is approved by voters, the tax would generate approximately \$925,000 annually in general funds, which may be used to support the Loomis Library and Community Learning Center.

The cost to the Town to place the question on the November 2024 ballot may vary. The County elections staff advises that the total cost would be expected to be approximately \$7,811.00.

## **CEQA REQUIREMENTS**

None. This is not an action that could have any possible environmental impacts.

### **Attachments:**

- A. Proposed Ordinance
- B. Proposed Resolution

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE OF THE TOWN OF LOOMIS  
IMPOSING A TRANSACTIONS AND USE TAX TO BE ADMINISTERED BY THE  
CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION

Section 1. TITLE. This ordinance shall be known as the Loomis Transactions and Use Tax Ordinance. The town of Loomis hereinafter shall be called "Town." This ordinance shall be applicable in the incorporated territory of the Town.

Section 2. OPERATIVE DATE. "Operative Date" means the first day of the first calendar quarter commencing more than 110 days after the adoption of this ordinance, the date of such adoption being as set forth below.

Section 3. PURPOSE. This ordinance 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 a retail transactions and use tax 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 Town 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 and Taxation Code.

C. To adopt a retail transactions and use tax ordinance that imposes a tax and provides a measure therefore that can be administered and collected by the California Department of Tax and Fee Administration 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 California Department of Tax and Fee Administration in administering and collecting the California State Sales and Use Taxes.

D. To adopt a retail transactions and use tax ordinance that can be administered in a manner that will 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 ordinance.

Section 4. CONTRACT WITH STATE. Prior to the operative date, the Town shall contract with the California Department of Tax and Fee Administration to perform all functions incident to the administration and operation of this transactions and use tax ordinance; provided, that if the Town shall not have contracted with the California Department of Tax and Fee Administration 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.

Section 5. 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 Town at the rate of 0.25% 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 ordinance.

Section 6. PLACE OF SALE. For the purposes of this ordinance, 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 California Department of Tax and Fee Administration.

Section 7. USE TAX RATE. An excise tax is hereby imposed on the storage, use or other consumption in the Town 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 0.25% 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.

Section 8. ADOPTION OF PROVISIONS OF STATE LAW. Except as otherwise provided in this ordinance 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 ordinance as though fully set forth herein.

Section 9. 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 Town 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 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 Town or any agency, officer, or employee thereof rather than by or against the California Department of Tax and Fee Administration, in performing the functions incident to the administration or operation of this Ordinance.

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 "Town" 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.

1. "A retailer engaged in business in the District" shall also include any retailer that, in the preceding calendar year or the current calendar year, has total combined sales of tangible personal property in this state or for delivery in the State by the retailer and all persons related to the retailer that exceeds five hundred thousand dollars (\$500,000). For purposes of this section, a person is related to another person if both persons are related to each other pursuant to Section 267(b) of Title 26 of the United States Code and the regulations thereunder.

Section 10. 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 ordinance.

#### Section 11. 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 Town which is shipped to a point outside the Town, 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 Town 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-Town 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-Town 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.

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 ordinance.

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 ordinance, the storage, use or other consumption in this Town of tangible personal property:

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

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

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

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

5. For the purposes of 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 Town 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 Town or participates within the Town 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 Town or through any representative, agent, canvasser, solicitor, subsidiary, or person in the Town under the authority of the retailer.

7. "A retailer engaged in business in the Town" 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 Town.

D. Any person subject to use tax under this ordinance may credit against that tax any transactions tax or reimbursement for transactions tax paid to a district imposing, or retailer liable for a transactions tax pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code with respect to the sale to the person of the property the storage, use or other consumption of which is subject to the use tax.

Section 12. AMENDMENTS. All amendments subsequent to 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 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 ordinance, provided however, that no such amendment shall operate so as to affect the rate of tax imposed by this ordinance.

Section 13. 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 Town, or against any officer of the State or the Town, to 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.

Section 14. 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 15. EFFECTIVE DATE. This ordinance relates to the levying and collecting of the Town transactions and use taxes and shall take effect immediately.

Section 16. TERMINATION DATE. The authority to levy the tax imposed by this ordinance shall expire upon repeal of the tax by the voters of the Town of Loomis.

PASSED AND ADOPTED by the Town Council of the Town of Loomis, State of California, on the 4<sup>th</sup> day of June 2024, by the following vote:

AYES:

NOES:

ABSENT:

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Stephanie Youngblood, Mayor

Attest:

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Carol Parker, Deputy Town Clerk

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LOOMIS  
CALLING A SPECIAL MUNICIPAL ELECTION TO BE HELD ON NOVEMBER 5, 2024, FOR THE  
PURPOSES OF APPROVING AN ORDINANCE EXTENDING A ONE-QUARTER PERCENT  
TRANSACTION AND USE TAX FOR LIBRARY AND OTHER GENERAL COMMUNITY SERVICES;  
REQUESTING THAT THE PLACER COUNTY BOARD OF SUPERVISORS CONSOLIDATE THE  
ELECTION WITH THE STATEWIDE ELECTION; AUTHORIZING THE TOWN COUNCIL TO  
PREPARE A WRITTEN ARGUMENT IN SUPPORT OF THE TAX MEASURE; AND DIRECTING  
THE TOWN ATTORNEY TO PREPARE AN IMPARTIAL ANALYSIS OF THE MEASURE**

**WHEREAS**, on March 10, 2015, the Director of Placer County Library Services informed the Town Council that Placer County intended to close the Loomis branch of the County library system (the "Loomis Library") in June, 2015, in response to which the Town Council adopted Resolution 15-01 in support of keeping the Loomis Library open; and

**WHEREAS**, in further response to the proposed closure of the Loomis Library, the Mayor appointed an ad hoc committee of Town residents (the "Committee") to explore options for keeping the Loomis Library in operation beyond the end of the fiscal year; and

**WHEREAS**, at the Town Council's meeting of October 24, 2015, the Committee recommended that the Council place a one-quarter cent general transaction and use tax on the next available regular election date to provide the Town with a source of funding for community services, including the Loomis Library; and

**WHEREAS**, at the November 2016 general election the voters of Loomis approved Measure F, which authorized imposition of 0.25% transaction and use tax within the Town of Loomis (the "Tax"); and

**WHEREAS**, the Tax is set to expire in 2026 unless extended by Loomis voters; and

**WHEREAS**, Town general fund revenues are inadequate to provide for the continued operation of the Loomis Library and other community services desired by the residents of the Town of Loomis, and additional long-term revenues are necessary to keep the Loomis Library open; and

**WHEREAS**, the Loomis Library has been operated and maintained for the use, benefit, and enjoyment of all residents of the Town, and the Loomis Library is a critical asset to the community by providing books and reading rooms, as well as gathering spaces that foster community and civic engagement for Town residents.

**NOW, THEREFORE, BE IT RESOLVED**, that the Town Council of the Town of Loomis hereby resolves, declares, determines and orders as follows:

**Section 1.** The foregoing recitals are true and correct, and hereby incorporated by reference.

**Section 2.** Pursuant to California Constitution Article XIII C, section 2; and Elections Code section 9222, the Town Council of the Town of Loomis submits to the qualified voters of the Town, the Loomis Library and General Services Tax Measure (the "Tax Measure"), which if approved, would extend an already existing general transactions and use tax, as authorized by revenue and Taxation Code section 7285.9. This Tax Measure shall be designated by letter by the Placer County Elections Department. Pursuant to Election Code section 10400, et seq., the election for this Tax Measure is hereby called and shall be considered with the regular election to be conducted on November 5, 2024.

**Section 3.** The Tax Measure to be presented to the voters shall be as set forth below. This question requires the approval of a majority of qualified electors' casting votes:

<p>PROPOSITION "___": Shall the measure to continue – without increasing taxes – a local general tax originally approved by voters in 2016 for general government use including keeping the Loomis Library and Community Learning Center open and continuing to provide library/learning center services and access to computers and technology, by extending the existing one-quarter percent transaction and use tax until ended by voters, and providing approximately \$925,000 each year subject to annual audits and public review, be adopted?</p>	<p>Yes</p> <p>No</p>
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**Section 4.** The ordinance authorizing the extension of the general tax to be approved by the voters pursuant to Sections 2 and 3 of this resolution is set forth in full in **Exhibit A**, attached hereto.

**Section 5.** The Town Clerk is authorized, instructed and directed to work with the Placer County Registrar of Voters, as needed, in order to properly and lawfully conduct the election. The ballots to be used in the election shall be in the form and content as required by law. The Placer County Registrar of Voters is authorized to canvass the return of the municipal election. In all particulars not recited in this resolution, the election shall be held and conducted as provided by law for holding municipal elections.

**Section 6.** The Board of Supervisors is requested to instruct its Registrar of Voters to provide such services as may be necessary for the holding of the consolidated election. The election shall be held in all respects as if there were only one election. The Town of Loomis recognizes that the county will incur additional costs because of this consolidation and agrees to reimburse the county for those costs. The

Town Manager is hereby authorized and directed to expend the necessary funds to pay for the Town's cost of placing the Tax Measure on the election ballot. Such services provided by the county may include, but are not limited to, the following:

- Publication of notices calling the election
- Publications of notices calling for ballot arguments
- Provision of voter lists
- Obtaining and staffing polling places
- Provision and delivery of precinct supplies
- Counting of ballots and certification of election
- Other election activities authorized by law
- All aspects of election not specified above may be agreed upon by the County Clerks and the Town Manager

**Section 7.**

- a. Pursuant to California Elections Code section 9282, on behalf of the Town Council, the Mayor is hereby authorized to prepare a written argument in favor of the proposed Tax Measure, not to exceed three hundred (300) words each. At the Mayor's discretion, the arguments may also be signed by members of the Town Council or a bona fide association of citizens, or by individual voters who are eligible to vote on the Tax Measure. In the event that an argument is filed against the Tax Measure, the Mayor is also authorized to prepare rebuttal argument(s) on behalf of the Town Council, which may also be signed by members of the Town Council or bona fide association of citizens, or by individual voters who are eligible to vote on the Measure.
- b. Pursuant to California Elections Code section 9280, the Town Council hereby directs the Town Clerk to transmit a certified copy of the Tax Measure to the Town Attorney. The Town Attorney shall prepare an impartial analysis of the Tax Measure, not to exceed five hundred (500) words in length, showing the effect of the Tax Measure on the existing law and the operation of the Tax Measure, and transmit the impartial analysis to the Placer County Registrar of Voters.
- c. Pursuant to California Election Code section 9285, when the Town Clerk has selected the arguments for and against the Tax Measure, which will be printed and distributed to the voters, the Town Clerk is directed to send copies of the arguments in favor of the Tax Measure to the authors of the

arguments against, and copies of the arguments against to the authors of the arguments in favor.

**Section 8.** The Town Clerk is directed to file certified copies of this resolution with the Board of Supervisors and the Registrar of Voters of the County of Placer, together with the attached ballot measure.

**Section 9.** The jurisdictional boundaries of the Town of Loomis have not changed since the last General Municipal Election.

**Section 10.** This resolution shall become effective immediately upon its passage and adoption.

PASSED AND ADOPTED by the Town Council of the Town of Loomis, State of California, on the 4<sup>th</sup> day of June 2024, by the following vote:

AYES:

NOES:

ABSENT:

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Stephanie Youngblood, Mayor

Attest:

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Carol Parker, Deputy Town Clerk