



# City of Oroville Measure

Arguments in Support of, or in opposition to, the proposed laws are the opinions of the authors.

## R

### Public Safety Solutions For Oroville – Sales Tax Measure.

Shall Ordinance No. 1816, a Temporary sales tax increase of one percent (1%) generating approximately \$3.6 million annually, that automatically expires in six years, and that establishes a citizen oversight committee to ensure that the funds are used to preserve public services such as police protection, fire suppression, vehicle repair and maintenance, finance analyst and human resources services for the City of Oroville, be adopted? Yes No

#### IMPARTIAL ANALYSIS OF MEASURE R

**NOTICE IS HEREBY GIVEN** that the following impartial analysis of Measure R was prepared by the office of the Oroville City Attorney:

Voter approval of this measure would amend the Oroville Municipal Code by adding a transactions and use (sales) tax for a period of six years on the sale and/or use of all tangible personal property sold at retail in the City at the rate of one cent for every dollar spent (or one percent). The tax would automatically terminate after the sixth year.

All revenue generated from the measure would be deposited in the City’s General Fund, and all revenue collected from the measure would be used by the City to pay for general City operations and services, including police protection, fire suppression, vehicle repair and maintenance, finance analyst and human resources services. This ballot measure proposes a "general purpose tax" requires a majority vote of the electorate for approval. The City Finance Director estimates that, if passed, the measure would generate approximately \$3.6 million per year.

The measure requires that a Citizens Oversight committee be established to make recommendations on the priority of expenditures of the funds and to review the use of the funds by the City. The measure further requires quarterly and annual reporting of expenditures to the public through the City’s website for transparency.

The proposed tax would be administered by the California State Board of Equalization, in the same manner that sales tax is currently administered, to reduce the cost of collecting the tax and to minimize the burden of record-keeping upon retailers subject to the tax. Collection of the tax would begin on April 1, 2017.

A “yes” vote is a vote in favor of authorizing the temporary transactions and use tax for a period of six years. A “no” vote is a vote against authorizing the temporary transactions and use tax.

Scott Huber, Oroville City Attorney



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## ARGUMENT IN FAVOR OF MEASURE R

Oroville has grown in the last 3 years through annexation and new residents moving in, however, our public safety, police, and fire departments have not grown accordingly. Measure R will help us keep up with our growing city by increasing, maintaining and preserving public safety positions.

A few years ago Oroville suffered a huge financial set back when the State canceled its Economic Development (RDA) Program and Oroville, along with other cities, was forced to return those monies to the State. Now in reviewing our current budget, the City of Oroville, through Measure R, is proposing a 1% increase to the Sales Tax to cover the cost of our Public Safety Department as our city continues to grow. Measure R will be monitored by a Citizens oversight committee to ensure the proper use of these dollars. This Measure will expire in 6 years. Currently out of the 7.5% sales tax that is collected, only .75% comes back to Oroville for our use locally, the remaining monies are kept at the State and County level. Measure R will ensure that tax dollars raised in Oroville will be used by the city to deal with our local issues. Measure R is an approach that will ensure that all people that use our local services contribute to the sales tax, not just the citizens of Oroville. Basic necessities like groceries and prescription medications won't be taxed. Visitors to Oroville will pay their fair share, so residents won't shoulder the entire cost.

Oroville is our home! Let's please all work together to support our City and our Community

We ask you to vote YES on Measure R on November 8, 2016.

s/Mayor Linda Dahlmeier  
s/Director of Public Safety Bill LaGrone  
s/Retired US Forest Service, Jess Stanton Starkey  
s/Owner Golden State Auto Body, Alan M. Jones

## REBUTTAL TO ARGUMENT IN FAVOR OF MEASURE R

Those who support Measure R want to convince the voters that the loss of RDA funding triggered the need for an enormous tax increase. We researched the cities in Butte County and the six adjacent counties that surround us.

Within this group, if Measure R passes, Oroville will be the fifth city to raise its sales tax. Measure R calls for a full 1% increase. The most any of the other cities raised was ½% (Red Bluff ¼%, Paradise, Williams and Wheatland ½%).

Oroville's combined expected revenue from additional sales tax (\$3.6 million) coupled with the existing utility tax (\$1.6 million) will total \$5.2 million annually from our 16,000 residents. The total sales tax revenue for the other four cities is around \$2.5 million. The approximate population of these cities combined is about 50,000. These cities collect no utility tax and have also lost their RDA funding.

If Measure R fails, Oroville will still have higher revenue from it's utility tax than any of these other cities receive from their sales tax. Oroville's problem is a result of our council's history of allowing expenditures to exceed revenue. Our council failed us by not heeding warnings from several competent, highly paid City Administrators.

The council is trying to convince us, if Measure R passes, they'll become diligent care-takers of this enormous cash infusion, because they will appoint a hand-picked oversight committee to keep an eye on them.

Vote no.

s/Steve Christensen  
s/Lorraine Christensen



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### ARGUMENT AGAINST MEASURE R

Originally, Measure R was to be a special tax, proceeds to be used for public safety only. When Oroville City Council learned a special tax requires 2/3 voter approval, they decided to change to a general tax that only needs a simple majority and has no fiscal restraints. Measure R includes the commission of an oversight committee. They will be appointed by the council, they will report to the council, and they will have no binding authority on the council.

Oroville City Council members were warned for years by several city administrators of a significant deficit if they continued to allow expenditures to exceed revenue. Now that the deficit is here, some council members have said they were shocked, as if they were blind-sided. They are now asking the voters to bail them out by raising taxes.

When Oroville's City Budget listed 87 city employees, \$8.6 million was allocated for salaries and benefits, averaging almost \$100,000.00 per employee. These compensations are more in line with a larger and more affluent city.

Prior to the annexation of South Oroville, "The Source" magazine distributed by Oroville Chamber of Commerce reported Oroville's median household income was \$27,523.00 per year, well below the \$31,924.00 for all of Butte County.

If this tax is passed, the City of Oroville will have the highest sales tax, not only in Butte County, but in all six adjoining counties. This tax increase will have a negative impact on median income households and put Oroville businesses at a competitive disadvantage.

Since we have a city council that has demonstrated inability or unwillingness to present a balanced budget, we say no on Measure R.

s/Steve Christensen  
s/Lorraine Christensen

### REBUTTAL TO ARGUMENT AGAINST MEASURE R

The City of Oroville has for many years been addressing a budget deficit. The deficit exist due to the disillusion of the Redevelopment Agency, increasing cost in the Public Employee Retirement System, the increasing cost of Health Insurance and other inflationary cost of business. At the same time revenues of the City have not kept up with inflation.

A person purchasing \$1,000.00 of taxable items will spend an extra \$10.00 due to Measure R. Measure R will not increase the cost of Rent, Utilities or Groceries. Measure R will not cause people to leave Oroville to make vehicle purchases in other communities. Sales Tax on a vehicle is based on your zip code, not the physical location you purchase the vehicle.

Measure R requires an Oversight Committee. The Oversight Committee is the Citizens opportunity to ensure this revenue will be used for the stated purpose. The Oversight Committee will hold quarterly meetings to ensure the proper expenditure of monies, and will be the gatekeeper of the revenues and report to the Community.

Measure R brings the sales tax rate in Oroville to the State average. Measure R is our opportunity to enhance the quality of life for all the residence of the City of Oroville. Oroville is our home and our community. Let's all work together to support our City and our Community!

I ask you to vote YES on Measure R on November 8, 2016.

s/Linda Dahlmeier, Mayor  
s/Bill LaGrone, Director of Public Safety



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## FULL TEXT OF MEASURE R

### EXHIBIT "A"

#### CITY OF OROVILLE ORDINANCE NO. 1816

#### AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF OROVILLE AMENDING AND ADDING CHAPTER 3.18 TO THE OROVILLE MUNICIPAL CODE REGARDING A TRANSACTIONS AND USE TAX TO BE ADMINISTERED BY THE STATE BOARD OF EQUALIZATION

The People of the City of Oroville, State of California do  
**ordain as follows:**

**SECTION 1:** Chapter 3.18 is hereby added to the Oroville  
Municipal Code to read as follows:

#### CHAPTER 3.18 Temporary Transactions and Use Tax

Sections:

- 3.18.010 Title
- 3.18.020 Operative Date
- 3.18.030 Purpose
- 3.18.040 Contract with State
- 3.18.050 Transaction Tax Rate
- 3.18.060 Place of Sale
- 3.18.070 Use Tax Rate
- 3.18.075 Citizens Oversight Committee
- 3.18.080 Adoption of Provisions of State Law
- 3.18.090 Limitations on Adoption of State Law and  
Collection of Use Taxes
- 3.18.100 Permit Not Required
- 3.18.110 Exemptions and Exclusions
- 3.18.120 Amendments
- 3.18.130 Enjoining Collection Prohibited

**3.18.010 Title**  
This ordinance shall be known as the Temporary  
Transactions and Use Tax Ordinance. The City of Oroville  
hereinafter shall be called "City". This ordinance shall be  
applicable in the incorporated area of the City.

**3.18.020 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.

**3.18.030 Purpose**  
This ordinance is adopted to achieve the following, and  
directs that the provisions hereof be interpreted in order to  
accomplish those purposes:

A. To maintain and preserve City of Oroville public  
services, including police protection, fire suppression,  
vehicle repair and maintenance, finance analyst and human  
resources services with the City.

B. To impose a retail transactions and use tax in  
accordance with the provision of Part 1.6 (commencing with  
Section 7251) of Division 2 of the Revenue and Taxation  
Code and Section 7285.9 of Part 1.7 of Division 2 which  
authorizes the City to adopt this 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.

C. 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.

D. To adopt a retail transactions and use tax  
ordinance that imposes a tax and provides 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.

E. 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.

**3.18.040 Contract with State**  
Prior to the operative date, the City shall contract with the  
State Board of Equalization to perform all functions incident  
to the administration and operation of this transactions and  
use tax ordinance; 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  
case the operative date shall be the first day of the first  
calendar quarter following the execution of such contract.

**3.18.050 Transactions Rate Tax**  
For the privilege of selling tangible personal property at  
retail a tax is hereby imposed upon all retailers in the  
incorporated area 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 area for six  
(6) years from the operative date of this ordinance.

**3.18.060 Place of Sale**  
For the purposes of this ordinance all retail sales are  
consummated at the place of business of the retailer unless



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the tangible personal property sold is delivered by the retailer or his /her or its 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 of California 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.

### 3.18.070 Use Tax Rate

A complementary tax is hereby imposed on the storage, use, or other consumption in the incorporated area of the City of tangible personal property purchased from any retailer for six (6) years after the operative date of this ordinance for storage, use, or other consumption in such area 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.

### 3.18.075 Citizens Oversight Committee

A. The City Council shall establish and appoint a Citizens Oversight Committee.

B. The Citizens Oversight Committee shall consist of a nine-member board of residents and/or business owners and two elected City Council members of the City of Oroville.

C. The purpose of the Citizens Oversight Committee shall be to meet with the *City's Department Heads* during the preparation of each fiscal year budget until the ordinance sunsets, to make recommendations to the City Council regarding how the proceeds from the implementation of the ordinance will be allocated for the ensuing budget year. The committee shall make recommendations to the Council to provide for local public services, including but not limited to police protection, fire suppression, vehicle repair and maintenance, finance analyst and human resources services that will improve the quality of life for residents and businesses within the City of Oroville. The committee shall meet at least quarterly during the fiscal year to ensure that the revenue generated by the ordinance is allocated and disbursed in accordance with the City budget. All quarterly and annual budget reports from the committee shall be published on the City of Oroville website prior to Council adoption of the budget and will be available for public review.

### 3.18.080 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.

### 3.18.090 Limitations of Adoption of State Law and Collection of Use Taxes

In adopting the provisions of Part 1 Division 2 of the Revenue and Taxation Code:

A. Wherever the State of California is names 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, Victim Compensation and Government Control Board, 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 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 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 work "City" shall be substituted for the word "State" in the phrase "retainer engaged in business in this State" in Section 6203 and in the definition of that phrase in Section 6203.

### 3.18.100 Permit not Required

If a seller's permit has been issued to a retailer under Section 6067 of the Revenue and Taxation Code an additional transaction's permit shall not be required by this ordinance.

### 3.18.110 Exemptions and Exclusions

A. There shall be excluded from the measure of the transactions tax and the use tax in the amount of any sales tax or use tax imposed by the State of California or by any





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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 shall be 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 City pursuant to the contract of sale by delivery to such point by the retailer or his/her or its 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 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 Chapter 2 of Division 3.5 commencing with Section 9840) if 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.

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 the ordinance.

5. For the purposes of subsections (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 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 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 purchase 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 any amount fixed by a lease prior to the operative date of this ordinance.

5. For the purposes of subsections (3) and (4) of this sub-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 in the City of 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 Chapter 2 of 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 ordinance may credit against that tax any transactions tax or reimbursement for transactions tax paid to a district



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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.

### 3.18.130 Amendments

All amendments subsequent to the effective date of the ordinance to Part 1 of Division 2 of the Revenue and Taxation Code relating to sales and use taxes and which are not consistent 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.

### 3.18.140 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 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 2. SEVERABILITY.** If any section, sub-section, sentence, clause, phrase portion of the application thereof to any person or circumstance of this ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate distinct and independent provision of such ordinance and shall not affect the validity of the remaining portions thereof.

**SECTION 3. CEQA COMPLIANCE.** The City Council finds and determines that the enactment of this Ordinance is not a "project" as that term is used in the California Environmental Quality Act ("CEQA;" Cal Pub. Resources Code Section 21000 et seq.) or the State CEQA Guidelines (Cal.Code of Regs. Title 14, Section 15000 et seq.) Therefore no environmental assessment is required or necessary.

**SECTION 4. EFFECTIVE DATE.** This ordinance relates to the levying and collecting of the City transactions and use taxes and shall take effect immediately upon its approval by voters of the City.

**SECTION 5. TERMINATION DATE.** The tax levied by this ordinance shall continue at the rate of 1% from April 01, 2017 until December 31, 2022. The authority to levy the tax imposed by this ordinance shall expire six (6) years from the operative date of this ordinance.

**SECTION 6. DECLARATION.** The proceeds of the taxes imposed by this ordinance may be used for any lawful purpose of the City, as authorized by ordinance, resolution or action of the City Council. These taxes are not special

taxes within the meaning of Section 1(d) of Article XIII C of the California Constitution, but are general taxes imposed for general government purposes.

**SECTION 7. EXECUTION.** The Mayor and City Council are authorized to subscribe this ordinance where indicated below to evidence its approval by the voters of the City.

**PASSED AND ADOPTED** by the Oroville City Council of the City of Oroville, County of Butte, State of California, on this **21**- day of **June, 2016**, by the following two-thirds vote:

Ayes: Council Members Berry, Del Rosario, Hatley, Pittman, Simpson, Vice Mayor Chan Wilcox, Mayor Dahlmeier

Noes: None

Abstain: None

Absent: None

s/Linda L. Dahlmeier, Mayor

APPROVED AS TO FORM:  
s/Scott. E. Huber, City Attorney

ATTEST:  
s/Donald Rust, Acting City Clerk