

## ORDINANCE NO. 815

### AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COALINGA ADDING SECTION 101-112 TO TITLE 3 CHAPTER 6 TO THE COALINGA MUNICIPAL CODE TO PROVIDE FOR AN ADDITIONAL ONE-PERCENT TRANSACTIONS AND USE TAX FOR GENERAL PURPOSES

BE IT ORDAINED BY THE COUNCIL AND THE PEOPLE OF THE CITY OF COALINGA:

#### SECTION I. AMENDMENT OF CODE.

Coalinga Municipal Code Title 3, Chapter 6, is hereby amended by the addition of a new Chapter to read as follows:

#### CHAPTER 3.-6.100 TRANSACTIONS AND USE TAX FOR GENERAL PURPOSES

- 3-6.101 Purpose/Title.
- 3-6.102 Operative Date.
- 3-6.103 Contract with State.
- 3-6.104 Transactions Tax Rate.
- 3-6.105 Place of Sale.
- 3-6.106 Use Tax Rate.
- 3-6.107 Adoption of Certain Sections of California Revenue & Taxation Code by Reference.
- 3-6.108 Limitations on Adoption of State Law and Collection of Use Taxes.
- 3-6.109 Permit Not Required.
- 3-6.110 Exemptions and Exclusions.
- 3-6.111 Amendments.
- 3-6.112 Enjoining Collection Prohibited.

#### Sec. 3-6.101 Purpose/Title:

This Ordinance shall be known as the City of Coalinga Transactions and Use Tax for General Purposes ordinance. The City of Coalinga shall hereinafter be called "City." This ordinance shall be applicable in the incorporated territory of the City. This Ordinance of the Coalinga Municipal Code has been adopted for the following 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 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 and Taxation Code.

(c) 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 California Department of Tax and Fee Administration in a manner that adapts itself as fully as practical 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, to the greatest degree possible consistent with the provisions of Parts 1.6 and 1.7 of Division 2 of the said 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 thereof.

(e) To provide a source of revenue to be used by the City for general purposes. There shall be no legal obligation created by this Chapter for use of the funds for specific purposes.

#### **Sec. 3-6.102 Operative Date and Sunset.**

"Operative date" means the first day of the first calendar quarter commencing more than 110 days after the adoption of this Ordinance, April 1, 2019. This ordinance shall expire April 1, 2029.

#### **Sec. 3-6.103 Contract with State.**

Prior to the operative date, the City shall contract with the California Department of Tax and Fee Administration to perform all functions incident to the administration and operation hereof. If the City has not 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. The Council may make any technical amendments to this Ordinance required by the California Department of Tax and Fee Administration, except for any changes affecting the tax rate, its manner of collection, or the purpose for which the revenue from the tax may be used.

#### **Sec. 3-6.104 Transactions Tax Rate.**

For the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all retailers in the incorporated territory of the City at the rate of one percent (1.00%) of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in the City of Coalinga on and after the operative date of this Ordinance. This tax is imposed in addition to the tax imposed pursuant to Chapter 3.12 of this Code.

#### **Sec. 3-6.105 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.

#### **Sec. 3-6.106 Use Tax Rate.**

An excise tax is hereby imposed on the storage, use, or other consumption in the City of tangible personal property purchased from any retailer on or after the operative date of this Ordinance for storage, use or other consumption in said territory, at the rate of one percent (1.00%) 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. The tax imposed is in addition to the tax imposed pursuant to Chapter 3.12 of this Code.

#### **Sec. 3-6.107 Adoption of Certain Sections of California Revenue & Taxation Code by Reference.**

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 said Code, as amended and in force and effect on the operative date of this Ordinance, applicable to use taxes are hereby adopted and made a part of this section as though fully set forth herein.

#### **Sec. 3-6.108 Limitations on Adoption of State Law and Collection of Use Taxes.**

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

(a) Wherever the State of California is named or referred to as the taxing agency, the name of this City shall be substituted therefor. However, the substitution shall not be made when:

(1) The word "State" is used as a part of the title of the State Controller, State Treasurer, State Board of Control, California Department of Tax and Fee Administration, 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 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 "City" shall be substituted for the word "State" in the phrase "retailer engaged in business in this State" in Section 6203 and in the definition of that phrase in Section 6203.

#### **Sec. 3-6.109 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.

#### **Sec. 3-6.110 Exemptions and Exclusions.**

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

(b) There are exempted from the computation of the amount of transactions tax the gross receipts from:

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

(2) Sales of property to be used outside the City which is shipped to a point outside the City, pursuant to the contract of sale, by delivery to such point by the retailer or his agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point. For the purposes of this paragraph, delivery to a point outside the City shall be satisfied:

(A) With respect to vehicles (other than commercial vehicles) subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, and undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code by registration to an out-of-City address and by a declaration under penalty of perjury, signed by the buyer, stating that such address is, in fact, his or her principal place of residence; and

(B) With respect to commercial vehicles, by registration to a place of business out-of-City and declaration under penalty of perjury, signed by the buyer, that the vehicle will be operated from that address.

(3) The sale of tangible personal property if the seller is obligated to furnish the property for a fixed price pursuant to a contract entered into prior to the operative date of this 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 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 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 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 subsections (3) and (4) of this section, storage, use, or other consumption, or possession of, or exercise of any right or power over, tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

(6) Except as provided in subparagraph (7), a retailer engaged in business in the City shall not be required to collect use tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the City or participates within the City in making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the City or through any representative, agent, canvasser, solicitor, subsidiary, or person in the City under the authority of the retailer.

(7) "A retailer engaged in business in the City" shall also include any retailer of any of the following: vehicles subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, or undocumented vessels registered under 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 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.

#### **Sec. 3-6.111 Amendments/Severability:**

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. If any provision of this Ordinance or the application thereof to any person or circumstances is held invalid, the remainder of the Ordinance and the application of such provision to other persons or circumstances shall not be affected thereby.

#### **Sec. 3-6.112 Enjoining Collection Prohibited:**

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 this City, or against any officer of the State or this City, to prevent or enjoin the collection hereunder, or Parts 1.6 and 1.7 of Division 2 of the Revenue and Taxation Code, of any tax or any amount of tax required to be collected.

### **SECTION II: STATUTORY AUTHORITY FOR TAX.**

This ordinance is adopted pursuant to Revenue and Taxation Code section 7285.9.

### **SECTION III: ELECTION REQUIRED.**

This ordinance shall not become operative unless and until at least a majority of the electors voting on this measure vote to approve the imposition of the tax at the election to be held on November 6, 2018.

### **SECTION IV: ANNUAL AUDIT.**

By no later than December 31st of each year, the City's independent auditors shall complete a financial audit report to include the revenue raised and expended by this tax.

### **SECTION V: EFFECTIVE DATE.**

This ordinance shall take effect on April 1, 2019, if approval by a majority of voters at the general election to be held on November 6, 2018.

### **SECTION VI: CERTIFICATION; PUBLICATION.**

Upon approval by the voters, the City Clerk shall verify to the passage and adoption of this ordinance and shall cause it to be published according to law and transmitted to the California Department of Tax and Fee Administration.

ATTEST:

CITY COUNCIL OF THE CITY OF COALINGA

\_\_\_\_\_  
Shannon Jensen, City Clerk

\_\_\_\_\_  
Ron Lander, Mayor

APPROVED BY THE FOLLOWING VOTE OF THE PEOPLE ON \_\_\_\_\_:

CITY OF COALINGA )

STATE OF CALIFORNIA )

COUNTY OF FRESNO )

CITY CLERK CERTIFICATION

I, \_\_\_\_\_, City Clerk of the City of Coalinga, do hereby certify that the foregoing is a full, true and correct copy of Ordinance No. 815 introduced at a regular meeting of the City Council of the City of Coalinga held on the **3rd day of January, 2019**, and adopted at a regular meeting on the **17th day of January, 2019** upon motion by \_\_\_\_\_, second of \_\_\_\_\_ by the following vote, as the same appears of record and on file in my office:

AYES:

NOES:

ABSTAIN:

ABSENT:

WITNESS my hand and Corporate City Seal of Coalinga this **17th day of January, 2019**.

OFFICE OF THE CITY CLERK OF COALINGA

\_\_\_\_\_  
Shannon Jensen, City Clerk