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ORDINANCE NO. 2020 –

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CULVER CITY, CALIFORNIA, AMENDING SUBCHAPTER 3.08.300 OF THE CULVER CITY MUNICIPAL CODE “ESSENTIAL CITY SERVICES TRANSACTIONS AND USE TAX” BY AMENDING SECTION 3.08.375 TO EXTEND THE EXPIRATION DATE TO MARCH 31, 2033.

THE PEOPLE OF THE CITY OF CULVER CITY, CALIFORNIA, DO HEREBY ORDAIN AS FOLLOWS:

SECTION 1. Subchapter 3.08.300 of the City of Culver City Municipal Code is hereby amended to read as follows (underline denotes addition, ~~strike-through~~ denotes deletion):

ESSENTIAL CITY SERVICES TRANSACTIONS AND USE TAX

- 3.08.300 Title
- 3.08.305 Operative date
- 3.08.310 Purpose
- 3.08.315 Contract with state
- 3.08.320 Transactions tax rate
- 3.08.325 Place of sale
- 3.08.330 Use tax rate
- 3.08.335 Adoption of provisions of state law
- 3.08.340 Limitations on adoption of state law and collection of use taxes
- 3.08.345 Permit not required
- 3.08.350 Exemptions and exclusions
- 3.08.355 Amendments
- 3.08.360 Enjoining collection forbidden
- 3.08.365 Severability
- 3.08.370 Effective date
- 3.08.375 Termination date

1 **§3.08.300. TITLE.**

2 This ordinance shall be known as the City of Culver City Essential City Services
3 Transactions and Use Tax Ordinance. The City of Culver City hereinafter shall be
4 called "City." This Ordinance shall be applicable in the incorporated territory of the
5 City.

6 **§3.08.305. OPERATIVE DATE.**

7 The Operative Date of this Ordinance shall be the first day of the first calendar
8 quarter commencing more than 110 days after the adoption of this Ordinance by the
9 voters, the date of such adoption being as set forth below.

10 **§3.08.310. PURPOSE.**

11 This ordinance is adopted to achieve the following, among other purposes, and
12 directs that the provisions hereof be interpreted in order to accomplish those purposes:

13 A. To enhance the City of Culver City's ability to offset state budget cuts
14 and provide essential City services to the residents of Culver City, such as: preserving
15 quality neighborhoods and ensuring effective 911 emergency response by retaining
16 firefighters, police officers, and paramedics; fixing potholes/streets; maintaining parks,
17 community centers, storm drains; continuing after school programs, senior services,
18 graffiti removal, arts/cultural programs, and other general services;

19 B. To ensure that the City has the financial means to provide for the well-
20 being and security of its residents and businesses as the City and its economic base
21 grows.

22 C. To impose a retail transactions and use tax in accordance with the
23 provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue
24 and Taxation Code and Section 7285.9 of Part 1.7 of Division 2 which authorizes the
25 City to adopt this tax ordinance which shall be operative if a majority of the electors
26 voting on the measure vote to approve the imposition of the tax at an election called
27 for that purpose.

28 D. 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.

 E. 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 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.

1 F. To adopt a retail transactions and use tax ordinance that can be
2 administered in a manner that will be, to the greatest degree possible, consistent with
3 the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, minimize
4 the cost of collecting the transactions and use taxes, and at the same time, minimize
5 the burden of record keeping upon persons subject to taxation under the provisions of
6 this ordinance.

7 **§3.08.315. CONTRACT WITH STATE.**

8 Prior to the operative date, the City shall contract with the State Board of
9 Equalization to perform all functions incident to the administration and operation of this
10 transactions and use tax ordinance; provided, that if the City shall not have contracted
11 with the State Board of Equalization prior to the operative date, it shall nevertheless so
12 contract and in such a case the operative date shall be the first day of the first
13 calendar quarter following the execution of such a contract.

14 **§3.08.320. TRANSACTIONS TAX RATE.**

15 For the privilege of selling tangible personal property at retail, a tax is hereby
16 imposed upon all retailers in the incorporated territory of the City at the rate of 0.5% of
17 the gross receipts of any retailer from the sale of all tangible personal property sold at
18 retail in said territory on and after the operative date of this ordinance. The tax
19 imposed herein is in addition to any other transactions tax imposed by the City, the
20 County of Los Angeles, or the State of California.

21 **§3.08.325. PLACE OF SALE.**

22 For the purposes of this ordinance, all retail sales are consummated at the
23 place of business of the retailer unless the tangible personal property sold is delivered
24 by the retailer or its agent to an out-of-state destination or to a common carrier for
25 delivery to an out-of-state destination. The gross receipts from such sales shall
26 include delivery charges, when such charges are subject to the state sales and use
27 tax, regardless of the place to which delivery is made. In the event a retailer has no
28 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.

§3.08.330. 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 and after the
operative date of this ordinance for storage, use or other consumption in said territory
at the rate of 0.5% 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 herein is in addition to any other
transactions tax imposed by the City, the County of Los Angeles, or the State of
California.

1 **§3.08.345. PERMIT NOT REQUIRED.**

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

5 **§3.08.350. EXEMPTIONS AND EXCLUSIONS.**

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

11 B. There are exempted from the computation of the amount of
12 transactions tax the gross receipts from:

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

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

23 a. With respect to vehicles (other than commercial vehicles)
24 subject to registration pursuant to Chapter 1 (commencing with Section 4000) of
25 Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of
26 the Public Utilities Code, and undocumented vessels registered under Division 3.5
27 (commencing with Section 9840) of the Vehicle Code by registration to an out-of-City
28 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 subparagraphs (3) and (4) of this section, the
sale or lease of tangible personal property shall be deemed not to be obligated

1 pursuant to a contract or lease for any period of time for which any party to the
2 contract or lease has the unconditional right to terminate the contract or lease upon
notice, whether or not such right is exercised.

3 C. There are exempted from the use tax imposed by this ordinance, the
4 storage, use or other consumption in this City of tangible personal property:

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

7 2. Other than fuel or petroleum products purchased by operators of
8 aircraft and used or consumed by such operators directly and exclusively in the use of
9 such aircraft as common carriers of persons or property for hire or compensation
10 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.

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

13 4. If the possession of, or the exercise of any right or power over, the
14 tangible personal property arises under a lease which is a continuing purchase of such
15 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.

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

20 6. Except as provided in subparagraph (7), a retailer engaged in
21 business in the City shall not be required to collect use tax from the purchaser of
22 tangible personal property, unless the retailer ships or delivers the property into the
23 City or participates within the City in making the sale of the property, including, but not
24 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
26 retailer of any of the following: vehicles subject to registration pursuant to Chapter 1
27 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in
28 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.

1 That retailer shall be required to collect use tax from any purchaser who registers or
2 licenses the vehicle, vessel, or aircraft at an address in the City.

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

8 **§3.08.355. AMENDMENTS.**

9 All amendments subsequent to the effective date of this ordinance to Part 1 of
10 Division 2 of the Revenue and Taxation Code relating to sales and use taxes and
11 which are not inconsistent with Part 1.6 and Part 1.7 of Division 2 of the Revenue and
12 Taxation Code, and all amendments to Part 1.6 and Part 1.7 of Division 2 of the
13 Revenue and Taxation Code, shall automatically become a part of this ordinance,
14 provided however, that no such amendment shall operate so as to affect the rate of tax
15 imposed by this ordinance.

16 **§3.08.360. ENJOINING COLLECTION FORBIDDEN.**

17 No injunction or writ of mandate or other legal or equitable process shall issue
18 in any suit, action or proceeding in any court against the State or the City, or against
19 any officer of the State or the City, to prevent or enjoin the collection under this
20 ordinance, or Part 1.6 of Division 2 of the Revenue and Taxation Code, of any tax or
21 any amount of tax required to be collected.

22 **§3.08.365. SEVERABILITY.**

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

26 **§3.08.370. EFFECTIVE DATE.**

27 This ordinance relates to the levying and collecting of the City transactions and
28 use taxes and shall take effect immediately upon its adoption by a majority vote of the
qualified electors of the City voting in an election on the subject.

3.08.375. TERMINATION DATE.

The authority to levy the tax imposed by this ordinance shall expire March 31,
~~2023~~ 2033.

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I hereby certify that the foregoing Ordinance was PASSED, APPROVED and ADOPTED by the People of the City of Culver City voting on the 3rd day of March, 2020.

MEGHAN SAHLI WELLS, MAYOR
City of Culver City, California

ATTEST

APPROVED AS TO FORM

JEREMY GREEN, City Clerk

CAROL A. SCHWAB, City Attorney