



CITY OF CARSON

Legislation Text

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Report to Mayor and City Council

Tuesday, June 21, 2022

Discussion

SUBJECT:

CONSIDERATION OF RESOLUTION NO. 22-101 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, CALLING AND GIVING NOTICE OF THE HOLDING OF A GENERAL MUNICIPAL ELECTION TO BE HELD ON NOVEMBER 8, 2022, FOR THE PURPOSE OF SUBMITTING TO THE VOTERS A MEASURE WHICH WOULD CONTINUE THE CITY'S EXISTING 2% UTILITY USERS' TAX ON GAS AND ELECTRIC UTILITIES UNTIL IT IS ENDED BY VOTERS, ENTITLED "CARSON ESSENTIAL SERVICES PROTECTION MEASURE";

CONSIDERATION OF RESOLUTION NO. 22-102 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, AUTHORIZING THE DRAFTING OF DIRECT ARGUMENTS, SETTING PRIORITIES FOR FILING WRITTEN ARGUMENT (S) AND DIRECTING THE CITY ATTORNEY TO PREPARE AN IMPARTIAL ANALYSIS, REGARDING A CITY MEASURE, ENTITLED THE CARSON ESSENTIAL SERVICES PROTECTION MEASURE, SUBMITTED AT THE GENERAL MUNICIPAL ELECTION ON NOVEMBER 8, 2022;

CONSIDERATION RESOLUTION NO. 22-103 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, PROVIDING FOR THE FILING OF REBUTTAL ARGUMENTS REGARDING A CITY MEASURE, ENTITLED CARSON ESSENTIAL SERVICES PROTECTION MEASURE, SUBMITTED AT THE GENERAL MUNICIPAL ELECTION ON NOVEMBER 8, 2022;

CONSIDERATION OF ORDINANCE NO. 22-2214 AN ORDINANCE OF THE PEOPLE OF THE CITY OF CARSON AMENDING CHAPTER 11 OF ARTICLE VI OF THE CARSON MUNICIPAL CODE, THEREBY CONTINUING THE CITY'S 2% UTILITY USERS' TAX ON GAS AND ELECTRIC UTILITIES, WHICH IS A GENERAL TAX, UNTIL IT IS ENDED BY VOTERS (CITY COUNCIL).

I. SUMMARY

The City's current Utility Users Tax is 2% on gas and electric in the City ("UUT") and collected \$8,670,112 for FY 20-21. The UUT is scheduled to end on July 1, 2023. As a general tax, the UUT funds various general City services such as 911 emergency

response, public safety, public health emergency/disaster preparedness; protect local drinking water; repair streets/potholes; and other general City services. In order to continue the UUT, the City's qualified voters must approve its continuation. Accordingly, if approved, the proposed ballot measure will continue the UUT until it is ended by the City's voters ("UUT Measure").

The attached resolutions will allow the City to submit to the UUT Measure to the City's voters at the November 8, 2022, General Election. Specifically, if adopted, these resolutions would accomplish the following: (1) submitting the UUT Measure and requesting consolidation of the same with the November 8, 2022, Statewide General Election; (2) providing for the drafting of direct arguments, setting the order in which the direct arguments are chosen if more than one are submitted, and directing the City Attorney to draft an impartial analysis for the UUT Measure; and (3) authorizing rebuttal arguments for the UUT Measure.

II. RECOMMENDATION

WAIVE further reading and ADOPT (in the following order):

1. RESOLUTION NO. 22-101 CALLING AND GIVING NOTICE OF A GENERAL MUNICIPAL ELECTION ON NOVEMBER 8, 2022, FOR THE PURPOSE OF SUBMITTING A UTILITY USERS TAX ("UUT") MEASURE, WHICH CONTINUES THE UUT UNTIL IT IS ENDED BY VOTERS, TO THE CITY'S VOTERS; SUBMITTING THEREOF AT THE NOVEMBER 8, 2022, GENERAL MUNICIPAL ELECTION; AND REQUESTING THE COUNTY OF LOS ANGELES TO CONSOLIDATE A GENERAL MUNICIPAL ELECTION ON NOVEMBER 8, 2022; AND

2. ADOPT RESOLUTION NO. 22-102 REGARDING THE DIRECT ARGUMENTS AND ORDERING THE DRAFTING OF AN IMPARTIAL ANALYSIS FOR THE UUT MEASURE; AND

3. ADOPT RESOLUTION NO. 22-103 AUTHORIZING REBUTTAL ARGUMENTS TO THE UUT MEASURE.

III. ALTERNATIVES

Take any other action deemed appropriate, subject to the requirements of applicable law.

IV. BACKGROUND

1. UUT and Budget Overview

The 2% Utility Users Tax ("UUT") is a general tax and collected \$8,670,112 for FY 20-21 in

revenue for the City's general services. The UUT is levied by the City on the consumer of the utility services, collected by the utility as part of its regular billing procedure, and then remitted to the City. It is set to expire on July 1, 2023. Any increase or extension of the UUT requires voter approval. Over the years, the City's UUT collections are as follows:

	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21
Utility Users Tax revenue	\$7,030,672	\$8,129,186	\$7,892,486	\$7,458,906	\$8,670,112

For example, the UUT funds general City services such as 911 emergency response, public safety; natural disaster/public health emergency preparedness; protect local drinking water; repair streets/potholes and other general City services.

If the UUT Measure is not approved by the voters, then the UUT will end on July 1, 2023.

2. Proposed UUT Measure

The City's UUT was originally enacted in 2009 and was extended in 2016 such that it would expire on July 1, 2023. The proposed UUT Measure would not change anything else in the UUT other than to remove the sunset by allowing the UUT to continue beyond July 1, 2023, until it is ended by the City's voters.

3. Three Election Resolutions

Three election resolutions concerning the proposed general UUT Measure are presented for City Council consideration:

The first resolution call an election for the purpose of and orders the submission of the proposed UUT Measure to the voters at the November 8, 2022, election, and, further, requests consolidation thereof with the Statewide election being run by LA County on the same date.

The second resolution is concerned with written arguments (both in favor and against) about the UUT Measure and authorizes, but does not require, City Councilmembers to draft arguments. It also directs the City Attorney to prepare an impartial analysis of the proposed UUT Measure.

The third resolution provides for the filing of rebuttal arguments to the primary written arguments. The rebuttal arguments are prepared by the opposite authors of the primary written arguments.

4. Issues Concerning Three Election Resolutions

- a. Ballot Label. The first resolution includes a “ballot label” (commonly known as the “ballot question”) which describes the proposed UUT Measure, and which is the question presented to the voters. Ballot labels are limited to 75 words or less. The Council may revise the language used for the ballot label within the following state law restrictions:
 - i. “If the proposed measure imposes a tax or raises the rate of a tax, the ballot shall include in the statement of the measure to be voted on the amount of money to be raised annually and the rate and duration of the tax to be levied.” (Election Code section 13119(b).)
 - ii. “The statement of the measure shall be a true and impartial synopsis of the purpose of the proposed measure, and shall be in language that is neither argumentative nor likely to create prejudice for or against the measure.” (Election Code section 13119(c).)

This proposed UUT Measure only continues an existing general tax and the revenue will be deposited into the General Fund and may be spent for unrestricted general revenue purposes; the ballot label may make reference to possible uses (while not committing the revenue to those uses).

- b. Argument Authorization. The second resolution authorizes, but does not require, all councilmembers to write arguments concerning the ballot measure. If three or more Councilmembers jointly write a ballot argument, then the Brown Act will require the collaboration to occur at a noticed public meeting.
- c. Rebuttals. Rebuttal arguments are optional under state law and are allowed at the discretion of the City Council. If the City Council does not desire to authorize rebuttal arguments, then Council should not approve this third election resolution.

5. Procedures

A two-thirds (i.e., 4 Councilmembers) vote of all members of the City Council (Gov’t Code § 53724(b); Charter Section 907) will be required to pass the resolution to order the submission of the proposed UUT Measure to the voters.

Passage of the UUT Measure will require approval by a majority of the voters. If approved, the UUT will continue to generate revenue, deposited in the general fund, available for any general governmental purpose. Thus, the UUT is a “general tax” and, for the purposes of Proposition 218, the continuation of the UUT must be approved by a majority of voters

since it seeks to continue the UUT beyond July 1, 2023. (Cal. Const. art. 13C, § 2(b).).

V. FISCAL IMPACT

The City of Carson's Utility and Users Tax rate is 2.0% generating annual revenue of \$8 million. Continuing the existing UUT will ensure the \$8.0 million in general tax and the revenue will be deposited into the General Fund.

VI. EXHIBITS

A. Resolution No. 22-101 Calling the Election for the purposes of and Submitting the UUT Measure and Requesting Consolidation thereof with the Statewide Election being run by LA County (pgs.6-10)

B. Resolution No. 22-102 regarding Direct Arguments concerning the UUT Measure and Ordering the Drafting an Impartial Analysis of the UUT Measure (pgs.11-12)

C. Resolution No. 22-103 Authorizing Rebuttal Arguments to the Direct Arguments (pgs.13-14)

D. Proposed UUT Continuation Ordinance No. 22-2214 (pgs.15-17)

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