

TEXT OF THE MEASURE

ORDINANCE NO.

ORDINANCE OF THE CITY OF CHULA VISTA AMENDING
TITLE 3, CHAPTER 3.33 OF THE CHULA VISTA MUNICIPAL
CODE TO CONTINUE A TEMPORARY ONE-HALF CENT
GENERAL TRANSACTIONS AND USE TAX TO BE
ADMINISTERED BY THE CALIFORNIA DEPARTMENT OF
TAX AND FEE ADMINISTRATION

Subject to approval by an affirmative, simple majority vote of the people as required by law, the People of the City of Chula Vista do ordain as follows:

Section I.

Title 3, Chapter 3.33 of the Chula Vista Municipal Code, entitled “Chula Vista Temporary \$0.005 Sales Tax” is amended as set forth below, continuing a local transactions and use tax within the City of Chula Vista, to be administered by the California Department of Tax and Fee Administration. Deletions are indicated by strikethroughs and additions are indicated by underlines.

Section II.

Section 3.33.020, subsection C. is amended to read as follows:

3.05.020 Purpose.

...

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 ~~State Board of Equalization~~ 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 ~~State Board of Equalization~~ California Department of Tax and Fee Administration in administering and collecting the California State sales and use taxes.

Section III.

Section 3.33.050 is amended to read as follows:

3.33.050 Termination date.

The authority to levy the tax imposed by this chapter shall expire March 31, 2037~~10 years following the operative date.~~

Section IV.

Section 3.33.060 is amended to read as follows:

3.33.060 Contract with the State ~~Board of Equalization~~.

Prior to the operative date, City shall contract with the ~~State Board of Equalization~~ California Department of Tax and Fee Administration to perform all functions incident to the administration and operation of this chapter; provided, that if the City shall not have contracted with the ~~State Board of Equalization~~ 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~~ effective date of such a contract.

Section V.

Section 3.33.070 is amended to read as follows:

3.33.070 Place of sale.

For the purposes of this chapter, 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 ~~State Board of Equalization~~ California Department of Tax and Fee Administration.

Section VI.

Section 3.33.090 is amended to read as follows:

3.33.090 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 part of the title of the State Controller, State Treasurer, Victim Compensation and Government Claims Board, ~~State Board of Equalization~~ California Department of Tax and Fee Administration, State Treasury, or the Constitution of the state of California.

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2. The result of that substitution would require action be taken by or against this City or any agency, officer, or employee thereof, rather than by or against the ~~State Board of Equalization~~ California Department of Tax and Fee Administration, in performing the functions incident to the administration or operation of this chapter.

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.

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 VII.

The adoption of this Ordinance is exempt from the California Environmental Quality Act (CEQA), Public Resources Code section 21000 et seq. and California Code of Regulations, title 14, section 15000 et seq. (CEQA Guidelines). The general transactions and use tax this Ordinance adopts does not “involve any commitment to any specific project which may result in a potentially significant physical impact on the environment,” and thus it is not a project under CEQA Guidelines section 15378(b)(4).

Section VIII.

If a majority of City voters cast votes in favor of this Ordinance in the election held on November 5, 2024, this Ordinance shall be considered adopted and may be executed below upon the date that the vote is declared by the City Council.

Section IX.

As soon as practicable after this Ordinance is adopted pursuant to Section 8, the City Clerk shall certify to the passage and adoption of this Ordinance, cause it to be published according to law, and shall transmit it to the California Department of Tax and Fee Administration. The Mayor and City Clerk are hereby authorized to execute this Ordinance where indicated below to give evidence that the votes have approved it.

Section X.

This Ordinance and Chapter 3.33 of the Chula Vista Municipal Code may be amended or repealed by ordinance of the City Council or the voters. However, as required by Article XIII C of the California Constitution, no amendment to this Ordinance may increase the rates of the taxes above those authorized by this Ordinance unless such amendment is submitted to and approved by the voters.

Section XI.

The proceeds of the taxes imposed by this Ordinance and Title 3, Chapter 3.33 of the Chula Vista Municipal Code 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 Article XIII C, section 1(d), but are general taxes imposed for general government purposes.