



Meeting Date: 07 / 01 / 08

ACTION	TYPE OF ITEM
<input type="checkbox"/> Approved Recommendation	<input type="checkbox"/> Info/Consent
<input type="checkbox"/> Ord. No(s). _____	<input checked="" type="checkbox"/> Report
<input type="checkbox"/> Res. No(s). _____	<input type="checkbox"/> Public Hearing (Info/consent)
<input type="checkbox"/> Other _____	<input type="checkbox"/> Other _____

Prepared By: Martin R. Erickson Agenda Item No. 0-1

Reviewed By: City Manager [Signature] City Attorney [Signature] Finance [Signature] Other (Specify) \_\_\_\_\_

**DATE:** June 24, 2008

**TO:** City Council

**FROM:** Edmund F. Sotelo, City Manager  
City Manager's Office

**SUBJECT:** Potential One-Half Cent Sales Tax Increase Measure for November 4, 2008 Ballot

**RECOMMENDATION**

That City Council:

1. Consider a presentation on the results of the Public Information and Community Outreach Program "We Hear You" authorized by City Council on February 12, 2008 regarding a potential one-half cent sales tax increase measure for the November 4, 2008 ballot.
2. At City Council's discretion, adopt by a two-thirds vote a resolution placing on the ballot for submission to the voters a measure relating to a general purpose one-half cent sales tax increase for a term of twenty years at the general municipal election to be held on November 4, 2008.
3. Introduce an ordinance, to be adopted upon subsequent voter approval on November 4, 2008, establishing a general-purpose one-half cent sales tax increase for a term of twenty years.

**DISCUSSION**

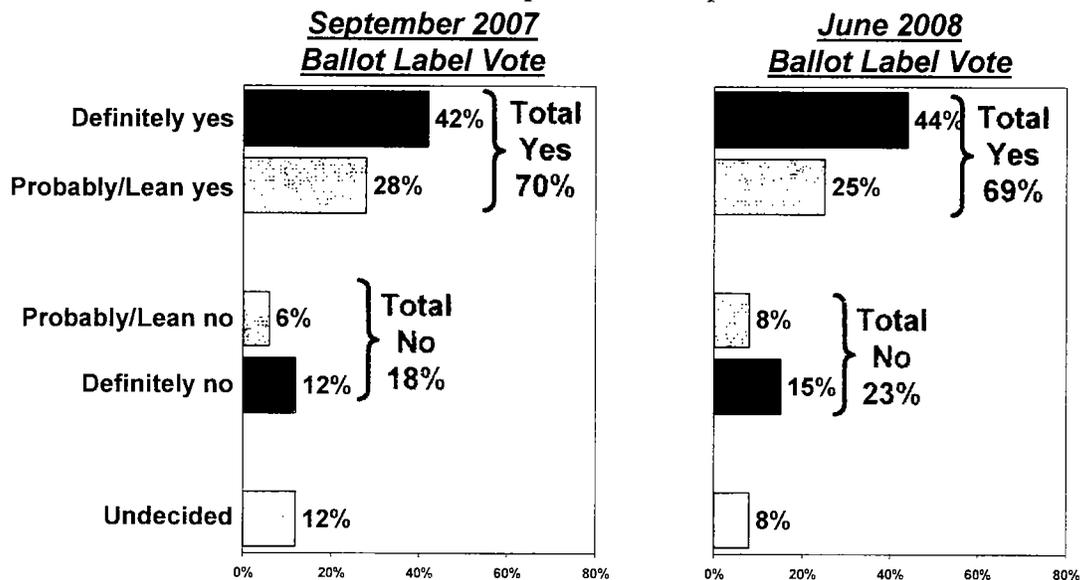
On January 15, 2008, City Council conducted a study session to review and consider the results of a revenue ballot measure feasibility survey regarding a general-purpose sales tax increase of not more than one-half cent. The survey of 400 randomly selected voters in Oxnard was conducted by Fairbank, Maslin, Maullin & Associates (FMMA) from September 26-30, 2007, and marked a key step in a process that began during the development of the City's Fiscal Year 2007-2009 budget process. The City Council also directed the City Manager to return with a proposal for development of an action plan, schedule and budget for proceeding with a public information and community outreach program to educate residents about the City's current fiscal situation and the enhanced services that could be provided if a general purpose one-half cent sales tax increase was collected in Oxnard.

The September, 2007 survey disclosed that many residents believe that new revenues are required to enhance the services currently provided by the City. The City, however, has limited mechanisms to raise funds to enhance quality of life services, even with the current City reserves and a history of balanced budgets. The downturn of the economy coupled with State diversions of funds over the last 10 years has caused a leveling-off of revenues and "status quo" budgets. These revenue limitations have caused the City to defer the maintenance and support of street and road repairs, park developments and maintenance, recreation services and youth programs. Services that Oxnard residents stated in the recent survey were of critical importance to the community.

Importantly, City staff's primary motivation for considering a one-half cent sales tax increase is not to "balance the budget". In fact, despite a worsening State and federal financial outlook, Oxnard's finances are in sound shape, especially when compared to those of neighboring cities. By prudent policy direction from the City Council and management of resources, Oxnard has maintained significant general fund reserves since 2000.

City staff's recommendation to City Council to consider the possibility of a half-cent general purpose sales tax increase is based on using the revenues to provide a higher level of municipal services to residents across a broad range of vital areas inherent in what constitutes Oxnard residents "quality of life".

In June 2008, FMMA conducted a second survey of 400 residents to determine if voter sentiment had changed since the September 2007 survey. Despite significant negative changes in the State economy and voter sentiment Statewide, the June 2008 survey further confirmed that voter support for a general purpose one-half cent sales tax increase remains positive, as depicted in the table below.



\* FMM&A has conducted two telephone surveys of Oxnard voters likely to cast a ballot in the November 4, 2008 Presidential Election. The first survey was conducted September 26-30, 2007, and the second survey was conducted June 12-15, 2008. Both surveys sampled 400 Oxnard voters and each survey has a margin of error for the sample as a whole of +/- 4.9 percentage points. The margin of error for subgroups within the sample will be higher.

On February 12, 2008, City Council authorized the City Manager to develop a plan, schedule and budget

for a public education and community outreach program in an amount not to exceed \$150,000 to inform residents about the City's current financial situation and the potential uses of revenue should the City Council determine to include a one-half cent sales tax increase measure on the November 4, 2008, general election ballot.

Beginning in March 2008, City staff has engaged the community in an in-depth public information and community outreach program, making presentations to a variety of resident and neighborhood groups, service clubs, sports associations, educational organizations, business associations, neighborhood councils, City commissions and boards and Parent Teacher Associations. Over 40 educational and community outreach meetings were conducted, as listed below:

Fremont South Neighborhood Council	Soroptimist International of Oxnard
Economic Development Corporation of Oxnard	Ventura County Star Editorial Board
South Oxnard Revitalization	Oxnard Downtown Management District
Oxnard Sunrise Rotary	Commission on Homelessness
Senior Services Commission	Kiwanis of Oxnard
Oxnard Library Board of Directors	Friends of the Library
Commission on Community Relations	Parks and Recreation Commission
Sierra Linda Neighborhood Council	Rotary Club of Oxnard
Community Meeting in Council Chambers	East Village Neighborhood Council
Planning Commission	Lions' Club
Physically Challenged and Special Needs Program	Ventura County Taxpayers Association
West Village Neighborhood Council	Ventura Coastal Realtors
American Legion Post 48	Oxnard PTA Council
Oxnard Convention & Visitors Bureau	Oxnard Chamber of Commerce Board
Wilson Neighborhood Council	Knights of Columbus
Service Employees International Union (SEIU)	Youth Sports Organizations:
Inter-Neighborhood Council Forum (INCF)	AYSO, American Youth Soccer Organization
Bartolo Square North Neighborhood Council	Little Leagues
Bartolo Square South Neighborhood Council	Girls Slow Pitch & Fast Pitch Leagues
Windsor North Neighborhood Council	Youth Tackle Football Leagues
League of Women Voters	Lemonwood Eastmont Neighborhood Council

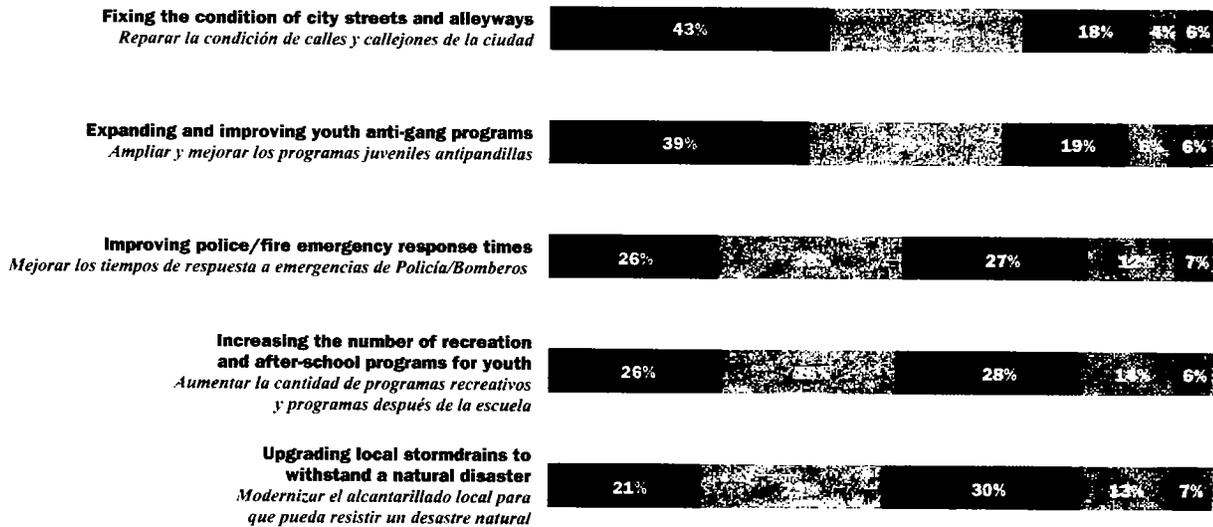
The information program was entitled "We Hear You", and in addition to the community meetings, staff mailed informational brochures to all Oxnard residents. All materials were printed in English and Spanish and made available on the City website. Key components of the mailer included:

- Overview of City Finances: This concise overview of the City's budget includes a description of the general fund vs. other funds, general fund revenue sources, and general fund expenditures and explained how current sales tax revenue is allocated by the City.
- Frequently Asked Questions (FAQ's): The FAQ's informed residents about key facts concerning the sales tax rate, for example that Oxnard's current rate of 7.25% is at the lowest level in the State.
- Resident Survey: This survey asked residents to rate serious concerns facing the City, as well as preferences for use of potential new revenue on a scale of 1 to 4. The survey provided for an open ended response that asked residents to express any additional concerns to be addressed by the City, as well as further suggestions of how any potential revenue should be used.

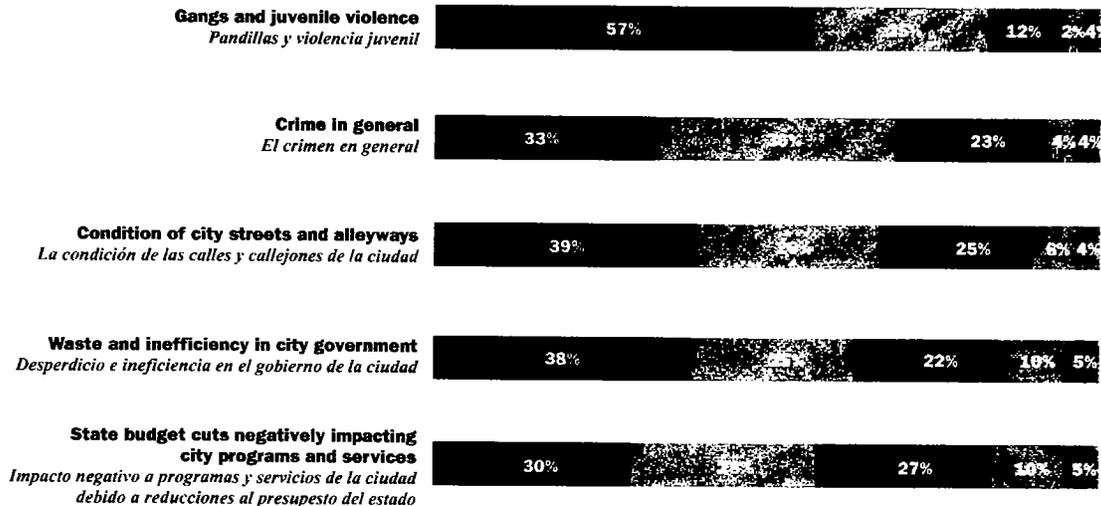
The City received nearly 1,500 resident surveys (850 hard copy and 400 over the internet) which exceeded the goal of 1,000. The table below summarizes the key findings, which in many instances matched the findings from the September, 2007 survey. Approximately 75 surveys respondents, roughly 5%, indicated they would not be in favor of sales tax increase, some citing the timing with the downturn in the economy. Public safety and street repair concerns dominated the written responses, in many cases citing specific streets or alleys in need of repair. Staff will forward this information to appropriate departments for follow up.

EXTREMELY IMPORTANT	VERY IMPORTANT	SOMEWHAT IMPORTANT	NOT IMPORTANT	NO ANSWER
EXTRÊMADAMENTE IMPORTANTE	MUY IMPORTANTE	ALGO IMPORTANTE	NO ES UN PROBLEMA IMPORTANTE	SIN UNA RESPUESTA

**Top 5 Concerns**



**Top 5 Funding Preferences**



Based on this input, the following summarizes key features of the proposed ballot measure:

1. If passed by a simple majority of voters, adopts a local option sales tax increase of one-half cent. This is estimated to generate \$10 million annually that would provide "enhancements" of vital city services. This local-option sales tax will be administered by the State Board of Equalization, and the proposed ordinance includes the provisions to do so.
2. Allocates the proceeds for general purposes. This includes essential services like street paving, police protection, fire and paramedic services, traffic congestion relief, neighborhood code compliance, and senior and recreation services.
3. Includes strong fiscal accountability provisions. Consistent with the City's ongoing commitment to citizen involvement as a fundamental principle of good government, specific citizen oversight and accountability provisions include:
  - a. Independent annual financial audit. The amount of revenues generated by this measure and how the funds will be used will be included in an annual financial audit performed by an independent certified public accountant.
  - b. Integration of the use of funds into the City's budget and strategic planning process. The estimated revenue and proposed use of funds generated by this measure will be an integral part of the City's budget and strategic planning process. Significant opportunities will be provided for meaningful participation by citizens in determining priority uses of these funds.
  - c. Annual community report. A written report will be provided annually to every household in the community detailing how much revenue is being generated by the measure and how funds are being used.
  - d. Bi-annual citizen oversight meeting. An oversight committee appointed by City Council and modeled after the school bond committee (including a representative from the business community) will convene twice in a yearly period to review and discuss the use of revenue generated by the measure. City staff will also be available to meet with any group that requests a specific briefing with their members to discuss and answer questions about the revenue generated by the measure and its uses.
4. Provides that the measure will expire in twenty years, unless extended by the voters. Placing the measure back on the ballot after twenty years gives voters an opportunity to reassess the measure after enough time has passed to address many of the enhancements identified by voters. This period of time also provides City Council with an opportunity to leverage some of the revenues in order to expedite infrastructure improvements.

Potential One-Half Cent Sales Tax Increase Measure for November 4, 2008 Ballot  
June 26, 2008  
Page 6

## **FINANCIAL IMPACT**

The County of Ventura has estimated the election costs associated with this item to be approximately \$10,000. The City Manager's proposed FY 2008-2009 budget provides adequate funding for this effort in the City Clerk's Office budget.

MRE:lal

Attachment #1 - Resolution Submitting to the Voters a Ballot Measure  
#2 - Proposed Ordinance Regarding One-Half Cent Sales Tax Increase

CITY COUNCIL OF THE CITY OF OXNARD

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OXNARD CALLING A REGULAR MUNICIPAL ELECTION FOR NOVEMBER 4, 2008 FOR THE PURPOSE OF SUBMITTING TO THE VOTERS A BALLOT MEASURE TO PROVIDE FOR A ONE-HALF CENT SALES TAX INCREASE, REQUESTING CONSOLIDATION WITH THE STATEWIDE GENERAL ELECTION, REQUESTING COUNTY CLERK TO RENDER SERVICES AND SUPPLIES, AND AUTHORIZING THE BOARD OF SUPERVISORS TO CONVASS THE RETURNS

The City Council of the City of Oxnard resolves as follows:

SECTION 1. To submit to the voters at the Regular Municipal Election on Tuesday, November 4, 2008, the following measure:

<b>City of Oxnard Vital City Services Measure:</b> To protect, maintain, and enhance vital City services including police, fire and emergency response, increasing street paving and sidewalk/pothole repair to improve traffic flow, expanding youth recreation, after-school and anti-gang prevention programs, acquiring property for parks/open space preservation, upgrading storm water drains, improving senior services, increasing building code compliance, and other general City services – shall the sales tax be increased by one-half cent for twenty years only, with citizen oversight and independent annual financial audits?	YES
	NO

SECTION 2. That this resolution is adopted pursuant to Elections Code section 10403 requesting that the Board of Supervisors of Ventura County, pursuant to Elections Code section 10401, order that this regular municipal election be consolidated with the Statewide general election to be held on November 4, 2008.

SECTION 3. That pursuant to Elections Code section 10411, the Board of Supervisors is authorized to canvass the returns of the regular municipal election to be held in the City of Oxnard on November 4, 2008.

SECTION 4. That pursuant to Elections Code section 10002, the Board of Supervisors is requested to permit the County Clerk to render the services and supplies as shown on Exhibit A, attached hereto and made a part hereof, and any and all other services and supplies necessary to complete the regular municipal election on November 4, 2008.

Resolution No.

Page Two

SECTION 5. That the City of Oxnard agrees to pay the reasonable cost of the services and supplies rendered by the County Clerk.

SECTION 6. That pursuant to Elections Code section 9285(b), the City Council of the City of Oxnard adopts the provisions of Elections Code section 9285(a).

SECTION 7. That the City Clerk is directed to forward to the Board of Supervisors and to the County Clerk a certified copy of this resolution.

SECTION 8. That the City Clerk shall certify to the adoption of this resolution and cause the same to be posted as required by law.

PASSED AND ADOPTED this \_\_\_\_ day of July, 2008 by the following vote:

AYES:

NOES:

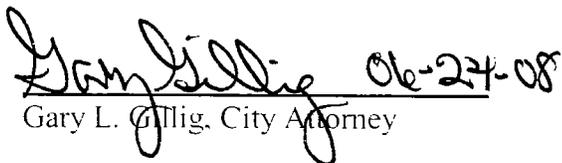
ABSENT:

\_\_\_\_\_  
Dr. Thomas E. Holden, Mayor

ATTEST:

\_\_\_\_\_  
Daniel Martinez, City Clerk

APPROVED AS TO FORM:

 06-24-08  
\_\_\_\_\_  
Gary L. Gilling, City Attorney

ATTACHMENT 1  
PAGE 2 OF 4

000046

# VENTURA COUNTY REQUEST FOR SPECIFIED ELECTION SERVICES

TO: PHILIP J. SCHMIT, Ventura County Clerk and Recorder

FROM: Oxnard Daniel Martinez  
 City, School District or Special District Name Signature of Authorization

ELECTION: General Municipal DATE: 4 November 2008

## ITEM #1 PUBLICATIONS

- X  
 \_\_\_\_\_  
 \_\_\_\_\_
- A. County elections official is requested to publish: Notice of Election of Measure, Offices, Nominees, Election Officers and Polling Places.
- B. City/District will publish.

## ITEM #2 CANDIDATE & MEASURE FORMS

\_\_\_\_\_ County elections to provide one master set for copying.

## ITEM #3 CANDIDATE & MEASURE/INITIATIVE PROPONENT FILINGS

- \_\_\_\_\_ County elections will check nomination petition signatures.  
 \_\_\_\_\_ County elections to serve as filing official for all Measure document filings, i.e. deadline filing dates, maximum number of words, forms, and format.
- X  
 \_\_\_\_\_
- A. City/District to be billed for costs of handling and printing of all measure materials. Pursuant to Elections Code Section 10002, City agrees to reimburse county elections official in full for the services performed upon presentation of a bill.
- \_\_\_\_\_ County elections to prepare the set-up and verification of signatures submitted on an initiative, recall or referendum attempting to qualify for the ballot.
- \_\_\_\_\_ A. Random sample of 500 signatures.  
 \_\_\_\_\_ B. Full check of all signatures submitted.

## ITEM #4 CANDIDATE STATEMENT

- \_\_\_\_\_ A. Maximum number of words permitted for the Candidate's Statement will be 200 words.
- \_\_\_\_\_ B. City/District to be billed for pro-rata cost of handling and printing Candidate Statements. Pursuant to Elections Code Section 10002, City/District agrees to reimburse county elections official in full for the services performed upon presentation of a bill.
- \_\_\_\_\_ C. District candidates to pay pro-rata cost of handling and printing of Candidate Statements.

ATTACHMENT 1  
 PAGE 3 OF 4



CITY COUNCIL OF THE CITY OF OXNARD

ORDINANCE NO. \_\_\_\_\_

AN UNCODIFIED ORDINANCE OF THE CITY COUNCIL OF THE CITY OF OXNARD ADOPTING THE "VITAL CITY SERVICES TRANSACTIONS (SALES) AND USE TAX", TO SUNSET IN TWENTY YEARS WITH CITIZEN OVERSIGHT AND INDEPENDENT ANNUAL FINANCIAL AUDITS. TO BE ADMINISTERED BY THE STATE BOARD OF EQUALIZATION

WHEREAS, the City Council of the City of Oxnard desires to provide enhanced levels of vital community services including police, fire and emergency response, increasing street paving and sidewalk/pothole repair to improve traffic flow, expanding youth recreation, after-school and anti-gang prevention programs, acquiring property for parks/open space preservation, upgrading storm water drains, improving senior services, increasing building code compliance, and other general City services; and

WHEREAS, the City Council has maintained balanced budgets with healthy general fund reserves for over 10-years despite losing millions of dollars in State budget takeaways over that same time period; and

WHEREAS, new sources of revenues will be required in order for the City Council to meet the expectations of Oxnard residents for enhanced City services, and also to restore losses in funding from State takeaways; and

WHEREAS, a City-voter adopted sales tax is an appropriate way of adding new funds, because the current sales tax rate in the City is the lowest in the State, and as such, even with the increase of one-half cent, the sale tax rate will be equal to or lower than the rate paid by 80% of the State's residents; a sales tax increase is broad based and does not single out any one type of consumer, business or industry; and basic commodities and services like housing, food and prescription drugs are exempt from sales taxes.

NOW, THEREFORE, the People of the City of Oxnard do ordain as follows:

Part 1. TITLE. This ordinance shall be known as the "City of Oxnard Vital Services Transactions (Sales) and Use Tax Ordinance." The City of Oxnard hereinafter shall be referred to as "City." This ordinance shall be applicable in the incorporated territory of the City.

Part 2. OPERATIVE DATE. "Operative Date" is 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.

Part 3. PURPOSE. This ordinance is adopted to achieve the following, among other purposes, and directs that the provisions hereof be interpreted in order to accomplish those purposes:

ATTACHMENT 2  
PAGE 1 OF 7

000049

A. To protect, maintain, and enhance vital city services by imposing a general purpose retail transactions and use tax of one-half cent 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 Council to adopt this tax ordinance which shall be operative if two-thirds of the City Council and a majority of the electors voting on the measure vote to approve the establishment of this new general purpose revenue source 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 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 State sales and use tax.

D. 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 retail 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.

Part 4. TWENTY-YEAR SUNSET. The authority to levy the tax imposed by this ordinance shall expire twenty years from the operative date of this ordinance, unless extended by the voters.

Part 5. FISCAL ACCOUNTABILITY PROVISIONS: CITIZEN OVERSIGHT AND INDEPENDENT ANNUAL FINANCIAL AUDITS. Consistent with the City's ongoing commitment to citizen involvement as a fundamental principle of good government, specific citizen oversight and fiscal accountability provisions regarding the revenues collected as a result of the adoption of this ordinance are hereby established as follows:

A. Independent Annual Financial Audit. The amount generated by this new general purpose revenue source and how the revenues were used shall be included in the annual audit of the City's financial operations by an independent certified public accountant.

B. Integration of the Use of Funds into the City's Budget and Strategic Planning Process. The estimated revenue and proposed use of funds generated by this ordinance shall be an integral part of the City's budget and strategic planning process, and significant opportunities will be provided for meaningful participation by citizens in determining priority use of these funds.

C. Annual Community Report. A written report will be provided annually to every household in the City detailing how much revenue is being generated by the ordinance and how funds are being used.

D. Bi-annual Citizen Oversight Meeting. An oversight committee appointed by City Council and modeled after the school bond committee (including a representative from the business community) will convene twice in a yearly period to review and discuss the use of revenue generated by the measure. City staff will also be available to meet with any group that requests a specific briefing with their members to discuss and answer questions about the revenue generated by the measure and its uses.

Part 6. 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 retail 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, the City 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.

Part 7. TRANSACTIONS TAX RATE. For the privilege of selling tangible personal property at retail, an additional tax is hereby imposed upon all retailers in the incorporated territory of the City at the rate of 0.5% of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in such territory on and after the operative date of this ordinance.

Part 8. 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/her 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.

Part 9. 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 the City 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.

Part 10. 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.

Part 11. 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. 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, 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, 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 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.

Part 12. 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.

Part 13. EXEMPTIONS AND EXCLUSIONS.

A. There shall be excluded from the ordinance the amount of any sales tax or use tax imposed by the State 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 retail 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/her agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point. For the purposes of this subpart, 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/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 subparts (3) and (4) of this Part 13B, 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 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 a 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 subparts (3) and (4) of this Part 13C, 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 subpart (7) of this Part 13C, 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 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.

Part 14. AMENDMENTS. 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.

Part 15. 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.

Part 16. SEVERABILITY. If any provision of this ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the ordinance and the application of such provision to other persons or circumstances shall not be affected thereby.

Part 17. EFFECTIVE DATE. This ordinance relates to the levying and collecting by the City of retail transactions and sales use taxes and is hereby adopted and effective immediately upon approval by the voters of Oxnard.

INTRODUCED on July 1, 2008, and adopted this 8th day of July, 2008, by the following vote:

AYES:

NOES:

ABSENT:

PASSED and ADOPTED by the voters of the City of Oxnard on November 4, 2008 by the following votes.

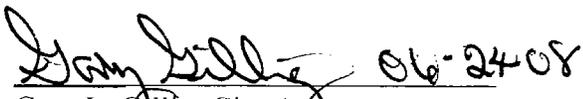
Ayes \_\_\_\_\_ Noes \_\_\_\_\_

\_\_\_\_\_  
Dr. Thomas E. Holden, Mayor

ATTEST:

\_\_\_\_\_  
Daniel Martinez, City Clerk

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Gary L. Gillig, City Attorney

ATTACHMENT 2  
PAGE 7 OF 7