County of Los Angeles
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SACHI A. HAMAI
Chief Executive Officer

Board of Supervisors
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First District

MARK RIDLEY-THOMAS
Second District

SHEILA KUEHL
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

July 11, 2016

To: Supervisor Hilda L. Solis, Chair
Supervisor Mark Ridley-Thomas
Supervisor Sheila Kuehl
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: Sachi A. Hamai
Chief Executive Officer

POTENTIAL COUNTYWIDE HOMELESS FUNDING REVENUE MEASURES FOR THE NOVEMBER 2016 GENERAL ELECTION BALLOT (ITEM NO. 40-A, AGENDA OF JULY 5, 2016)

On July 5, 2016, the Board of Supervisors (Board) directed this Office and County Counsel to report back at the July 12, 2016 Board meeting with draft resolutions and expenditure plans on four funding measures which could be placed on the November 8, 2016 General Election ballot.

This memorandum is in response to the Board directive above. Attachment I provides a summary of the four potential revenue measures (listed below) for the November 8, 2016 General Election ballot and includes information on projected annual revenue, Board vote required, electorate vote required, and polling information before and after messaging. The four revenue measures, with attached draft resolutions and expenditure plans are:

- Three cent per square foot parcel tax dedicated to combating homelessness (Attachment II);
- ¼ percent general transactions and use tax with an advisory question asking voters if generated revenue should be used to address mental health factors and other causes and effects of homelessness (Attachment III);
- Up to 10 percent special tax on both medical and recreational marijuana dedicated to combating homelessness (Attachment IV); and
- Up to 10 percent general tax on both medical and recreational marijuana with an advisory question asking voters if generated revenue should be used to combat homelessness (Attachment V).

If you have any questions or require additional information, please contact Phil Ansell, Director, Office of Homelessness at pansell@ceo.lacounty.gov or 213-974-1752.

SAH:JM:FAD
PA:JR:ef

Attachments

c: Executive Office, Board of Supervisors
County Counsel

Attachment I

SUMMARY OF POTENTIAL HOMELESS FUNDING REVENUE MEASURES FOR THE NOVEMBER 8, 2016 GENERAL ELECTION BALLOT

POTENTIAL HOMELESS REVENUE OPTION	PROJECTED ANNUAL REVENUE (with tax rate)	BOARD VOTE REQUIRED	ELECTORATE VOTE REQUIRED	POLL DATE - POLLSTER	POLL YES %	
					Initial Vote	*After Messaging*
Parcel Tax	$189 million ($.03 per square foot of improvements on developed property)	3	2/3	6/16 -Binder	67%	61%
				6/16- Steinberg	69% (77% when in first ballot position of local measures; 61% when in 3rd ballot position.)	60% (Tested only when this measure was in the 3rd ballot position of local measures.)
General Transactions and Use Tax (TUT)	$355 million (1/4%)	4	Majority	6/16 - Binder	69%	60%
Special Marijuana Tax	$78 to $130 million (10% on medical and recreational marijuana)	3	2/3	6/16 – Binder	69%	64%
General Marijuana Tax	$78 to $130 million (10% on medical and recreational marijuana)	4	Majority	None	N/A (but 64% after messaging for Nov. 2016 marijuana special tax in 6/16 poll)	

July 6, 2016

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES PROVIDING FOR AND GIVING NOTICE OF A SPECIAL TAX ELECTION TO BE HELD IN THE COUNTY OF LOS ANGELES ON NOVEMBER 8, 2016, AND CONSOLIDATING THE SPECIAL TAX ELECTION WITH OTHER ELECTIONS TO BE HELD ON NOVEMBER 8, 2016

WHEREAS, the current crisis of homelessness that pervades communities across Los Angeles County ("County") demands the maximum possible response by the County, cities, and community partners throughout the region; and

WHEREAS, according to the Los Angeles Homeless Services Authority, the total point-in-time homeless population in Los Angeles County was 39,461 in 2013, 44,359 in 2015, and 46,874 in 2016, which equals a 19 percent increase since 2013; and

WHEREAS, the number of homeless people living in vehicles, tents and encampments has skyrocketed by a staggering 123% from 2013 to 2016; and

WHEREAS, on August 17, 2015, the Los Angeles County Board of Supervisors launched the Homeless Initiative to combat the homeless crisis that pervades our communities; and

WHEREAS, the County Chief Executive Officer's ("CEO") Homeless Initiative conducted an inclusive and comprehensive planning process, including 18 policy summits on nine topics from October 1 to December 3, 2015, which brought together 25 County departments, 30 cities and other public agencies, and over 100 community partners and stakeholders; and

WHEREAS, the Homeless Initiative generated a powerful set of 47 coordinated and integrated strategies divided into the following six areas which are each key to combating homelessness:

- Prevent Homelessness
- Subsidize Housing
- Increase Income
- Provide Case Management and Services
- Create a Coordinated System
- Increase Affordable/Homeless Housing; and

WHEREAS, the recommended strategies of the Homeless Initiative reflect the following key principles:

- Homelessness is an extraordinarily complex problem which necessitates active, sustained countywide collaboration amongst the County, cities and other public agencies, and a wide array of community partners;
- The web of established collaborative relationships in Los Angeles County provides a very strong foundation for the implementation of these strategies;
- These recommended strategies must strengthen and build upon current County efforts by:
    - Directing more resources to proven strategies;
    - Integrating existing programs and services more effectively;
    - Enabling cities to join the County in combating homelessness; and
    - Identifying opportunities to leverage mainstream criminal justice, health, and social services; and

WHEREAS, on February 9, 2016, after hearing the testimony of elected officials and representatives from over fourteen cities from throughout the County who pledged their support and commitment to working collaboratively with the County, the Board of Supervisors adopted the CEO's Homeless Initiative strategies; and

WHEREAS, for fiscal year 2016-17, the Board of Supervisors has approved new, one-time funding of $100 million from the County's general fund to initiate the implementation of the strategies developed by the Homeless Initiative; however, this funding will not sustain the recommended strategies for more than one or two years; and

WHEREAS, best budget projections make it very clear that current County resources are not sufficient to fund countywide initiatives and services to combat homelessness on an ongoing basis at the levels required to address the current crisis within Los Angeles County; and

WHEREAS, this past winter, both the County and the City of Los Angeles declared local states of emergency as it relates to the lack of shelter for homeless persons within the County and the City; and

WHEREAS, the Board of Supervisors unanimously voted to seek a statewide declaration of emergency for the State's homelessness crisis, the California State Assembly passed a resolution also urging the Governor to declare a statewide emergency regarding the State's homelessness crisis, and the State has proposed the No Place Like Home initiative that will provide funding for the construction of permanent supportive housing for households suffering from homelessness and mental illnesses, and the City of Los Angeles has placed an initiative on the November 2016 ballot to raise revenues to construct permanent supportive housing, the County has a need to provide the prevention, crisis, and support services, as well as mental health/substance abuse treatment and rental subsidies, that will ensure that the State and City initiatives successfully combat homelessness for homeless children, families, foster youth, seniors, disabled individuals, veterans, and other homeless adults; and

WHEREAS, Government Code section 23027 authorizes counties to impose special taxes on all property within the county subject to approval of the voters, and permits a lower tax rate on unimproved parcels; and

WHEREAS, the Board of Supervisors recognizes that it is necessary and desirable that the County levy a special parcel tax of three cents per square foot of improvements, and $24 per parcel of unimproved property, within all areas of the County to raise revenue to combat the homeless crisis within Los Angeles County, as all residents, businesses, and properties will benefit from programs that address the causes and effects of homelessness; and

WHEREAS, pursuant to Article XIII C, section 2(d) of the Constitution and California Government Code sections 53721-53724, a special tax is subject to approval by a majority vote of the Board of Supervisors and by a two-thirds vote of the qualified voters voting in an election on the issue; and

WHEREAS, pursuant Government Code section 53724(c), an election for the approval of a special tax must be consolidated with a regularly scheduled general election for members of the governing body of the local government; and

WHEREAS, the County's general elections are held on the same day as the statewide general election in each even-numbered year, and the next regularly

scheduled general election for members of the Board of Supervisors and the next statewide general election will be held on Tuesday, November 8, 2016; and

WHEREAS, the Board of Supervisors deems it necessary and essential to submit the question of the special tax to the qualified voters within the County at a general election to be held on November 8, 2016, and to consolidate such election with the other elections to be held on that date.

NOW, THEREFORE BE IT RESOLVED by the Board of Supervisors of the County of Los Angeles as follows:

Section 1. Call of the Election and Purpose. An election shall be held and the same is hereby called and ordered to be held in the County on the 8th day of November, 2016, for the purpose of submitting to the voters a proposed ordinance regarding a special tax in the amounts hereinafter set forth.

Section 2. Ballot Measure. The measure for the County to levy a special tax shall appear on the ballot substantially as follows:

Homelessness Response Measure To generate ongoing funding for homelessness prevention and emergency support services, including rent subsidies, counseling, mental illness, drug, and alcohol addiction treatment, job training, and housing for homeless children, seniors, families, foster youth, veterans, the disabled, and other adults, shall Los Angeles County adopt Ordinance No. ___ levying a countywide tax of three cents per square foot of improvements, and $24 per parcel of unimproved property, annually, with annual audits/ citizens' oversight?	YES _____ NO _____

Section 3. Ordinance. The attached ordinance, Exhibit A, is incorporated by reference ("Ordinance").

Section 4. Specific Purpose. The specific purpose of the special tax is to generate ongoing funding for homelessness prevention and emergency support services, including rent subsidies, counseling, mental health, drug, and alcohol addiction treatment, job training, and housing for children, seniors, families, foster youth, veterans, the disabled, and homeless adults, consistent with the strategies for combating homelessness developed through the Homeless Initiative adopted by the

Board of Supervisors, and as otherwise directed by the Board to address the causes and effects of homelessness, as further described in the Ordinance.

Section 5. Accountability Measures. Pursuant to Government Code section 50075.3, if the special tax is approved, for so long as any proceeds of the special tax remain unexpended, the County Auditor-Controller shall cause a report to be prepared by an independent auditor and to be filed with the Board of Supervisors no later than December 31st of each year, commencing December 31, 2017, stating (1) the amount of special tax revenues collected and expended in such year; and (2) the status of any project and description of any services or programs funded from proceeds of the special tax. The report may relate to the calendar year, fiscal year, or other appropriate annual period, as the Auditor-Controller shall determine, and may be incorporated into or filed with the annual budget, audit, or other appropriate routine report to the Board of Supervisors.

Section 6. Community Oversight and Accountability. A Citizens' Oversight Advisory Board shall be created, as provided for in the Ordinance, to review all expenditures from the special tax, and submit periodic evaluations of the Homeless Initiative and the County's programs to combat homelessness funded by the special tax.

Section 7. Tax Account. If the ballot measure authorizing the special tax is approved, the proceeds of the special tax shall be deposited in a special account, to be created and maintained by the County.

Section 8. California Environmental Quality Act. Based upon all of the facts before it on this matter, the Board of Supervisors finds that the submission of this question of a special tax to the voters is not subject to, or is exempt from, the California Environmental Quality Act (CEQA). Submission of the special tax to the voters is not a project as defined by California Code of Regulations Section 15378(b)(4) because it relates to the creation of government funding mechanisms, which do not involve commitment to any specific project which may result in a potentially significant physical impact on the environment.

Section 9. Proclamation. Pursuant to section 12001 of the Elections Code, the Board of Supervisors of the County of Los Angeles hereby PROCLAIMS that an

election shall be held in the County on Tuesday, November 8, 2016, to vote upon the proposed ordinance. The polls shall be open from 7:00 a.m. to 8:00 p.m.

Section 10. Election Procedure. All qualified voters residing within the County shall be permitted to vote in the election and in all particulars not recited in this resolution, the elections shall be held as nearly as practicable in conformity with the Elections Code of the State of California. The votes cast for and against the measure shall be separately counted and if the measure receives the required number of votes, two-thirds (2/3) of the votes cast by the qualified electors voting on the measure, the special tax in the amounts stated in the Ordinance shall be effective and ratified.

Section 11. Sample Ballot. The Registrar-Recorder/County Clerk is instructed to print the entire proposed Ordinance in the sample ballot.

Section 12. Consolidation. The election called by this Resolution shall be consolidated with the other elections conducted by the Registrar-Recorder/County Clerk to be held in the County of Los Angeles on November 8, 2016, and the measure shall be placed on the same ballot.

Section 13. Authority. This Resolution is adopted pursuant to section 12001 of the Elections Code and section 25201 of the Government Code. The Executive Officer-Clerk of the Board of Supervisors is ordered to file a copy of this Resolution with the Registrar-Recorder/County Clerk at least eighty-eight (88) days prior to the day of the election. The Registrar-Recorder/County Clerk is authorized, instructed and directed to prepare any documents and take any additional actions that may be necessary in order to properly and lawfully conduct the election.

The foregoing resolution was on the ____ day of July 2016, adopted by the Board of Supervisors of the County of Los Angeles and ex officio the governing body of all other special assessment and taxing districts, agencies, and authorities for which said Board so acts.

LORI GLASGOW, Executive Officer-
Clerk of the Board of Supervisors of the
County of Los Angeles

By:_____

APPROVED AS TO FORM:

MARY C. WICKHAM
County Counsel

By:_____
Deputy County Counsel

ANALYSIS

This ordinance adds Chapter 4.73 -- Special Tax to Combat Homelessness, of the Los Angeles County Code to impose a special tax of three cents per square foot of improvements and $24 per parcel of unimproved property countywide. The sole purpose of the special tax is to address the causes and effects of homelessness. The ordinance will become effective only after approval by two-thirds of the qualified voters voting in an election on the issue.

MARY C. WICKHAM
County Counsel

By_____
Deputy County Counsel

ORDINANCE NO._____

An ordinance amending Title 4, Revenue and Finance of the Los Angeles County Code, to add Chapter 4.73--Special Tax to Combat Homelessness, relating to a countywide special tax to address the causes and effects of homelessness.

The people of the County of Los Angeles ordains as follows:

SECTION 1. Chapter 4.73 is hereby added to read as follows:

Chapter 4.73

Special Tax to Combat Homelessness

Sections:

4.73.010 Title.

4.73.020 Adoption and Rates of Tax.

4.73.030 Purpose and Use of Tax.

4.73.040 Annual Expenditure Plans.

4.73.050 Special Account.

4.73.060 Community Oversight and Accountability.

4.73.070 Accountability Measures.

4.73.080 Repeal or Amendment.

4.73.090 Severability.

4.73.100 Execution.

4.73.010 Title.

This Chapter shall be known as the "Special Tax to Combat Homelessness" ordinance.

4.73.020 Adoption and Rates of Tax.

A. Pursuant to section 23027 of the California Government Code, the Board of Supervisors of the County of Los Angeles ("Board of Supervisors") hereby adopts, an annual special tax upon all parcels located within the County of Los Angeles ("County") in the manner and at the rates set forth in this Chapter.

B. Commencing with Tax Year 2017-2018, the special tax shall be levied on all taxable improved parcels in the County at a rate of three cents per square foot of structural improvements, excluding the square footage of improvements used for parking.

C. Commencing with Tax Year 2017-2018, the special tax shall be levied on all taxable unimproved parcels in the County at a rate of $24 per parcel.

D. For each tax year after 2017-2018, the Board of Supervisors shall by a majority vote set the rate of the tax; however, in any fiscal year the rate on improved parcels may be set no higher than the amount of three cents per square foot, as adjusted by the cumulative increases, if any, to the Consumer Price Index--All Urban Consumers--Los Angeles-Riverside-Orange County, CA--all items, from July 1, 2017, as established by the United States Bureau of Labor Statistics, and the rate on unimproved parcels may be set no higher than $24 per parcel, as adjusted by the cumulative increases, if any, to the Consumer Price Index--All Urban Consumers--Los Angeles-Riverside-Orange County, CA--all items, from July 1, 2017, as established by the United States Bureau of Labor Statistics. If for any fiscal year the Board of

Supervisors fails to set the rate for improved or unimproved parcels, the tax shall continue at the same rate or rates as the preceding year.

E. All laws and procedures regarding exemptions, due dates, installment payments, corrections, cancellations, refunds, late payments, penalties, liens and collections ad valorem property taxes shall be applicable to the collection of the special tax. The secured roll tax bills shall be the only notices required for the levying of the special tax. The County shall cause the special tax to be placed on the appropriate County tax roll for the initial Tax Year 2017-2018, and for subsequent tax years. The Treasurer and Tax Collector of the County shall collect the special tax on the tax roll at the same time and in the same manner, and subject to the same penalties and interest as the ad valorem property taxes fixed and collected by or on behalf of the County.

F. Properties owned by public agencies devoted to a public use or to protect public health or safety will not be assessed, consistent with the statutes applying to possessory interests. The special tax shall be levied on possessory interests based on the amount of privately-held structural improvements.

4.73.030 Purpose and Use of Tax.

The sole purpose of the special tax is addressing the causes and effects of homelessness within Los Angeles County. Revenues generated by the special tax shall be used to sustain the implementation of the County's Homeless Initiative's recommended strategies, adopted by the Board of Supervisors on February 9, 2016, and as otherwise directed by the Board of Supervisors to address the causes and effects of homelessness, consistent with this Chapter.

4.73.040 Annual Expenditure Plans.

A. Consistent with Section 4.73.030, above, the revenues generated by the special tax will be expended by the County pursuant to an expenditure plan approved by the Board of Supervisors prior to June 30th of each year. The annual expenditure plan will include, but not be limited to, the following priorities:

1. Prevent Homelessness:

   a. Homeless Prevention Program for Families;

   b. Homeless Prevention Program for Individuals.

2. Subsidize Housing:

   a. Expand Rapid Rehousing;

   b. Provide subsidized housing to homeless disabled individuals pursuing Supplemental Security Income;

   c. Facilitate utilization of federal housing subsidies;

   d. Family reunification housing subsidies;

   e. Interim/bridge housing for those exiting institutions.

3. Provide Case Management and Services:

   a. Mental health, substance use, and counseling services;

   b. Regional Integrated Re-entry Network;

   c. Jail In-reach;

   d. Criminal Record Clearing Project;

   e. Provide services for Permanent Supportive Housing.

4. Increase Income:

a. Increase employment for homeless adults by supporting social enterprise;

b. Subsidized employment for homeless adults;

c. Countywide Supplemental Security/Social Security Disability income, and Veterans benefits advocacy.

5. Create a Coordinated System:

a. Expand Countywide Outreach System;

b. Strengthen the Coordinated Entry System;

c. Enhance the Emergency Shelter System;

d. Enhance services for transition age youth.

6. Affordable Housing for the Homeless:

a. Preserve current affordable housing;

b. Promote the development of affordable housing for homeless families and individuals.

7. Other services to address the causes and effects of homelessness.

B. To the extent feasible, revenues from the special tax shall be used to leverage additional public and private resources to address the causes and effects of homelessness, consistent with this Chapter.

C. Revenues from the special tax may be awarded as grants to public agencies and non-profit organizations to address the causes and effects of homelessness, consistent with this Chapter. The Board of Supervisors shall adopt

policies and procedures for the solicitation and award of such grants. Nothing herein precludes the County from using revenue generated by the special tax for contracting with for-profit contractors and private businesses in compliance with applicable law.

4.73.050 Special Account.

Any special tax proceeds shall be deposited in a special account, created and maintained by the County, and used only for the specific purposes identified in Section 4.73.030, above.

4.73.060 Community Oversight and Accountability.

A. The Citizens' Homelessness Initiative Oversight Advisory Board ("Advisory Board") is hereby created.

B. The Advisory Board shall be comprised of five members appointed by the Board of Supervisors. Each Supervisorial District shall nominate one member for appointment by the Board of Supervisors. The Advisory Board shall include at least one member that meets each of the following criteria:

1. A professional from the field of municipal/public finance and/or accounting and budgeting with a minimum of ten years of relevant experience in evaluating financial transactions and program cost-effectiveness; and

2. An individual working in the homelessness services, research, or advocacy field in a management position with a minimum of ten years of relevant experience.

The Advisory Board members shall be governed by and comply with State conflict of interest laws (e.g., Government Code section 87000 et seq.; and section

1090 et seq.) and the County's conflict of interest policies. The members shall have no legal action pending against Los Angeles County and are prohibited from acting in any activity directly or indirectly involving funding provided through this ordinance during their tenure on the Advisory Board. Advisory Board members shall not have direct interest or employment with any public or private entity, which receives funding provided through this ordinance.

C. The Advisory Board shall do all of the following:

1. Semi-annual review of all expenditures from the special tax;

2. Publish a complete accounting of all allocations each year, posting the information on the County's publicly accessible Internet Web site; in a downloadable spreadsheet format, including information about the location and footprint of each funded project, its objectives, status, and outcomes, any matching funds used, and the applicable program from the expenditure plan schedule;

3. Submit periodic evaluations to the County of the special tax expenditures, which may at the Board of Supervisors' direction be undertaken by independent researchers, identifying any changes needed to meet the objectives of the Homeless Initiative.

D. Members of the Advisory Board shall serve a term of four years at the pleasure of the Board of Supervisors, and no member may serve more than two consecutive four-year terms. The Board of Supervisors may, by order, extend this length of service or waive this limit for individuals or the Advisory Board as a whole. A member's position shall become vacant upon his or her death, resignation, or removal

by the Board of Supervisors. In the case of such a vacancy, the Supervisorial District from which the vacancy arose shall nominate a successor for appointment by the Board of Supervisors to fill the unexpired term.

E. Members of the Advisory Board shall not be compensated for their service, but may be reimbursed for actual and necessary expenses incurred in the performance of their duties.

4.73.070 Accountability Measures.

For so long as any proceeds of the special tax remain unexpended, the Auditor-Controller shall cause a report to be prepared by an independent auditor and filed with the Board of Supervisors no later than December 31st of each year, stating: (i) the amount of special tax proceeds collected and expended in such year; and (ii) the status of any projects or description of any services or programs funded from proceeds of the special tax.

4.73.080 Repeal or Amendment.

The Board of Supervisors may repeal or amend this ordinance in any manner, without voter approval, provided that such repeal or amendment does not result in an increase in the special tax imposed by Section 4.73.020 of this Chapter, or change the purpose and use of the special tax as described in Section 4.73.030 of this Chapter. The Board of Supervisors may likewise adopt and amend, or caused to be adopted and amended, additional procedures relating to the special tax including, without limitation, procedures relating to the imposition, collection, retention of tax proceeds, and appeals,

in any manner which does not result in an increase in the special tax, without further voter approval.

4.73.090 Severability.

If any provision of this ordinance or any part thereof, is for any reason held to be invalid or unconstitutional, the remaining provisions shall not be affected, but shall remain in full force and effect, and to this end the provisions of this ordinance are severable.

4.73.100 Execution.

The Chair of the Board of Supervisors is authorized to attest to the adoption of this ordinance by the voters of the County at the Election.

I hereby certify that the foregoing ordinance was PASSED, APPROVED and ADOPTED by the people of the County of Los Angeles voting on the 8th day of November 2016.

_____
Chair of the Board of Supervisors

[CH473JWCC]

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES PROVIDING FOR AND GIVING NOTICE OF A SPECIAL ELECTION ON A GENERAL COUNTYWIDE TRANSACTIONS AND USE (SALES) TAX MEASURE AND ADVISORY MEASURE TO BE HELD IN THE COUNTY OF LOS ANGELES ON NOVEMBER 8, 2016, AND CONSOLIDATING THE SPECIAL ELECTION WITH THE STATEWIDE GENERAL ELECTION TO BE HELD ON NOVEMBER 8, 2016

WHEREAS, pursuant to Parts 1.6 and 1.7 of Division 2 of the Revenue and Taxation Code, the County of Los Angeles ("County") is authorized to impose a retail transactions and use ("sales") tax in the incorporated and unincorporated territory of the County for general purposes at a rate of 0.125% (or any multiple thereof); and

WHEREAS, pursuant to Article XIII C, section 2(a) of the California Constitution, a general sales tax may be imposed for general governmental purposes to maintain the quality of life of the people of the County by funding general County services, including Homeless Initiative strategies and homeless support services; and

WHEREAS, the County desires to impose a retail sales tax for general governmental purposes at a rate of one-quarter percent (0.25%) on the sale of tangible personal property and the storage, use, or other consumption of such property; and

WHEREAS, pursuant to Article XIII C, section 2(b) of the Constitution and California Government Code sections 53721-53724, a general sales tax is subject to approval by two-thirds vote of the Board of Supervisors and by a majority vote of the qualified voters voting in an election on the issue; and

WHEREAS, pursuant to Article XIII C, section 2(b) of the Constitution and California Government Code section 53724(c), an election for the approval of a

general tax must be consolidated with a regularly scheduled general election for members of the governing body of the local government; and

WHEREAS, the County's general elections are held on the same day as the statewide general election in each even-numbered year, and the next regularly scheduled general election for members of the Board of Supervisors and the next statewide general election will be held on Tuesday, November 8, 2016; and

WHEREAS, the Board of Supervisors is considering using the sales tax revenue to provide funding for the current crisis of homelessness that pervades communities across the County and demands the maximum possible response by the County, cities, and community partners throughout the region; and

WHEREAS, the Board of Supervisors deems it necessary and essential to submit the sales tax measure, and an advisory measure asking voters whether the tax revenue should be used for Homeless Initiative strategies and services to combat homelessness, to the qualified voters within the County at a general election to be held on November 8, 2016, and to consolidate such election with the other elections to be held on that date.

NOW, THEREFORE BE IT RESOLVED by the Board of Supervisors of the County of Los Angeles as follows:

Section 1. Call of the Election and Purpose. An election shall be held and the same is hereby called and ordered to be held in the County on the 8th day of November, 2016, for the purpose of submitting to the voters: (1) the Ordinance attached hereto as Exhibit A and incorporated herein ("Ordinance") by this reference, which was approved by a two-thirds vote of the Board of Supervisors; and (2) an advisory measure ("Advisory Measure"). The Ordinance shall become effective if a majority of the qualified voters of the County of Los Angeles voting on the Ordinance measure set forth in Section 2, below, vote in favor of the measure. The Advisory Measure, also set forth in Section 2, is non-binding.

Section 2. Ballot Measure. Pursuant to Elections Code section 10403, the ballot forms shall have printed on them the following words with regard to the measures:

Advisory Measure (Advisory Vote Only)	
If the Los Angeles County sales tax measure is approved, should the County use all of that revenue to address the County's homeless crisis: providing mental health/substance abuse treatment; support services; prevention/ outreach/ crisis services; job training, rental subsidies; emergency and affordable housing for homeless children, families, foster youth, seniors, disabled individuals, veterans, and other homeless adults, with annual audits/citizens' oversight?	YES
	NO

Los Angeles County Sales Tax Measure	
Shall Los Angeles County adopt Ordinance No. _____ enacting a countywide sales tax of 0.25% for general County purposes?	YES
	NO

Section 3. Proclamation. Pursuant to section 12001 of the Elections Code, the Board of Supervisors of the County of Los Angeles hereby PROCLAIMS that an election shall be held in the County on Tuesday, November 8, 2016, to vote upon the measures. The polls shall be open from 7:00 a.m. to 8:00 p.m.

Section 4. Election Procedure. All qualified voters residing within the County shall be permitted to vote in the election and in all particulars not recited in this Resolution, the elections shall be held as nearly as practicable in conformity with the Elections Code of the State of California. The votes cast for and against the measures shall be separately counted. Each measure requires a majority of the votes cast by the qualified electors voting on each measure to be effective.

Section 5. Sample Ballot. The Registrar-Recorder/County Clerk is instructed to print the entire proposed ordinance in the sample ballot.

Section 6. Consolidation. The election called by the resolution shall be consolidated with the other elections conducted by the Registrar-Recorder/County Clerk to be held in the County of Los Angeles on November 8, 2016, and the measures shall be placed on the same ballot in the order set forth in this Resolution.

Section 7. Authority. This Resolution is adopted pursuant to section 12001 of the Elections Code and section 25201 of the Government Code. The Executive Officer-Clerk of the Board of Supervisors is ordered to file a copy of this Resolution with the Registrar-Recorder/County Clerk at least eighty-eight (88) days prior to the day of the election. The Registrar-Recorder/County Clerk is authorized, instructed and directed to prepare any documents and take any additional actions that may be necessary in order to properly and lawfully conduct the election.

Section 8. California Environmental Quality Act. Based upon all of the facts before it on this matter, the Board of Supervisors finds that the submission of the measures to the voters is not subject to, or is exempt from, the California Environmental Quality Act (CEQA). Submission of the measures is not a project as defined by California Code of Regulations Section 15378(b)(4) because it relates to the creation of government funding mechanisms, which do not involve commitment to any specific project which may result in a potentially significant physical impact on the environment.

The foregoing resolution was on the ____ day of July 2016, adopted by the Board of Supervisors of the County of Los Angeles and ex officio the governing body of all other special assessment and taxing districts, agencies, and authorities for which said Board so acts.

LORI GLASGOW, Executive Officer-
Clerk of the Board of Supervisors of
the County of Los Angeles

By:_____

APPROVED AS TO FORM:

MARY C. WICKHAM
County Counsel

By:_____
Deputy County Counsel

ANALYSIS

This ordinance adds Chapter 4.73--County Transactions and Use Tax, of the Los Angeles County Code to impose a general countywide tax of 0.25% on all retail sales consummated at the retailer's place of business, and on the storage, use or other consumption of tangible personal property. Revenues generated from the County Transactions and Use Tax will be placed in the County general fund and may be used for any County services. The ordinance will become effective only after approval by a two-thirds vote of the County Board of Supervisors and a majority of the qualified voters voting in an election on the issue.

MARY C. WICKHAM
County Counsel

By_____
Deputy County Counsel

ORDINANCE NO._____

An ordinance amending Title 4, Revenue and Finance of the Los Angeles County Code, to add Chapter 4.73—Transactions and Use Tax, relating to a general county-wide transactions and use tax.

The people of the County of Los Angeles ordains as follows:

SECTION 1. Chapter 4.73 is hereby added to read as follows:

Chapter 4.73

Transactions and Use Tax

Sections:

4.73.010 Title.

4.73.020 Operative Date.

4.73.030 Purpose.

4.73.040 Advisory Measure

4.73.050 Contract with State.

4.73.060 Transactions Tax Rate.

4.73.070 Place of Sale.

4.73.080 Use Tax Rate.

4.73.090 Adoption of Provisions of State Law.

4.73.100 Limitations on Adoption of State Law and Collection of Use.

4.73.110 Permit Not Required.

4.73.120 Exemptions and Exclusions.

4.73.130 Amendments.

4.73.140 Enjoining Collection Forbidden.

4.73.150 Severability.

4.73.160 Effective Date.

4.73.170 Execution.

4.73.010 Title.

This Chapter shall be known as the "Transactions and Use Tax" ordinance. The County of Los Angeles hereinafter shall be called "County." This ordinance shall be applicable in the incorporated and unincorporated territory of the County.

4.73.020 Operative Date.

The "Operative Date" means 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.

4.73.030 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:

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 of Part 1.7 of Division 2 which authorizes the County 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 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.

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 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.

4.73.040 Advisory Measure

An advisory measure was also placed on the ballot at the same election at which this ordinance was adopted, asking the voters of the County if the County should use the proceeds of this tax to address the County's homeless crisis. The advisory measure is not binding on the Board of Supervisors with respect to its use of the tax proceeds.

4.73.050 Contract with State.

Prior to the operative date, the County shall contract with the State Board of Equalization to perform all functions incident to the administration and operation of this transactions and use tax ordinance; provided, that if the County shall not have contracted with the State Board of Equalization 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.

4.73.060 Transactions Tax Rate.

For the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all retailers in the incorporated and unincorporated territory of the County at the rate of 0.25% of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in said territory on and after the operative date of this ordinance.

4.73.070 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 State Board of Equalization.

4.73.080 Use Tax Rate.

An excise tax is hereby imposed on the storage, use or other consumption in the County 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 0.25% 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.

4.73.090 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.

4.73.100 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 County 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 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 County 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 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 "County" shall be substituted for the word "State" in the phrase "retailer engaged in business in this State" in section 6203 of the Revenue and Taxation Code, and in the definition of that phrase in section 6203.

4.73.110 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.

4.73.120 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 County which is shipped to a point outside the County, 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 County 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-County 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-County 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 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 County 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.

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 subparagraphs 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 County 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 County or participates within the County 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 County or through any representative, agent,

canvasser, solicitor, subsidiary, or person in the County under the authority of the retailer.

7. "A retailer engaged in business in the County" 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 County.

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 County 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.

E. Any person subject to a use tax imposed by another local agency within the incorporated areas of the County, which tax became effective on or before the effective date of this ordinance, shall be entitled to credit against the County use tax otherwise payable under this ordinance in the amount the aggregate use taxes within the jurisdiction of that agency would exceed the use tax limits set by Revenue and Taxation Code Section 7285.3.

4.73.130 Amendments.

A. 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.

B. The Board of Supervisors may repeal this ordinance, or amend it in a manner which does not result in an increase in the tax imposed herein, without further voter approval. The Board of Supervisors may likewise by ordinance adopt and add additional provisions to Chapter 4.73, or amend any existing provisions of Chapter 4.73, as they may already relate to this ordinance in any manner which does not result in an increase in the tax imposed herein, without further voter approval. If the Board of Supervisors repeals this ordinance or any provision of Chapter 4.73, it may subsequently reenact it without voter approval, as long as the reenacted ordinance or section does not result in an increase in the tax imposed herein.

4.73.140 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 County, or against any officer of the State or the County, 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.

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES PROVIDING FOR AND GIVING NOTICE OF A SPECIAL TAX ELECTION TO BE HELD IN THE COUNTY OF LOS ANGELES ON NOVEMBER 8, 2016, AND CONSOLIDATING THE SPECIAL TAX ELECTION WITH OTHER ELECTIONS TO BE HELD ON NOVEMBER 8, 2016

WHEREAS, the current crisis of homelessness that pervades communities across Los Angeles County ("County") demands the maximum possible response by the County, cities, and community partners throughout the region; and

WHEREAS, according to the Los Angeles Homeless Services Authority, the total point-in-time homeless population in Los Angeles County was 39,461 in 2013, 44,359 in 2015, and 46,874 in 2016, which equals a 19 percent increase since 2013; and

WHEREAS, the number of homeless people living in vehicles, tents and encampments has skyrocketed by a staggering 123% from 2013 to 2016; and

WHEREAS, on August 17, 2015, the Los Angeles County Board of Supervisors launched the Homeless Initiative to combat the homeless crisis that pervades our communities; and

WHEREAS, the County Chief Executive Officer's ("CEO") Homeless Initiative conducted an inclusive and comprehensive planning process, including 18 policy summits on nine topics from October 1 to December 3, 2015, which brought together 25 County departments, 30 cities and other public agencies, and over 100 community partners and stakeholders; and

WHEREAS, the Homeless Initiative generated a powerful set of 47 coordinated and integrated strategies divided into the following six areas which are each key to combating homelessness:

- Prevent Homelessness
- Subsidize Housing
- Increase Income
- Provide Case Management and Services
- Create a Coordinated System
- Increase Affordable/Homeless Housing; and

WHEREAS, the recommended strategies of the Homeless Initiative reflect the following key principles:

- Homelessness is an extraordinarily complex problem which necessitates active, sustained countywide collaboration amongst the County, cities and other public agencies, and a wide array of community partners;
- The web of established collaborative relationships in Los Angeles County provides a very strong foundation for the implementation of these strategies;
- These recommended strategies must strengthen and build upon current County efforts by:
    - Directing more resources to proven strategies;
    - Integrating existing programs and services more effectively;
    - Enabling cities to join the County in combating homelessness; and
    - Identifying opportunities to leverage mainstream criminal justice, health, and social services; and

WHEREAS, on February 9, 2016, after hearing the testimony of elected officials and representatives from over fourteen cities from throughout the County who pledged their support and commitment to working collaboratively with the County, the Board of Supervisors adopted the CEO's Homeless Initiative strategies; and

WHEREAS, for fiscal year 2016-17, the Board of Supervisors has approved new, one-time funding of $100 million from the County's general fund to initiate the implementation of the strategies developed by the Homeless Initiative; however, this funding will not sustain the recommended strategies for more than one or two years; and

WHEREAS, best budget projections make it very clear that current County resources are not sufficient to fund countywide initiatives and services to combat homelessness on an ongoing basis at the levels required to address the current crisis within Los Angeles County; and

WHEREAS, this past winter, both the County and the City of Los Angeles declared local states of emergency as it relates to the lack of shelter for homeless persons within the County and the City; and

WHEREAS, the Board of Supervisors unanimously voted to seek a statewide declaration of emergency for the State's homelessness crisis, the California State Assembly passed a resolution also urging the Governor to declare a statewide emergency regarding the State's homelessness crisis, and the State has proposed the No Place Like Home initiative that will provide funding for the construction of permanent supportive housing for households suffering from homelessness and mental illnesses, and the City of Los Angeles has placed an initiative on the November 2016 ballot to raise revenues to construct permanent supportive housing, the County has a need to provide the prevention, crisis, and support services, as well as mental health/substance abuse treatment and rental subsidies, that will ensure that the State and City initiatives successfully combat homelessness for homeless children, families, foster youth, seniors, disabled individuals, veterans, and other homeless adults; and

WHEREAS, pursuant to Article 11 of Chapter 3.5 of Division 8 of the California Business and Professions Code, and subject to voter approval of the Control, Regulate and Tax Adult Use of Marijuana Act, the County is authorized to impose a tax on businesses engaged in cultivating, dispensing, producing, processing, preparing, storing, providing, donating, selling, or distributing marijuana or marijuana products, in the incorporated and unincorporated territory of the County for special purposes; and

WHEREAS, the County desires to impose a countywide special tax on marijuana businesses at a rate of up to ten percent (10%) of the marijuana businesses' gross receipts to address the causes and effects of homelessness in Los Angeles County; and

WHEREAS, pursuant to Article XIII C, section 2(d) of the Constitution and California Government Code sections 53721-53724, a special tax is subject to approval by a majority vote of the Board of Supervisors and by a two-thirds vote of the qualified voters voting in an election on the issue; and

WHEREAS, pursuant Government Code section 53724(c), an election for the approval of a special tax must be consolidated with a regularly scheduled general election for members of the governing body of the local government; and

WHEREAS, the County's general elections are held on the same day as the statewide general election in each even-numbered year, and the next regularly

scheduled general election for members of the Board of Supervisors and the next statewide general election will be held on Tuesday, November 8, 2016; and

WHEREAS, the Board of Supervisors deems it necessary and essential to submit the question of the special tax to the qualified voters within the County at a general election to be held on November 8, 2016, and to consolidate such election with the other elections to be held on that date.

NOW, THEREFORE BE IT RESOLVED by the Board of Supervisors of the County of Los Angeles as follows:

Section 1. Call of the Election and Purpose. An election shall be held and the same is hereby called and ordered to be held in the County on the 8th day of November, 2016, for the purpose of submitting to the voters a proposed ordinance regarding a special tax in the amounts hereinafter set forth.

Section 2. Ballot Measure. The measure for the County to levy a special tax shall appear on the ballot substantially as follows:

Homelessness Response Measure To address the County's homeless crisis by providing mental health/substance abuse treatment; support services; prevention/ outreach/ crisis services; rental subsidies; job training; emergency/ affordable housing for homeless children, families, foster youth, seniors, disabled individuals, veterans, and other adults, if State voters legalize recreational marijuana, shall Los Angeles County adopt Ordinance No. ___ enacting a countywide tax on marijuana businesses at a rate of up to 10% of gross receipts, with annual audits/ citizens' oversight?	YES _____ NO _____

Section 3. Ordinance. The attached ordinance, Exhibit A, is incorporated by reference ("Ordinance").

Section 4. Specific Purpose. The specific purpose of the special tax is to generate ongoing funding for homelessness prevention and emergency support services, including rent subsidies, counseling, mental health, drug, and alcohol addiction treatment, job training, and housing for homeless children, seniors, families, foster youth, veterans, the disabled, and other adults, consistent with the strategies for combating homelessness developed through the Homeless Initiative adopted by the

Board of Supervisors, and as otherwise directed by the Board to address the causes and effects of homelessness, as further described in the Ordinance.

Section 5. Accountability Measures. Pursuant to Government Code section 50075.3, if the special tax is approved, for so long as any proceeds of the special tax remain unexpended, the County Auditor-Controller shall cause a report to be prepared by an independent auditor and to be filed with the Board of Supervisors no later than December 31st of each year, commencing December 31, 2017, stating (1) the amount of special tax revenues collected and expended in such year; and (2) the status of any project and description of any services or programs funded from proceeds of the special tax. The report may relate to the calendar year, fiscal year, or other appropriate annual period, as the Auditor-Controller shall determine, and may be incorporated into or filed with the annual budget, audit, or other appropriate routine report to the Board of Supervisors.

Section 6. Community Oversight and Accountability. A Citizens' Oversight Advisory Board shall be created, as provided for in the Ordinance, to review all expenditures from the special tax, and submit periodic evaluations of the Homeless Initiative and the County's programs to combat homelessness funded by the special tax.

Section 7. Tax Account. If the ballot measure authorizing the special tax is approved, the proceeds of the special tax shall be deposited in a special account, to be created and maintained by the County.

Section 8. California Environmental Quality Act. Based upon all of the facts before it on this matter, the Board of Supervisors finds that the submission of this question of a special tax to the voters is not subject to, or is exempt from, the California Environmental Quality Act (CEQA). Submission of the special tax to the voters is not a project as defined by California Code of Regulations Section 15378(b)(4) because it relates to the creation of government funding mechanisms, which do not involve commitment to any specific project which may result in a potentially significant physical impact on the environment.

Section 9. Proclamation. Pursuant to section 12001 of the Elections Code, the Board of Supervisors of the County of Los Angeles hereby PROCLAIMS that an

election shall be held in the County on Tuesday, November 8, 2016, to vote upon the proposed ordinance. The polls shall be open from 7:00 a.m. to 8:00 p.m.

Section 10. Election Procedure. All qualified voters residing within the County shall be permitted to vote in the election and in all particulars not recited in this resolution, the elections shall be held as nearly as practicable in conformity with the Elections Code of the State of California. The votes cast for and against the measure shall be separately counted and if the measure receives the required number of votes, two-thirds (2/3) of the votes cast by the qualified electors voting on the measure, the special tax in the amounts stated in the Ordinance shall be effective and ratified.

Section 11. Sample Ballot. The Registrar-Recorder/County Clerk is instructed to print the entire proposed Ordinance in the sample ballot.

Section 12. Consolidation. The election called by this Resolution shall be consolidated with the other elections conducted by the Registrar-Recorder/County Clerk to be held in the County of Los Angeles on November 8, 2016, and the measure shall be placed on the same ballot.

Section 13. Authority. This Resolution is adopted pursuant to section 12001 of the Elections Code and section 25201 of the Government Code. The Executive Officer-Clerk of the Board of Supervisors is ordered to file a copy of this Resolution with the Registrar-Recorder/County Clerk at least eighty-eight (88) days prior to the day of the election. The Registrar-Recorder/County Clerk is authorized, instructed and directed to prepare any documents and take any additional actions that may be necessary in order to properly and lawfully conduct the election.

The foregoing Resolution was on the 12th day of July 2016, adopted by the Board of Supervisors of the County of Los Angeles and ex officio the governing body of all other special assessment and taxing districts, agencies, and authorities for which said Board so acts.

LORI GLASGOW, Executive Officer-
Clerk of the Board of Supervisors of the
County of Los Angeles

By: _____

APPROVED AS TO FORM:

MARY C. WICKHAM
County Counsel

By: _____
Deputy County Counsel

ATTEST: LORI GLASGOW
EXECUTIVE OFFICER
CLERK OF THE BOARD OF SUPERVISORS

By _____, Deputy

ANALYSIS

This ordinance adds Chapter 4.73 – Special Marijuana Business Tax to Combat Homelessness, of the Los Angeles County Code to impose a business tax of up to ten percent on the gross receipts of marijuana business countywide. The sole purpose of the business tax is to generate revenue to address the causes and effects of homelessness. The ordinance will become effective only after approval by two-thirds of the qualified voters voting in an election on the issue.

MARY C. WICKHAM
County Counsel

By_____
Deputy County Counsel

ORDINANCE NO._____

An ordinance amending Title 4, Revenue and Finance of the Los Angeles County Code, to add Chapter 4.73—Special Marijuana Business Tax to Combat Homelessness, relating to a countywide special business tax on marijuana businesses for the purpose of addressing the causes and effects of homelessness.

The people of the County of Los Angeles ordains as follows:

SECTION 1. Chapter 4.73 is hereby added to read as follows:

Chapter 4.73

Special Marijuana Business Tax to Combat Homelessness

Sections:

4.73.010 Purpose of Chapter.

4.73.020 Tax Imposed.

4.73.030 Purpose and Use of Tax.

4.73.040 Annual Expenditure Plans.

4.73.050 Special Account.

4.73.060 Community Oversight and Accountability.

4.73.070 Accountability Measures.

4.73.080 Definitions.

4.73.090 Other Licenses, Permits, Taxes, Fees or Charges.

4.73.100 Payment of Tax Does Not Authorize Unlawful Business.

4.73.110 Payment—Location.

4.73.120 Amount of Business Tax Owed.

4.73.130 Payment—Time Limits.

4.73.140 Payments and Communications Made by Mail—Proof of Timely Submittal.

4.73.150 Payment—When Taxes Deemed Delinquent.

4.73.160 Notice Not Required by County.

4.73.170 Payment—Penalty for Delinquency.

4.73.180 Waiver of Penalties.

4.73.190 Refunds—Credits.

4.73.200 Refunds and Procedures.

4.73.210 Exemptions—Application—Issuance Conditions.

4.73.220 Exemptions—General.

4.73.230 Exemptions—Occasional Transactions.

4.73.240 Enforcement—Duties of Tax Administrator and Sheriff.

4.73.250 Rules and Regulations.

4.73.260 Apportionment.

4.73.270 Audit and Examination of Records and Equipment.

4.73.280 Tax Deemed Debt to County, Lien Procedure.

4.73.290 Deficiency Determinations.

4.73.300 Tax Assessment—Authorized When—Nonpayment—Fraud.

4.73.310 Tax Assessment—Notice Requirements.

4.73.320 Tax Assessment—Hearing—Application and Determination.

4.73.330 Appeal from Tax Administrator Determination.

4.73.340 Conviction for Chapter Violation—Taxes Not Waived.

4.73.350 Violation Deemed Misdemeanor—Penalty.

4.73.360 Severability.

4.73.370 Effect of State and Federal Reference/Authorization.

4.73.380 Remedies Cumulative.

4.73.390 Amendment or Repeal.

4.73.400 Execution.

4.73.010 Purpose of Chapter.

This Chapter shall be known as the "Special Marijuana Business Tax to Combat Homelessness" ordinance and is enacted solely to raise revenue for the purpose of addressing the causes and effects of homelessness, and not for purposes of regulation or of raising revenues for regulatory purposes. All of the proceeds from the tax imposed by this Chapter shall be placed in a special fund as set forth herein.

4.73.020 Tax Imposed.

There is established and imposed a special business tax at the rate(s) and for the purposes set forth in this Chapter.

4.73.030 Purpose and Use of Tax.

The sole purpose of the business tax is addressing the causes and effects of homelessness within Los Angeles County. Revenues generated by the business tax shall be used to sustain the implementation of the County's Homeless Initiative's recommended strategies, adopted by the Board of Supervisors on February 9, 2016,

and as otherwise directed by the Board of Supervisors to address the causes and effects of homelessness, consistent with this Chapter.

4.73.040 Annual Expenditure Plans.

A. Consistent with Section 4.73.030, above, the revenues generated by the business tax will be expended by the County pursuant to an expenditure plan approved by the Board of Supervisors prior to June 30th of each year. The annual expenditure plan will include, but not be limited to, the following priorities:

1. Prevent Homelessness:

   a. Homeless Prevention Program for Families;

   b. Homeless Prevention Program for Individuals.

2. Subsidize Housing:

   a. Expand Rapid Rehousing;

   b. Provide subsidized housing to homeless disabled individuals pursuing Supplemental Security Income;

   c. Facilitate utilization of federal housing subsidies;

   d. Family reunification housing subsidies;

   e. Interim/bridge housing for those exiting institutions.

3. Provide Case Management and Services:

   a. Mental health, substance use, and counseling services;

   b. Regional Integrated Re-entry Network;

   c. Jail In-reach;

   d. Criminal Record Clearing Project;

e. Provide services for Permanent Supportive Housing.

4. Increase Income:

a. Increase employment for homeless adults by supporting social enterprise;

b. Subsidized employment for homeless adults;

c. Countywide Supplemental Security/Social Security Disability income, and Veterans benefits advocacy.

5. Create a Coordinated System:

a. Expand the Countywide Outreach System;

b. Strengthen the Coordinated Entry System;

c. Enhance the Emergency Shelter System;

d. Enhance services for transition age youth.

6. Affordable Housing for the Homeless:

a. Preserve current affordable housing;

b. Promote the development of affordable housing for homeless families and individuals.

7. Other services to address the causes and effects of homelessness.

B. To the extent feasible, revenues from the business tax shall be used to leverage additional public and private resources to address the causes and effects of homelessness, consistent with this Chapter.

C. Revenues from the business tax may be awarded as grants to public agencies and non-profit organizations to address the causes and effects of homelessness, consistent with this Chapter. The Board of Supervisors shall adopt policies and procedures for the solicitation and award of such grants. Nothing herein precludes the County from using revenue generated by the business tax for contracting with for-profit contractors and private businesses in compliance with applicable law.

4.73.050 Special Account.

Any business tax proceeds shall be deposited in a special account, created and maintained by the County, and used only for the specific purposes identified in Section 4.73.030, above.

4.73.060 Community Oversight and Accountability

A. The Citizens' Homelessness Initiative Oversight Advisory Board ("Advisory Board") is hereby created.

B. The Advisory Board shall be comprised of five members appointed by the Board of Supervisors. Each Supervisorial District shall nominate one member for appointment by the Board of Supervisors. The Advisory Board shall include at least one member that meets each of the following criteria:

1. A professional from the field of municipal/public finance and/or accounting and budgeting with a minimum of ten years of relevant experience in evaluating financial transactions and program cost-effectiveness; and

2. An individual working in the homelessness services, research, or advocacy field in a management position with a minimum of ten years of relevant experience.

The Advisory Board members shall be governed by and comply with State conflict of interest laws (e.g., Government Code section 87000 et seq.; and section 1090 et seq.) and the County's conflict of interest policies. The members shall have no legal action pending against Los Angeles County and are prohibited from acting in any activity directly or indirectly involving funding provided through this ordinance during their tenure on the Advisory Board. Advisory Board members shall not have direct interest or employment with any public or private entity, which receives funding provided through this ordinance.

C. The Advisory Board shall do all of the following:

1. Semi-annual review of all expenditures from the business tax;

2. Publish a complete accounting of all allocations each year, posting the information on the County's publicly accessible Internet Web site; in a downloadable spreadsheet format, including information about the location and footprint of each funded project, its objectives, status, and outcomes, any matching funds used, and the applicable program from the expenditure plan schedule;

3. Submit periodic evaluations to the County of the business tax expenditures, which may at the Board of Supervisors' direction be undertaken by independent researchers, identifying any changes needed to meet the objectives of the Homeless Initiative.

D. Members of the Advisory Board shall serve a term of four years at the pleasure of the Board of Supervisors, and no member may serve more than two consecutive four-year terms. The Board of Supervisors may, by order, extend this length of service or waive this limit for individuals or the Advisory Board as a whole. A member's position shall become vacant upon his or her death, resignation, or removal by the Board of Supervisors. In the case of such a vacancy, the Supervisorial District from which the vacancy arose shall nominate a successor for appointment by the Board of Supervisors to fill the unexpired term.

E. Members of the Advisory Board shall not be compensated for their service, but may be reimbursed for actual and necessary expenses incurred in the performance of their duties.

4.73.070 Accountability Measures.

For so long as any proceeds of the business tax remain unexpended, the Auditor-Controller shall cause a report to be prepared by an independent auditor and filed with the Board of Supervisors no later than December 31st of each year, stating: (i) the amount of business tax proceeds collected and expended in such year; and (ii) the status of any projects or description of any services or programs funded from proceeds of the business tax.

4.73.080 Definitions.

The definitions set forth in this section shall govern the application and interpretation of this Chapter.

A. "Business" shall include all activities engaged in or caused to be engaged in within the incorporated and unincorporated areas of the County, including any commercial or industrial enterprise, trade, profession, occupation, vocation, calling, or livelihood, regardless of whether the activity is undertaken individually, collectively, or cooperatively, and regardless of whether the activity is for compensation or gratuitous or not for gain or profit, but shall not include the services rendered by an employee to his or her employer.

B. "County" shall mean and include the incorporated and unincorporated areas of the County of Los Angeles.

C. "Employee" means each and every person engaged in the operation or conduct of any business, whether as owner, member of the owner's family, partner, associate, agent, manager or solicitor, and each and every other person employed or working in such business for a wage, salary, commission or room and board.

D. "Engaged in business" means the commencing, conducting, operating, managing or carrying on of a marijuana business and the exercise of corporate or franchise powers, whether done as owner, or by means of an officer, agent, manager, employee, or otherwise, whether operating from a fixed location in the County or coming into the County from an outside location to engage in such activities. A person shall be deemed engaged in business within the County if:

1. Such person or person's employee maintains a fixed place of business within the County for the benefit or partial benefit of such person;

2. Such person or person's employee owns or leases real property within the County for business purposes;

3. Such person or person's employee regularly maintains a stock of tangible personal property in the County for sale in the ordinary course of business;

4. Such person or person's employee regularly conducts solicitation of business within the County;

5. Such person or person's employee performs work or renders services in the County on a regular and continuous basis involving more than five working days per year;

6. Such person or person's employee utilizes the streets within the County in connection with the operation of motor vehicles for business purposes.

The foregoing specified activities shall not be a limitation on the meaning of "engaged in business."

E. "Evidence of doing business" means whenever any person shall, by use of signs, circulars, cards or any other advertising media, including the use of Internet or telephone solicitation, represent that such person is engaged in marijuana business in within the County, then these facts may be used as evidence that such person is engaged in business within the County.

F. "Gross receipts," except as otherwise specifically provided, means the total amount actually received or receivable from all sales; the total amount of compensation actually received or receivable for the performance of any act or service, of whatever nature it may be, for which a charge is made or credit allowed, whether or

not such act or service is done as a part of or in connection with the sale of materials, goods, wares or merchandise; discounts, rents, royalties, fees, commissions, dividends, and gains realized from trading in stocks or bonds, however designated. Included in "gross receipts" shall be all receipts, cash, credits and property of any kind or nature, without any deduction therefrom on account of the cost of the property sold, the cost of materials used, labor or service costs, interest paid or payable, or losses or other expenses whatsoever, except that the following shall be excluded therefrom:

1. Cash discounts allowed and taken on sales;

2. Credit allowed on property accepted as part of the purchase price and which property may later be sold, at which time the sales price shall be included as gross receipts;

3. Any tax required by law to be included in or added to the purchase price and collected from the consumer or purchaser;

4. Such part of the sale price of any property returned by purchasers to the seller as refunded by the seller by way of cash or credit allowances or return of refundable deposits previously included in gross receipts;

5. Receipts from investments where the holder of the investment receives only interest and/or dividends, royalties, annuities and gains from the sale or exchange of stock or securities solely for a person's own account, not derived in the ordinary course of a business;

6. Receipts derived from the occasional sale of used, obsolete or surplus trade fixtures, machinery or other equipment used by the taxpayer in the regular course of the taxpayer's business;

7. Cash value of sales, trades or transactions between departments or units of the same business;

8. Whenever there are included within the gross receipts amounts which reflect sales for which credit is extended and such amount proved uncollectible in a subsequent year, those amounts may be excluded from the gross receipts in the year they prove to be uncollectible; provided, however, if the whole or portion of such amounts excluded as uncollectible are subsequently collected, they shall be included in the amount of gross receipts for the period when they are recovered;

9. Receipts of refundable deposits, except that such deposits when forfeited and taken into income of the business shall not be excluded when in excess of $1.00;

10. Amounts collected for others where the business is acting as an agent or trustee and to the extent that such amounts are paid to those for whom collected. These agents or trustees must provide the Tax Administrator with the names and the addresses of the others and the amounts paid to them. This exclusion shall not apply to any fees, percentages, or other payments retained by the agent or trustees.

"Gross receipts" shall include income, revenue, earnings or collections from related-party transactions and intercompany transactions. "Intercompany transactions" means those transactions between a parent and subsidiary or between subsidiaries, or

transactions between or among fellow subsidiaries that report to the same parent company.

"Gross receipts" subject to the business tax shall be that portion of gross receipts relating to business conducted within the County.

G. "Marijuana" means all parts of the plant Cannabis sativa L., whether growing or not; the seeds thereof; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin.

H. "Marijuana business" means a licensee operating under Chapter 3.5 of Division 8 of the Business and Professions Code or Division 10 of the Business and Professions Code engaged in cultivating, manufacturing, producing, processing, preparing, storing, providing, donating, selling, or distributing marijuana or marijuana products in the County, whether or not carried on for gain or profit.

I. "Marijuana business tax," "business tax" or "marijuana tax" means the tax due for engaging in marijuana business in the County.

J. "Person" means, without limitation, any natural individual, organization, firm, trust, common law trust, estate, partnership of any kind, association, syndicate, club, joint stock company, joint venture, limited liability company, corporation (including foreign, domestic, and nonprofit), cooperative, receiver, trustee, guardian, or other representative appointed by order of any court.

K. "Sale" means and includes any sale, exchange, or barter.

L. "Tax Administrator" means the Treasurer and Tax Collector or such other administrator designated by the County Executive Officer to administer this Chapter.

4.73.090 Other Licenses, Permits, Taxes, Fees or Charges.

Nothing contained in this Chapter shall be deemed to repeal, amend, be in lieu of, replace or in any way affect any requirements for any license or permit required by, under or by virtue of any provision of any other title or chapter of this code or any other ordinance or resolution of the County or any city within the County, nor be deemed to repeal, amend, be in lieu of, replace or in any way affect any tax, fee or other charge imposed, assessed or required by, under or by virtue of any other title or chapter of this code or any other ordinance or resolution of the County or any city within the County. Any references made or contained in any other title or chapter of this code to any licenses, license taxes, fees or charges, or to any schedule of license fees, shall be deemed to refer to the licenses, license taxes, fees or charges, or schedule of license fees, provided for in other titles or chapters of this code.

4.73.100 Payment of Tax Does Not Authorize Unlawful Business.

A. The payment of a business tax required by this Chapter, and its acceptance by the County, shall not entitle any person to carry on any marijuana business unless the person has complied with all of the requirements of this code and all other applicable State and local laws, nor to carry on any marijuana business in any building or on any premises in the event that such building or premises are situated in a zone or locality in which the conduct of such marijuana business is in violation of any State and local law.

B. No tax paid under the provisions of this Chapter shall be construed as authorizing the conduct or continuance of any illegal or unlawful business, or any business in violation of any ordinance of the County or of any city within the County.

4.73.110 Payment—Location.

The tax imposed under this Chapter shall be paid to the Tax Administrator in lawful money of the United States, at the Offices of the County Treasurer and Tax Collector in Los Angeles, California, unless the Board of Supervisors, upon recommendation of the Tax Administrator, orders that taxes be collected at another location, or in another manner, or additional location with the County. Lawful money shall mean any coin, currency or negotiable instrument, exchangeable for said coin or currency, which the United States Congress has declared to be a national legal tender; however, the Tax Administrator shall have the right to refuse payment in coins of taxes, penalties and/or interest, or any other charges associated with the payment of the tax.

4.73.120 Amount of Business Tax Owed.

A. Every person engaged in marijuana business in the County shall pay a business tax at a rate of up to 10 percent of gross receipts. The tax under this Chapter shall not be imposed on marijuana businesses unless and until the Board of Supervisors, by ordinance, takes action to set a tax rate not to exceed 10 percent of gross receipts.

B. Notwithstanding the maximum tax rate of 10 percent of gross receipts imposed under subsection A of this section, the Board of Supervisors may, in its discretion, at any time by ordinance, implement a lower tax rate for all marijuana

businesses or establish differing tax rates or no tax rate for different categories of marijuana businesses, as defined in such ordinance, subject to the maximum rate of 10 percent of gross receipts. The Board of Supervisors may, by ordinance, also increase any such tax rate from time to time, not to exceed the maximum tax rate of 10 percent of gross receipts established under subsection A of this section.

C. Pursuant to subsection A of this section, the marijuana business tax is set at ten percent of gross receipts. Commencing on the operative date of this Chapter, every person engaged in marijuana business in the County shall pay a marijuana business tax at the rate of ten percent of gross receipts.

4.73.130 Payment—Time Limits.

The business tax imposed by this Chapter shall be due and payable as follows:

A. Each person owing a tax under this Chapter shall, on or before the last day of each calendar month, prepare a tax statement to the Tax Administrator of the total gross receipts and the amount of tax owed for the preceding calendar month. At the time the tax statement is filed, the full amount of the tax owed for the preceding calendar month shall be remitted to the Tax Administrator.

B. All tax statement shall be completed on forms provided by the Tax Administrator.

C. Tax statements and payments for all outstanding taxes owed the County are immediately due to the Tax Administrator upon cessation of business for any reason.

4.73.140 Payments and Communications Made by Mail—Proof of Timely Submittal.

Whenever any payment, statement, report, request or other communication received by the Tax Administrator is received after the time prescribed by this Chapter for the receipt thereof, but is in an envelope bearing a postmark showing that it was mailed on or prior to the date prescribed in this Chapter for the receipt thereof, or whenever the Tax Administrator is furnished substantial proof that the payment, statement, report, request or other communication was in fact deposited in the United States mail on or prior to the date prescribed for receipt thereof, the Tax Administrator may regard such payment, statement, report, request or other communication as having been timely received. If the due day falls on Saturday, Sunday or a County holiday, the due day shall be the next regular business day on which the County Hall of Administration at 500 West Temple Street, in Los Angeles is open to the public.

4.73.150 Payment—When Taxes Deemed Delinquent.

Unless otherwise specifically provided under other provisions of this Chapter, the taxes required to be paid pursuant to this Chapter shall be deemed delinquent if not paid on or before the due date specified in Section 4.73.080.

4.73.160 Notice Not Required by County.

The Tax Administrator is not required to send a delinquency or other notice or bill to any person subject to the provisions of this Chapter and failure to send such notice or bill shall not affect the validity of any tax or penalty due under the provisions of this Chapter.

4.73.170 Payment—Penalty for Delinquency.

A. Any person who fails or refuses to pay any business tax required to be paid pursuant to this Chapter on or before the due date shall pay penalties and interest as follows:

1. A penalty equal to ten percent of the amount of the unpaid tax in addition to the amount of the tax, plus interest on the unpaid tax calculated from the due date of the tax at a rate established by resolution of the Board of Supervisors; and

2. An additional penalty equal to ten percent of the amount of the unpaid tax if the tax remains unpaid for a period exceeding one calendar month beyond the due date, plus interest on the unpaid tax and on the unpaid penalties, calculated at the rate established by resolution of the Board of Supervisors.

3. Interest shall be applied at the monthly rate on the first day of the month for the full month, and will continue to accrue monthly on the tax and penalty until the balance is paid in full.

4. Whenever a check is submitted in payment of a business tax and the check is subsequently returned unpaid by the bank upon which the check is drawn, and the check is not redeemed prior to the due date, the person who submitted the unpaid check will be liable for the tax amount due plus the return check fee; penalties and interest as provided for in this section; and any amount allowed under State law.

C. The business tax due shall be that amount due and payable from the first date on which the person was engaged in marijuana business in the County, together

with applicable penalties and interest calculated in accordance with subsection A of this section.

4.73.180 Cancellation of Penalties.

The Tax Administrator may cancel the first and second penalties of 25 percent each imposed upon any person if:

A. The person provides evidence satisfactory to the Tax Administrator that failure to pay timely was due to circumstances beyond the control of the person and occurred notwithstanding the exercise of ordinary care and the absence of willful neglect, and the person paid the delinquent business tax and accrued interest owed the County prior to applying to the Tax Administrator for a cancellation.

B. The cancellation provisions specified in this subsection shall not apply to interest accrued on the delinquent tax.

4.73.190 Refunds—Credits.

A. No refund shall be made of any tax collected pursuant to this Chapter, except as provided in Section 4.73.150, below.

B. No refund of any tax collected pursuant to this Chapter shall be made because of the discontinuation, dissolution or other termination of a business.

C. Any person entitled to a refund of taxes paid pursuant to this Chapter may elect in writing to have such refund applied as a credit against such person's business taxes for the next calendar month.

4.73.200 Refunds and Procedures.

A. Whenever the amount of any business tax, penalty or interest has been overpaid, paid more than once, or has been erroneously or illegally collected or received by the County under this Chapter, it may be refunded to the claimant who paid the tax; provided, that a written claim for refund is filed with the Tax Administrator within three years of the date the tax was originally due and payable, and the provisions of Chapter 4.04 are satisfied.

B. The Tax Administrator or the Tax Administrator's authorized agent shall have the right to examine and audit all the books and business records of the claimant in order to determine the eligibility of the claimant to the claimed refund. No claim for refund shall be allowed if the claimant refuses to allow such examination of claimant's books and business records after request by the Tax Administrator to do so.

C. In the event that the business tax was erroneously paid and the error is attributable to the County, the entire amount of the tax erroneously paid shall be refunded to the claimant. If the error is attributable to the claimant, the County shall retain the amount set forth in the schedule of fees and charges established by resolution of the Board of Supervisors from the amount to be refunded to cover expenses.

4.73.210 Exemptions—Application—Issuance Conditions.

Any person desiring to claim exemption from the payment of the tax set forth in this Chapter shall make application upon forms prescribed by the Tax Administrator and shall furnish such information and make such affidavits as may be required by the Tax Administrator.

4.73.220 Exemptions—General.

Except as may be otherwise specifically provided in this Chapter, the terms hereof shall not be deemed or construed to apply to any person when imposition of the tax upon that person would violate the Constitution of the United States or that of the State of California or preemptive federal or State law.

4.73.230 Exemptions—Occasional Transactions.

A. The provisions of this Chapter shall not apply to persons having no fixed place of business within the County who come into the County for the purpose of transacting a specific item of business at the request of a specific patient, client or customer; provided, that such person does not come into the County for the purpose of transacting business on more than five days during any calendar year.

B. For any person not having a fixed place of business within the County who comes into the County for the purpose of transacting business and who is not exempt as provided in subsection A of this section, the business tax payable by such person may be apportioned by the Tax Administrator in accordance with Section 4.73.210, below.

4.73.240 Enforcement—Duties of Tax Administrator and Sheriff.

It shall be the duty of the Tax Administrator to enforce each and all of the provisions of this Chapter, and the County Sheriff shall render such assistance in the enforcement of this Chapter as may from time to time be required by the Tax Administrator.

4.73.250 Rules and Regulations.

A. The Tax Administrator shall have the power and duty, to enforce each and all of the provisions of this Chapter.

B. The Tax Administrator may adopt administrative rules and regulations consistent with provisions of this Chapter for the purpose of interpreting, clarifying, carrying out and enforcing the payment, collection and remittance of the taxes herein imposed. A copy of such administrative rules and regulations shall be on file in the Tax Administrator's office. To the extent that the Tax Administrator determines that the tax imposed under this Chapter shall not be collected in full for any period of time from any particular marijuana business, that determination shall be considered an exercise of the Tax Administrator's discretion to settle disputes and shall not constitute a change in taxing methodology for purposes of Government Code section 53750, nor is such determination a waiver of the County's ability to impose the tax in full. The Tax Administrator is not authorized to amend the taxing methodology for purposes of Government Code Section 53750.

C. Upon a proper showing of good cause, the Tax Administrator may make administrative agreements, with appropriate conditions, to vary from the strict requirements of this Chapter and thereby (1) conform to the billing procedures of a particular marijuana business so long as said agreements result in the collection of the tax in conformance with the general purpose and scope of this Chapter; or (2) to avoid a hardship where the administrative costs of collection and remittance greatly outweigh the tax benefit. A copy of each such agreement shall be on file in the Tax

Administrator's office and are voidable by the Tax Administrator or the County at any time.

D. Upon receipt of a written request of a marijuana business, and for good cause, the Tax Administrator may extend the time for filing any statement required pursuant to this Chapter for a period of not to exceed forty-five (45) days, provided that the time for filing the required statement has not already passed when the request is received. No penalty for delinquent payment shall accrue by reason of such extension. Interest shall accrue during said extension at the rate of one and one-half (1.5%) percent per month, prorated for any portion thereof.

4.73.260 Apportionment.

A. None of the tax provided for by this Chapter shall be applied so as to occasion an undue burden upon interstate commerce or be violative of the equal protection and due process clauses of the Constitutions of the United States or the State of California.

B. If any case where a business tax is believed by a taxpayer to place an undue burden upon interstate commerce or be violative of such constitutional clauses, the taxpayer may apply to the Tax Administrator for an adjustment of the tax. It shall be the taxpayer's obligation to request in writing for an adjustment within one year after the date of payment of the tax. If the taxpayer does not request in writing within one year from the date of payment, then taxpayer shall be conclusively deemed to have waived any adjustment for that year and all prior years.

C. The taxpayer shall, by sworn statement and supporting testimony, show the method of business and the gross volume of business and such other information as the Tax Administrator may deem necessary in order to determine the extent, if any, of such undue burden or violation. The Tax Administrator shall then conduct an investigation, and shall fix as the tax for the taxpayer an amount that is reasonable and nondiscriminatory, or if the tax has already been paid, shall order a refund of the amount over and above the tax so fixed. In fixing the tax to be charged, the Tax Administrator shall have the power to base the tax upon a percentage of gross receipts or any other measure which will assure that the tax assessed shall be uniform with that assessed on businesses of like nature, so long as the amount assessed does not exceed the tax as prescribed by this Chapter.

D. Should the Tax Administrator determine that the gross receipt measure of tax to be the proper basis, the Tax Administrator may require the taxpayer to submit a sworn statement of the gross receipts and pay the amount of tax as determined by the Tax Administrator.

4.73.270 Audit and Examination of Records and Equipment.

A. The Tax Administrator shall have the power to audit and examine or cause to be audited and examined, all books and records of persons engaged in marijuana business including both State and federal income tax returns, California sales tax returns, or other evidence documenting the gross receipts of persons engaged in marijuana business, and, where necessary, all equipment of any person engaged in marijuana business in the County, for the purpose of ascertaining the amount of

business tax, if any, required to be paid by the provisions hereof, and for the purpose of verifying any statements or any item thereof when filed by any person pursuant to the provisions of this Chapter. If such person, after written demand by the Tax Administrator, refuses to make available for audit, examination or verification such books, records or equipment as the Tax Administrator requests, the Tax Administrator may, after full consideration of all information within his or her knowledge concerning the marijuana business and activities of the person so refusing, make an assessment in the manner provided in Sections 4.73.250 through 4.73.270, below, of any taxes estimated to be due.

B. It shall be the duty of every person liable for the collection and payment to the County of any tax imposed by this Chapter to keep and preserve, for a period of at least three years, all records as may be necessary to determine the amount of such tax as he or she may have been liable for the collection of and payment to the County, which records the Tax Administrator shall have the right to inspect at all reasonable times.

4.73.280 Tax Deemed Debt to County, Lien Procedure.

A. The amount of any tax, penalties, and interest imposed by the provisions of this Chapter on any person engaged in any marijuana business, shall be deemed a debt to the County. The Tax Administrator, in the name of the County, as plaintiff, may bring suit for the recovery of any tax, penalties, and interest due to the County pursuant to this Chapter.

B. In addition to any other method of collection authorized by law, the County may collect the tax imposed pursuant to this Chapter by way of a lien in the same manner as other liens as prescribed in sections 2191.3 through 2191.6 of the Revenue and Taxation Code.

4.73.290 Deficiency Determinations.

If the Tax Administrator is not satisfied that any statement filed as required under the provisions of this Chapter is correct, or that the amount of tax is correctly computed, he or she may compute and determine the amount to be paid and make a deficiency determination upon the basis of the facts contained in the statement or upon the basis of any information in his or her possession or that may come into his or her possession within three years of the date the tax was originally due and payable. One or more deficiency determinations of the amount of tax due for a period or periods may be made. When a person discontinues engaging in a business, a deficiency determination may be made at any time within three years thereafter as to any liability arising from engaging in such business whether or not a deficiency determination is issued prior to the date the tax would otherwise be due. Whenever a deficiency determination is made, a notice shall be given to the person concerned in the same manner as notices of assessment are given under Sections 4.73.300 through 4.73.320, below.

4.73.300 Tax Assessment—Authorized When—Nonpayment—Fraud.

A. Under any of the following circumstances, the Tax Administrator may make and give notice of an assessment of the amount of tax owed by a person under this Chapter at any time:

1. If the person has not filed any statement required under the provisions of this Chapter;

2. If the person has not paid any tax due under the provisions of this Chapter;

3. If the person has not, after demand by the Tax Administrator, filed a corrected statement, or furnished to the Tax Administrator adequate substantiation of the information contained in a statement already filed, or paid any additional amount of tax due under the provisions of this Chapter;

4. If the Tax Administrator determines that the nonpayment of any business tax due under this Chapter is due to fraud, a penalty of 25 percent of the amount of the tax shall be added thereto in addition to penalties and interest otherwise stated in this Chapter.

B. The notice of assessment shall separately set forth the amount of any tax known by the Tax Administrator to be due or estimated by the Tax Administrator, after consideration of all information within the Tax Administrator's knowledge concerning the business and activities of the person assessed, to be due under each applicable section of this Chapter, and shall include the amount of any penalties or interest accrued on each amount to the date of the notice of assessment.

4.73.310 Tax Assessment—Notice Requirements.

The notice of assessment shall be served upon the person either by handing it to him or her personally, or by a deposit of the notice in the United States mail, postage prepaid thereon, addressed to the person at the address of the location of the business

or to such other address as he or she shall file with the Tax Administrator for the purpose of receiving notices provided under this Chapter; or, should the person have no address registered with the Tax Administrator for such purpose, then to such person's last known address. For the purposes of this section, a service by mail is complete at the time of deposit in the United States mail.

4.73.320 Tax Assessment—Hearing—Application and Determination.

Within 10 days after the date of service the person may apply in writing to the Tax Administrator for a hearing on the assessment. If application for a hearing before the County is not made within the time herein prescribed, the tax assessed by the Tax Administrator shall become final and conclusive. Within 30 days of the receipt of any such application for hearing, the Tax Administrator shall cause the matter to be set for hearing before him or her not later than 35 days after the receipt of the application, unless a later date is agreed to by the Tax Administrator and the person requesting the hearing. Notice of such hearing shall be given by the Tax Administrator to the person requesting such hearing not later than five days prior to such hearing. At such hearing said applicant may appear and offer evidence why the assessment as made by the Tax Administrator should not be confirmed and fixed as the tax due. After such hearing the Tax Administrator shall determine and reassess the proper tax to be charged and shall give written notice to the person in the manner prescribed in Section 4.73.310 for giving notice of assessment. The amount determined to be due shall be payable after 15 days unless an appeal is taken as provided in Section 4.73.330, below.

4.73.330 Appeal from Tax Administrator Determination.

A. Any person deeming himself or herself aggrieved by any decision of the tax Administrator with respect to the amount of the tax, interest and penalties, if any, may appeal to the Board of Supervisors by filing a notice of appeal with the Clerk of the Board within 15 days of the serving or mailing of the determination of the tax due.

B. Upon the filing of a notice of appeal, the Board of Supervisors shall fix a time and place for hearing such appeal and the Clerk of the Board shall give not less than five days' notice in writing, either personally or by United States mail, postage prepaid.

C. The Board of Supervisors may appoint a referee to take testimony at any hearing provided for in this section and to report his findings and recommendations to the Board. Neither the Tax Administrator nor any officer or employee in the office of the Tax Administrator may be appointed referee.

D. If the Board of Supervisors appoints a County officer or County employee to act as referee, he shall serve as such without any additional compensation. All time spent as a referee shall be considered as time spent by such officer or employee in performing the duties of his position.

E. At the time set for the hearing, or at the date to which the hearing may be continued by the Board of Supervisors or referee, the Board or referee shall hear the appellant and any other competent witnesses and decide whether the determination of the Tax Administrator was correct or not, and if not what tax, interest or penalties, if any,

are due to the County from the appellant. The Board or referee may place any witnesses, including the appellant, under oath.

F. The Board of Supervisors shall determine from the evidence or from the report of the referee, what tax, interest or penalties, if any, are due to the County from the appellant. This decision shall be final and conclusive. The Clerk of the Board shall serve a copy of the decision upon the appellant as provided in Section 4.72.320. Any amount due shall be immediately due and payable upon the service of the said notice.

4.73.340 Conviction for Chapter Violation—Taxes Not Waived.

The conviction and punishment of any person for failure to pay the required tax shall not excuse or exempt such person from any civil action for the tax debt unpaid at the time of such conviction. No civil action shall prevent a criminal prosecution for any violation of the provisions of this Chapter or of any State law requiring the payment of all taxes.

4.73.350 Violation Deemed Misdemeanor—Penalty.

Any person violating any of the provisions of this Chapter or any regulation or rule passed in accordance herewith shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punishable by a fine of not more than $500.00 or by imprisonment for a period of not more than six months, or by both such fine and imprisonment.

4.73.360 Severability.

Should any provision of this Chapter, or its application to any person or circumstance, be determined by a court of competent jurisdiction to be unlawful,

unenforceable or otherwise void, that determination shall have no effect on any other provision of this Chapter or the application of this Chapter to any other person or circumstance and, to that end, the provisions hereof are severable.

4.73.370 Effect of State and Federal Reference/Authorization.

A. Unless specifically provided otherwise, any reference to a State or federal statute in this Chapter shall mean such statute as it may be amended from time to time; provided, that such reference to a statute herein shall not include any amendment thereto, or to any change of interpretation thereto by a State or federal agency or court of law with the duty to interpret such law, to the extent that such amendment or change of interpretation would, under California law, require voter approval of such amendment or interpretation, or to the extent that such change would result in a tax decrease. To the extent voter approval would otherwise be required or a tax decrease would result, the prior version of the statute (or interpretation) shall remain applicable; for any application or situation that would not require voter approval or result in a decrease of a tax, provisions of the amended statute (or new interpretation) shall be applicable to the maximum possible extent.

B. To the extent that the County's authorization to collect or impose any tax imposed under this Chapter is expanded as a result of changes in State or federal law, no amendment or modification of this Chapter shall be required to conform the tax to those changes, and the tax shall be imposed and collected to the full extent of the authorization up to the full amount of the tax imposed under this Chapter.

4.73.380 Remedies Cumulative.

All remedies and penalties prescribed by this Chapter or which are available under any other provision of law or equity, including but not limited to the California False Claims Act (Government Code section 12650, et seq.) and the California Unfair Practices Act (Business and Professions Code section 17070, et seq.), are cumulative. The use of one or more remedies by the County shall not bar the use of any other remedy for the purpose of enforcing the provisions of this Chapter.

4.73.390 Amendment or Repeal.

This Chapter of the Los Angeles County Code may be repealed or amended by the Board of Supervisors without a vote of the people. However, as required by Article XIIIC of the California Constitution, voter approval is required for any amendment provision that would increase the rate of any tax levied pursuant to this Chapter. The people of the County of Los Angeles affirm that the following actions shall not constitute an increase of the rate of a tax:

A. The restoration of the rate of the tax to a rate that is no higher than that set by this Chapter, if the Board of Supervisors has acted to reduce the rate of the tax;

B. An action that interprets or clarifies the methodology of the tax, or any definition applicable to the tax, so long as interpretation or clarification (even if contrary to some prior interpretation or clarification) is not inconsistent with the language of this Chapter;

C. The establishment of a class of person that is exempt or excepted from the tax or the discontinuation of any such exemption or exception (other than the discontinuation of an exemption or exception specifically set forth in this Chapter); or

D. The collection of the tax imposed by this Chapter, even if the County had, for some period of time, failed to collect the tax.

4.73.400 Execution.

The Chair of the Board of Supervisors is authorized to attest to the adoption of this ordinance by the voters of the County at the Election.

I hereby certify that the foregoing ordinance was PASSED, APPROVED and ADOPTED by the people of the County of Los Angeles voting on the 8th day of November 2016.

_____

Chair of the Board of Supervisors

[CH473JWCC]

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES PROVIDING FOR AND GIVING NOTICE OF A SPECIAL ELECTION ON A GENERAL COUNTYWIDE MARIJUANA BUSINESS TAX MEASURE AND ADVISORY MEASURE TO BE HELD IN THE COUNTY OF LOS ANGELES ON NOVEMBER 8, 2016, AND CONSOLIDATING THE SPECIAL ELECTION WITH THE STATEWIDE GENERAL ELECTION TO BE HELD ON NOVEMBER 8, 2016

WHEREAS, pursuant to Article 11 of Chapter 3.5 of Division 8 of the California Business and Professions Code, and subject to voter approval of the Control, Regulate and Tax Adult Use of Marijuana Act, the County of Los Angeles ("County") is authorized to impose a tax on businesses engaged in cultivating, dispensing, producing, processing, preparing, storing, providing, donating, selling, or distributing marijuana or marijuana products, in the incorporated and unincorporated territory of the County for general purposes; and

WHEREAS, pursuant to Article XIII C, section 2(a) of the California Constitution, a general tax may be imposed for general governmental purposes to maintain the quality of life of the people of the County by funding general County services, including Homeless Initiative strategies and homeless support services; and

WHEREAS, the County desires to impose a countywide tax for general governmental purposes on marijuana businesses at a rate of up to ten percent (10%) of the marijuana businesses' gross receipts; and

WHEREAS, pursuant to Article XIII C, section 2(b) of the Constitution and California Government Code sections 53721-53724, a general tax is subject to approval by two-thirds vote of the Board of Supervisors and by a majority vote of the qualified voters voting in an election on the issue; and

WHEREAS, pursuant to Article XIII C, section 2(b) of the Constitution and Government Code section 53724(c), an election for the approval of a general tax must be consolidated with a regularly scheduled general election for members of the governing body of the local government; and

WHEREAS, the County's general elections are held on the same day as the statewide general election in each even-numbered year, and the next regularly

scheduled general election for members of the Board of Supervisors and the next statewide general election will be held on Tuesday, November 8, 2016; and

WHEREAS, the Board of Supervisors is considering using the marijuana business tax revenue to provide funding for the current crisis of homelessness that pervades communities across the County and demands the maximum possible response by the County, cities, and community partners throughout the region; and

WHEREAS, the Board of Supervisors deems it necessary and essential to submit the marijuana business tax measure, and an advisory measure asking voters whether the tax revenue should be used for Homeless Initiative strategies and services to combat homelessness, to the qualified voters within the County at a general election to be held on November 8, 2016, and to consolidate such election with the other elections to be held on that date.

NOW, THEREFORE BE IT RESOLVED by the Board of Supervisors of the County of Los Angeles as follows:

Section 1. Call of the Election and Purpose. An election shall be held and the same is hereby called and ordered to be held in the County on the 8th day of November, 2016, for the purpose of submitting to the voters: (1) the Ordinance attached hereto as Exhibit A and incorporated herein ("Ordinance") by this reference, which was approved by a two-thirds vote of the Board of Supervisors; and (2) an advisory measure ("Advisory Measure"). The Ordinance shall become effective if a majority of the qualified voters of the County of Los Angeles voting on the Ordinance measure set forth in Section 2, below, vote in favor of the measure. The Advisory Measure, also set forth in Section 2, is non-binding.

Section 2. Ballot Measures. Pursuant to Elections Code section 10403, the ballot forms shall have printed on them the following words with regard to the measures:

Advisory Measure (Advisory Vote Only)	
If California legalizes recreational marijuana, and Los Angeles County enacts a countywide tax on marijuana businesses of up to 10% of gross receipts, should the County use all of that revenue to address the County's homeless crisis: providing mental health/substance abuse treatment; support services; job training; prevention/ outreach/ crisis services; rental subsidies; emergency/ affordable housing for homeless children, families, foster youth, seniors, disabled individuals, veterans, and other adults, with annual audits/citizens' oversight?	YES
	NO

Los Angeles County Marijuana Business Tax Measure	
If voters approve the Control, Regulate and Tax Adult Use of Marijuana Act, shall Los Angeles County adopt Ordinance No. _____ enacting a countywide tax on marijuana businesses at a rate of up to 10% of the businesses' gross receipts for general County purposes?	YES
	NO

Section 3. Proclamation. Pursuant to section 12001 of the Elections Code, the Board of Supervisors of the County of Los Angeles hereby PROCLAIMS that an election shall be held in the County on Tuesday, November 8, 2016, to vote upon the measures. The polls shall be open from 7:00 a.m. to 8:00 p.m.

Section 4. Election Procedure. All qualified voters residing within the County shall be permitted to vote in the election and in all particulars not recited in this Resolution, the elections shall be held as nearly as practicable in conformity with the Elections Code of the State of California. The votes cast for and against the measures shall be separately counted. Each measure requires a majority of the votes cast by the qualified electors voting on each measure to be effective.

Section 5. Sample Ballot. The Registrar-Recorder/County Clerk is instructed to print the entire proposed Ordinance in the sample ballot.

Section 6. Consolidation. The election called by this Resolution shall be consolidated with the other elections conducted by the Registrar-Recorder/County Clerk to be held in the County of Los Angeles on November 8, 2016, and the measures shall be placed on the same ballot in the order set forth in this Resolution.

Section 7. Authority. This Resolution is adopted pursuant to section 12001 of the Elections Code and section 25201 of the Government Code. The Executive Officer-Clerk of the Board of Supervisors is ordered to file a copy of this Resolution with the Registrar-Recorder/County Clerk at least eighty-eight (88) days prior to the day of the election. The Registrar-Recorder/County Clerk is authorized, instructed and directed to prepare any documents and take any additional actions that may be necessary in order to properly and lawfully conduct the election.

Section 8. California Environmental Quality Act. Based upon all of the facts before it on this matter, the Board of Supervisors finds that the submission of the measures to the voters is not subject to, or is exempt from, the California Environmental Quality Act (CEQA). Submission of the measures is not a project as defined by California Code of Regulations Section 15378(b)(4) because it relates to the creation of government funding mechanisms, which do not involve commitment to any specific project which may result in a potentially significant physical impact on the environment.

The foregoing Resolution was on the ____ day of July 2016, adopted by the Board of Supervisors of the County of Los Angeles and ex officio the governing body of all other special assessment and taxing districts, agencies, and authorities for which said Board so acts.

LORI GLASGOW, Executive Officer-
Clerk of the Board of Supervisors of the
County of Los Angeles

By:_____

APPROVED AS TO FORM:

MARY C. WICKHAM
County Counsel

By:_____
Deputy County Counsel

ANALYSIS

This ordinance adds Chapter 4.73 – Marijuana Business Tax, of the Los Angeles County Code to impose a business tax of up to ten percent on the gross receipts of marijuana businesses countywide. Revenues generated from the Marijuana Business Tax will be placed in the County general fund and may be used for any County services. The ordinance will become effective only after approval by a two-thirds vote of the County Board of Supervisors and a majority of the qualified voters voting in an election on the issue.

MARY C. WICKHAM
County Counsel

By_____
Deputy County Counsel

ORDINANCE NO._____

An ordinance amending Title 4, Revenue and Finance of the Los Angeles County Code, to add Chapter 4.73—Marijuana Business Tax, relating to a countywide general business tax on marijuana businesses.

The people of the County of Los Angeles ordains as follows:

SECTION 1. Chapter 4.73 is hereby added to read as follows:

Chapter 4.73

Marijuana Business Tax

Sections:

4.73.010 Purpose of Chapter.

4.73.020 Tax Imposed.

4.73.030 Definitions.

4.73.040 Other Licenses, Permits, Taxes, Fees or Charges.

4.73.050 Payment of Tax Does Not Authorize Unlawful Business.

4.73.060 Payment—Location.

4.73.070 Amount of Business Tax Owed.

4.73.080 Payment—Time Limits.

4.73.090 Payments and Communications Made by Mail—Proof of Timely Submittal.

4.73.100 Payment—When Taxes Deemed Delinquent.

4.73.110 Notice Not Required by County.

4.73.120 Payment—Penalty for delinquency.

4.73.130 Waiver of Penalties.

4.73.140 Refunds—Credits.

4.73.150 Refunds and Procedures.

4.73.160 Exemptions—Application—Issuance Conditions.

4.73.170 Exemptions—General.

4.73.180 Exemptions—Occasional Transactions.

4.73.190 Enforcement—Duties of Tax Administrator and Sheriff.

4.73.200 Rules and Regulations.

4.73.210 Apportionment.

4.73.220 Audit and Examination of Records and Equipment.

4.73.230 Tax Deemed Debt to County, Lien Procedure.

4.73.240 Deficiency Determinations.

4.73.250 Tax Assessment—Authorized When—Nonpayment—Fraud.

4.73.260 Tax Assessment—Notice Requirements.

4.73.270 Tax Assessment—Hearing—Application and Determination.

4.73.280 Appeal from Tax Administrator Determination.

4.73.290 Conviction for Chapter Violation—Taxes Not Waived.

4.73.300 Violation Deemed Misdemeanor—Penalty.

4.73.310 Severability.

4.73.320 Effect of State and Federal Reference/Authorization.

4.73.330 Remedies Cumulative.

4.73.340 Amendment or Repeal.

4.73.350 Execution.

4.73.010 Purpose of Chapter.

This Chapter shall be known as the "Marijuana Business Tax" ordinance and is enacted solely to raise revenue for general governmental purposes of the County. All of the proceeds from the tax imposed by this Chapter shall be placed in the County's general fund. An advisory measure was also placed on the ballot at the same election at which this ordinance was adopted, asking the voters of the County if the County should use the proceeds of this tax to address the County's homeless crisis. The advisory measure is not binding on the Board of Supervisors with respect to its use of the tax proceeds.

4.73.020 Tax Imposed.

There is established and imposed a business tax at the rate(s) set forth in this Chapter.

4.73.030 Definitions.

The definitions set forth in this section shall govern the application and interpretation of this Chapter.

A. "Business" shall include all activities engaged in or caused to be engaged in within the incorporated and unincorporated areas of the County, including any commercial or industrial enterprise, trade, profession, occupation, vocation, calling, or livelihood, regardless of whether the activity is undertaken individually, collectively, or cooperatively, and regardless of whether the activity is for compensation or gratuitous or

not for gain or profit, but shall not include the services rendered by an employee to his or her employer.

B. "County" shall mean and include the incorporated and unincorporated areas of the County of Los Angeles.

C. "Employee" means each and every person engaged in the operation or conduct of any business, whether as owner, member of the owner's family, partner, associate, agent, manager or solicitor, and each and every other person employed or working in such business for a wage, salary, commission or room and board.

D. "Engaged in business" means the commencing, conducting, operating, managing or carrying on of a marijuana business and the exercise of corporate or franchise powers, whether done as owner, or by means of an officer, agent, manager, employee, or otherwise, whether operating from a fixed location in the County or coming into the County from an outside location to engage in such activities. A person shall be deemed engaged in business within the County if:

1. Such person or person's employee maintains a fixed place of business within the County for the benefit or partial benefit of such person;

2. Such person or person's employee owns or leases real property within the County for business purposes;

3. Such person or person's employee regularly maintains a stock of tangible personal property in the County for sale in the ordinary course of business;

4. Such person or person's employee regularly conducts solicitation of business within the County;

5. Such person or person's employee performs work or renders services in the County on a regular and continuous basis involving more than five working days per year;

6. Such person or person's employee utilizes the streets within the County in connection with the operation of motor vehicles for business purposes.

The foregoing specified activities shall not be a limitation on the meaning of "engaged in business."

E. "Evidence of doing business" means whenever any person shall, by use of signs, circulars, cards or any other advertising media, including the use of Internet or telephone solicitation, represent that such person is engaged in marijuana business in within the County, then these facts may be used as evidence that such person is engaged in business within the County.

F. "Gross receipts," except as otherwise specifically provided, means the total amount actually received or receivable from all sales; the total amount of compensation actually received or receivable for the performance of any act or service, of whatever nature it may be, for which a charge is made or credit allowed, whether or not such act or service is done as a part of or in connection with the sale of materials, goods, wares or merchandise; discounts, rents, royalties, fees, commissions, dividends, and gains realized from trading in stocks or bonds, however designated. Included in "gross receipts" shall be all receipts, cash, credits and property of any kind or nature, without any deduction therefrom on account of the cost of the property sold, the cost of

materials used, labor or service costs, interest paid or payable, or losses or other expenses whatsoever, except that the following shall be excluded therefrom:

1. Cash discounts allowed and taken on sales;

2. Credit allowed on property accepted as part of the purchase price and which property may later be sold, at which time the sales price shall be included as gross receipts;

3. Any tax required by law to be included in or added to the purchase price and collected from the consumer or purchaser;

4. Such part of the sale price of any property returned by purchasers to the seller as refunded by the seller by way of cash or credit allowances or return of refundable deposits previously included in gross receipts;

5. Receipts from investments where the holder of the investment receives only interest and/or dividends, royalties, annuities and gains from the sale or exchange of stock or securities solely for a person's own account, not derived in the ordinary course of a business;

6. Receipts derived from the occasional sale of used, obsolete or surplus trade fixtures, machinery or other equipment used by the taxpayer in the regular course of the taxpayer's business;

7. Cash value of sales, trades or transactions between departments or units of the same business;

8. Whenever there are included within the gross receipts amounts which reflect sales for which credit is extended and such amount proved uncollectible in a

subsequent year, those amounts may be excluded from the gross receipts in the year they prove to be uncollectible; provided, however, if the whole or portion of such amounts excluded as uncollectible are subsequently collected, they shall be included in the amount of gross receipts for the period when they are recovered;

9. Receipts of refundable deposits, except that such deposits when forfeited and taken into income of the business shall not be excluded when in excess of $1.00;

10. Amounts collected for others where the business is acting as an agent or trustee and to the extent that such amounts are paid to those for whom collected. These agents or trustees must provide the Tax Administrator with the names and the addresses of the others and the amounts paid to them. This exclusion shall not apply to any fees, percentages, or other payments retained by the agent or trustees.

"Gross receipts" shall include income, revenue, earnings or collections from related-party transactions and intercompany transactions. "Intercompany transactions" means those transactions between a parent and subsidiary or between subsidiaries, or transactions between or among fellow subsidiaries that report to the same parent company.

"Gross receipts" subject to the business tax shall be that portion of gross receipts relating to business conducted within the County.

G. "Marijuana" means all parts of the plant Cannabis sativa L., whether growing or not; the seeds thereof; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin.

H. "Marijuana business" means a licensee operating under Chapter 3.5 of Division 8 of the Business and Professions Code or Division 10 of the Business and Professions Code engaged in cultivating, manufacturing, producing, processing, preparing, storing, providing, donating, selling, or distributing marijuana or marijuana products in the County, whether or not carried on for gain or profit.

I. "Marijuana business tax," "business tax" or "marijuana tax" means the tax due for engaging in marijuana business in the County.

J. "Person" means, without limitation, any natural individual, organization, firm, trust, common law trust, estate, partnership of any kind, association, syndicate, club, joint stock company, joint venture, limited liability company, corporation (including foreign, domestic, and nonprofit), cooperative, receiver, trustee, guardian, or other representative appointed by order of any court.

K. "Sale" means and includes any sale, exchange, or barter.

L. "Tax Administrator" means the Treasurer and Tax Collector or such other administrator designated by the County Executive Officer to administer this Chapter.

4.73.040 Other Licenses, Permits, Taxes, Fees or Charges.

Nothing contained in this Chapter shall be deemed to repeal, amend, be in lieu of, replace or in any way affect any requirements for any license or permit required by, under or by virtue of any provision of any other title or chapter of this code or any other ordinance or resolution of the County or any city within the County, nor be deemed to repeal, amend, be in lieu of, replace or in any way affect any tax, fee or other charge imposed, assessed or required by, under or by virtue of any other title or chapter of this

code or any other ordinance or resolution of the County or any city within the County. Any references made or contained in any other title or chapter of this code to any licenses, license taxes, fees or charges, or to any schedule of license fees, shall be deemed to refer to the licenses, license taxes, fees or charges, or schedule of license fees, provided for in other titles or chapters of this code.

4.73.050 Payment of Tax Does Not Authorize Unlawful Business.

A. The payment of a business tax required by this Chapter, and its acceptance by the County, shall not entitle any person to carry on any marijuana business unless the person has complied with all of the requirements of this code and all other applicable State and local laws, nor to carry on any marijuana business in any building or on any premises in the event that such building or premises are situated in a zone or locality in which the conduct of such marijuana business is in violation of any State or local law.

B. No tax paid under the provisions of this Chapter shall be construed as authorizing the conduct or continuance of any illegal or unlawful business, or any business in violation of any ordinance of the County or of any city within the County.

4.73.060 Payment—Location.

The tax imposed under this Chapter shall be paid to the Tax Administrator in lawful money of the United States, at the Offices of the County Treasurer and Tax Collector in Los Angeles, California, unless the Board of Supervisors, upon recommendation of the Tax Administrator, orders that taxes be collected at another location, or in another manner, or additional location with the County. Lawful money

shall mean any coin, currency or negotiable instrument, exchangeable for said coin or currency, which the United States Congress has declared to be a national legal tender; however, the Tax Administrator shall have the right to refuse payment in coins of taxes, penalties and/or interest, or any other charges associated with the payment of the tax. Any refusal by the Tax Administrator of payment in coins shall not be deemed an extension of the due date.

4.73.070 Amount of Business Tax Owed.

A. Every person engaged in marijuana business in the County shall pay a business tax at a rate of up to 10 percent of gross receipts. The tax under this Chapter shall not be imposed on marijuana businesses unless and until the Board of Supervisors, by ordinance, takes action to set a tax rate not to exceed 10 percent of gross receipts.

B. Notwithstanding the maximum tax rate of 10 percent of gross receipts imposed under subsection A of this section, the Board of Supervisors may, in its discretion, at any time by ordinance, implement a lower tax rate for all marijuana businesses or establish differing tax rates or no tax rate for different categories of marijuana businesses, as defined in such ordinance, subject to the maximum rate of 10 percent of gross receipts. The Board of Supervisors may, by ordinance, also increase any such tax rate from time to time, not to exceed the maximum tax rate of 10 percent of gross receipts established under subsection A of this section.

C. Pursuant to subsection A of this section, the marijuana business tax is set at ten percent of gross receipts. Commencing on the operative date of this Chapter,

every person engaged in marijuana business in the County shall pay a marijuana business tax at the rate of ten percent of gross receipts.

4.73.080 Payment—Time Limits.

The business tax imposed by this Chapter shall be due and payable as follows:

A. Each person owing a tax under this Chapter shall, on or before the last day of each calendar month, prepare a tax statement to the Tax Administrator of the total gross receipts and the amount of tax owed for the preceding calendar month. At the time the tax statement is filed, the full amount of the tax owed for the preceding calendar month shall be remitted to the Tax Administrator.

B. All tax statement shall be completed on forms provided by the Tax Administrator.

C. Tax statements and payments for all outstanding taxes owed the County are immediately due to the Tax Administrator upon cessation of business for any reason.

4.73.090 Payments and Communications Made by Mail—Proof of Timely Submittal.

Whenever any payment, statement, report, request or other communication received by the Tax Administrator is received after the time prescribed by this Chapter for the receipt thereof, but is in an envelope bearing a postmark showing that it was mailed on or prior to the date prescribed in this Chapter for the receipt thereof, or whenever the Tax Administrator is furnished substantial proof that the payment, statement, report, request or other communication was in fact deposited in the United

States mail on or prior to the date prescribed for receipt thereof, the Tax Administrator may regard such payment, statement, report, request or other communication as having been timely received. If the due day falls on Saturday, Sunday or a County holiday, the due date shall be the next regular business day on which the County Hall of Administration at 500 West Temple Street, in Los Angeles is open to the public.

4.73.100 Payment—When Taxes Deemed Delinquent.

Unless otherwise specifically provided under other provisions of this Chapter, the taxes required to be paid pursuant to this Chapter shall be deemed delinquent if not paid on or before the due date specified in Section 4.73.080.

4.73.110 Notice Not Required by County.

The Tax Administrator is not required to send a delinquency or other notice or bill to any person subject to the provisions of this Chapter and failure to send such notice or bill shall not affect the validity of any tax or penalty due under the provisions of this Chapter.

4.73.120 Payment—Penalty for Delinquency.

A. Any person who fails or refuses to pay any business tax required to be paid pursuant to this Chapter on or before the due date shall pay penalties and interest as follows:

1. A penalty equal to ten percent of the unpaid amount of the tax in addition to the amount of the tax, plus interest on the unpaid tax calculated from the due date of the tax at a rate established by resolution of the Board of Supervisors; and

2. An additional penalty equal to ten percent of the unpaid amount of the tax if the tax remains unpaid for a period exceeding one calendar month beyond the due date, plus interest on the unpaid tax and on the unpaid penalties, calculated at the rate established by resolution of the Board of Supervisors.

3. Interest shall be applied at the monthly rate on the first day of the month for the full month, and will continue to accrue monthly on the tax and penalty until the balance is paid in full.

4. Whenever a check is submitted in payment of a business tax and the check is subsequently returned unpaid by the bank upon which the check is drawn, and the check is not redeemed prior to the due date, the person who submitted the unpaid check will be liable for the tax amount due plus the return check fee; penalties and interest as provided for in this section; and any amount allowed under State law.

C. The business tax due shall be that amount due and payable from the first date on which the person was engaged in marijuana business in the County, together with applicable penalties and interest calculated in accordance with subsection A of this section.

4.73.130 Cancellation of Penalties.

The Tax Administrator may cancel the first and second penalties of ten percent each imposed upon any person if:

A. The person provides evidence satisfactory to the Tax Administrator that failure to pay timely was due to circumstances beyond the control of the person and occurred notwithstanding the exercise of ordinary care and the absence of willful

neglect, and the person paid the delinquent business tax and accrued interest owed the County prior to applying to the Tax Administrator for a cancellation.

B. The cancellation provisions specified in this subsection shall not apply to interest accrued on the delinquent tax.

4.73.140 Refunds—Credits.

A. No refund shall be made of any tax collected pursuant to this Chapter, except as provided in Section 4.73.150, below.

B. No refund of any tax collected pursuant to this Chapter shall be made because of the discontinuation, dissolution or other termination of a business.

C. Any person entitled to a refund of taxes paid pursuant to this Chapter may elect in writing to have such refund applied as a credit against such person's business taxes for the next calendar month.

4.73.150 Refunds and procedures.

A. Whenever the amount of any business tax, penalty or interest has been overpaid, paid more than once, or has been erroneously or illegally collected or received by the County under this Chapter, it may be refunded to the claimant who paid the tax; provided, that a written claim for refund is filed with the Tax Administrator within three years of the date the tax was originally due and payable, and the provisions of Chapter 4.04 are satisfied.

B. The Tax Administrator or the Tax Administrator's authorized agent shall have the right to examine and audit all the books and business records of the claimant in order to determine the eligibility of the claimant to the claimed refund. No claim for

refund shall be allowed if the claimant refuses to allow such examination of claimant's books and business records after request by the Tax Administrator to do so.

C. In the event that the business tax was erroneously paid and the error is attributable to the County, the entire amount of the tax erroneously paid shall be refunded to the claimant. If the error is attributable to the claimant, the County shall retain the amount set forth in the schedule of fees and charges established by resolution of the Board of Supervisors from the amount to be refunded to cover expenses.

4.73.160 Exemptions—Application—Issuance Conditions.

Any person desiring to claim exemption from the payment of the tax set forth in this Chapter shall make application upon forms prescribed by the Tax Administrator and shall furnish such information and make such affidavits as may be required by the Tax Administrator.

4.73.170 Exemptions—General.

Except as may be otherwise specifically provided in this Chapter, the terms hereof shall not be deemed or construed to apply to any person when imposition of the tax upon that person would violate the Constitution of the United States or that of the State of California or preemptive federal or State law.

4.73.180 Exemptions—Occasional Transactions.

A. The provisions of this Chapter shall not apply to persons having no fixed place of business within the County who come into the County for the purpose of transacting a specific item of business at the request of a specific patient, client or

customer; provided, that such person does not come into the County for the purpose of transacting business on more than five days during any calendar year.

B. For any person not having a fixed place of business within the County who comes into the County for the purpose of transacting business and who is not exempt as provided in subsection A of this section, the business tax payable by such person may be apportioned by the Tax Administrator in accordance with Section 4.73.210, below.

4.73.190 Enforcement—Duties of Tax Administrator and Sheriff.

It shall be the duty of the Tax Administrator to enforce each and all of the provisions of this Chapter, and the County Sheriff shall render such assistance in the enforcement of this Chapter as may from time to time be required by the Tax Administrator.

4.73.200 Rules and Regulations.

A. The Tax Administrator shall have the power and duty, to enforce each and all of the provisions of this Chapter.

B. The Tax Administrator may adopt administrative rules and regulations consistent with provisions of this Chapter for the purpose of interpreting, clarifying, carrying out and enforcing the payment, collection and remittance of the taxes herein imposed. A copy of such administrative rules and regulations shall be on file in the Tax Administrator's office. To the extent that the Tax Administrator determines that the tax imposed under this Chapter shall not be collected in full for any period of time from any particular marijuana business, that determination shall be considered an exercise of the

Tax Administrator's discretion to settle disputes and shall not constitute a change in taxing methodology for purposes of Government Code section 53750, nor is such determination a waiver of the County's ability to impose the tax in full. The Tax Administrator is not authorized to amend the taxing methodology for purposes of Government Code Section 53750.

C. Upon a proper showing of good cause, the Tax Administrator may make administrative agreements, with appropriate conditions, to vary from the strict requirements of this Chapter and thereby (1) conform to the billing procedures of a particular marijuana business so long as said agreements result in the collection of the tax in conformance with the general purpose and scope of this Chapter; or (2) to avoid a hardship where the administrative costs of collection and remittance greatly outweigh the tax benefit. A copy of each such agreement shall be on file in the Tax Administrator's office and are voidable by the Tax Administrator or the County at any time.

D. Upon receipt of a written request of a marijuana business, and for good cause, the Tax Administrator may extend the time for filing any statement required pursuant to this Chapter for a period of not to exceed forty-five (45) days, provided that the time for filing the required statement has not already passed when the request is received. No penalty for delinquent payment shall accrue by reason of such extension. Interest shall accrue during said extension at the rate of one and one-half (1.5%) percent per month, prorated for any portion thereof.

4.73.210 Apportionment.

A. None of the tax provided for by this Chapter shall be applied so as to occasion an undue burden upon interstate commerce or be violative of the equal protection and due process clauses of the Constitutions of the United States or the State of California.

B. If any case where a business tax is believed by a taxpayer to place an undue burden upon interstate commerce or be violative of such constitutional clauses, the taxpayer may apply to the Tax Administrator for an adjustment of the tax. It shall be the taxpayer's obligation to request in writing for an adjustment within one year after the date of payment of the tax. If the taxpayer does not request in writing within one year from the date of payment, then taxpayer shall be conclusively deemed to have waived any adjustment for that year and all prior years.

C. The taxpayer shall, by sworn statement and supporting testimony, show the method of business and the gross volume of business and such other information as the Tax Administrator may deem necessary in order to determine the extent, if any, of such undue burden or violation. The Tax Administrator shall then conduct an investigation, and shall fix as the tax for the taxpayer an amount that is reasonable and nondiscriminatory, or if the tax has already been paid, shall order a refund of the amount over and above the tax so fixed. In fixing the tax to be charged, the Tax Administrator shall have the power to base the tax upon a percentage of gross receipts or any other measure which will assure that the tax assessed shall be uniform with that

assessed on businesses of like nature, so long as the amount assessed does not exceed the tax as prescribed by this Chapter.

D. Should the Tax Administrator determine that the gross receipt measure of tax to be the proper basis, the Tax Administrator may require the taxpayer to submit a sworn statement of the gross receipts and pay the amount of tax as determined by the Tax Administrator.

4.73.220 Audit and Examination of Records and Equipment.

A. The Tax Administrator shall have the power to audit and examine or cause to be audited and examined, all books and records of persons engaged in marijuana business including both State and federal income tax returns, California sales tax returns, or other evidence documenting the gross receipts of persons engaged in marijuana business, and, where necessary, all equipment of any person engaged in marijuana business in the County, for the purpose of ascertaining the amount of business tax, if any, required to be paid by the provisions hereof, and for the purpose of verifying any statements or any item thereof when filed by any person pursuant to the provisions of this Chapter. If such person, after written demand by the Tax Administrator, refuses to make available for audit, examination or verification such books, records or equipment as the Tax Administrator requests, the Tax Administrator may, after full consideration of all information within his or her knowledge concerning the marijuana business and activities of the person so refusing, make an assessment in the manner provided in Sections 4.73.250 through 4.73.270, below, of any taxes estimated to be due.

B. It shall be the duty of every person liable for the collection and payment to the County of any tax imposed by this Chapter to keep and preserve, for a period of at least three years, all records as may be necessary to determine the amount of such tax as he or she may have been liable for the collection of and payment to the County, which records the Tax Administrator shall have the right to inspect at all reasonable times.

4.73.230 Tax Deemed Debt to County, Lien Procedure.

A. The amount of any tax, penalties, and interest imposed by the provisions of this Chapter on any person engaged in any marijuana business, shall be deemed a debt to the County. The Tax Administrator, in the name of the County, as plaintiff, may bring suit for the recovery of any tax, penalties, and interest due to the County pursuant to this Chapter.

B. In addition to any other method of collection authorized by law, the County may collect the tax imposed pursuant to this Chapter by way of a lien in the same manner as other liens as prescribed in sections 2191.3 through 2191.6 of the Revenue and Taxation Code.

4.73.240 Deficiency Determinations.

If the Tax Administrator is not satisfied that any statement filed as required under the provisions of this Chapter is correct, or that the amount of tax is correctly computed, he or she may compute and determine the amount to be paid and make a deficiency determination upon the basis of the facts contained in the statement or upon the basis

of any information in his or her possession or that may come into his or her possession within three years of the date the tax was originally due and payable. One or more deficiency determinations of the amount of tax due for a period or periods may be made. When a person discontinues engaging in a business, a deficiency determination may be made at any time within three years thereafter as to any liability arising from engaging in such business whether or not a deficiency determination is issued prior to the date the tax would otherwise be due. Whenever a deficiency determination is made, a notice shall be given to the person concerned in the same manner as notices of assessment are given under Sections 4.73.250 through 4.73.270, below.

4.73.250 Tax Assessment—Authorized When—Nonpayment—Fraud.

A. Under any of the following circumstances, the Tax Administrator may make and give notice of an assessment of the amount of tax owed by a person under this Chapter at any time:

1. If the person has not filed any statement required under the provisions of this Chapter;

2. If the person has not paid any tax due under the provisions of this Chapter;

3. If the person has not, after demand by the Tax Administrator, filed a corrected statement, or furnished to the Tax Administrator adequate substantiation of the information contained in a statement already filed, or paid any additional amount of tax due under the provisions of this Chapter;

4. If the Tax Administrator determines that the nonpayment of any business tax due under this Chapter is due to fraud, a penalty of 25 percent of the amount of the tax shall be added thereto in addition to penalties and interest otherwise stated in this Chapter.

B. The notice of assessment shall separately set forth the amount of any tax known by the Tax Administrator to be due or estimated by the Tax Administrator, after consideration of all information within the Tax Administrator's knowledge concerning the business and activities of the person assessed, to be due under each applicable section of this Chapter, and shall include the amount of any penalties or interest accrued on each amount to the date of the notice of assessment.

4.73.260 Tax Assessment—Notice Requirements.

The notice of assessment shall be served upon the person either by handing it to him or her personally, or by a deposit of the notice in the United States mail, postage prepaid thereon, addressed to the person at the address of the location of the business or to such other address as he or she shall file with the Tax Administrator for the purpose of receiving notices provided under this Chapter; or, should the person have no address registered with the Tax Administrator for such purpose, then to such person's last known address. For the purposes of this section, a service by mail is complete at the time of deposit in the United States mail.

4.73.270 Tax Assessment—Hearing—Application and Determination.

Within 10 days after the date of service the person may apply in writing to the Tax Administrator for a hearing on the assessment. If application for a hearing before the

County is not made within the time herein prescribed, the tax assessed by the Tax Administrator shall become final and conclusive. Within 30 days of the receipt of any such application for hearing, the Tax Administrator shall cause the matter to be set for hearing before him or her not later than 35 days after the receipt of the application, unless a later date is agreed to by the Tax Administrator and the person requesting the hearing. Notice of such hearing shall be given by the Tax Administrator to the person requesting such hearing not later than five days prior to such hearing. At such hearing said applicant may appear and offer evidence why the assessment as made by the Tax Administrator should not be confirmed and fixed as the tax due. After such hearing the Tax Administrator shall determine and reassess the proper tax to be charged and shall give written notice to the person in the manner prescribed in Section 4.73.260 for giving notice of assessment. The amount determined to be due shall be payable after 15 days unless an appeal is taken as provided in Section 4.73.280, below.

4.73.280 Appeal from Tax Administrator Determination.

A. Any person deeming himself or herself aggrieved by any decision of the tax Administrator with respect to the amount of the tax, interest and penalties, if any, may appeal to the Board of Supervisors by filing a notice of appeal with the Clerk of the Board within 15 days of the serving or mailing of the determination of the tax due.

B. Upon the filing of a notice of appeal, the Board of Supervisors shall fix a time and place for hearing such appeal and the Clerk of the Board shall give not less than five days' notice in writing, either personally or by United States mail, postage prepaid.

C. The Board of Supervisors may appoint a referee to take testimony at any hearing provided for in this section and to report his findings and recommendations to the Board. Neither the Tax Administrator nor any officer or employee in the office of the Tax Administrator may be appointed referee.

D. If the Board of Supervisors appoints a County officer or County employee to act as referee, he shall serve as such without any additional compensation. All time spent as a referee shall be considered as time spent by such officer or employee in performing the duties of his position.

E. At the time set for the hearing, or at the date to which the hearing may be continued by the Board of Supervisors or referee, the Board or referee shall hear the appellant and any other competent witnesses and decide whether the determination of the Tax Administrator was correct or not, and if not what tax, interest or penalties, if any, are due to the County from the appellant. The Board or referee may place any witnesses, including the appellant, under oath.

F. The Board of Supervisors shall determine from the evidence or from the report of the referee, what tax, interest or penalties, if any, are due to the County from the appellant. This decision shall be final and conclusive. The Clerk of the Board shall serve a copy of the decision upon the appellant as provided in Section 4.72.260. Any amount due shall be immediately due and payable upon the service of the said notice.

4.73.290 Conviction for Chapter Violation—Taxes Not Waived.

The conviction and punishment of any person for failure to pay the required tax shall not excuse or exempt such person from any civil action for the tax debt unpaid at

the time of such conviction. No civil action shall prevent a criminal prosecution for any violation of the provisions of this Chapter or of any State law requiring the payment of all taxes.

4.73.300 Violation Deemed Misdemeanor—Penalty.

Any person violating any of the provisions of this Chapter or any regulation or rule passed in accordance herewith shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punishable by a fine of not more than $500.00 or by imprisonment for a period of not more than six months, or by both such fine and imprisonment.

4.73.310 Severability.

Should any provision of this Chapter, or its application to any person or circumstance, be determined by a court of competent jurisdiction to be unlawful, unenforceable or otherwise void, that determination shall have no effect on any other provision of this Chapter or the application of this Chapter to any other person or circumstance and, to that end, the provisions hereof are severable.

4.73.320 Effect of State and Federal Reference/Authorization.

A. Unless specifically provided otherwise, any reference to a State or federal statute in this Chapter shall mean such statute as it may be amended from time to time; provided, that such reference to a statute herein shall not include any amendment thereto, or to any change of interpretation thereto by a State or federal agency or court of law with the duty to interpret such law, to the extent that such amendment or change of interpretation would, under California law, require voter approval of such amendment

or interpretation, or to the extent that such change would result in a tax decrease. To the extent voter approval would otherwise be required or a tax decrease would result, the prior version of the statute (or interpretation) shall remain applicable; for any application or situation that would not require voter approval or result in a decrease of a tax, provisions of the amended statute (or new interpretation) shall be applicable to the maximum possible extent.

B. To the extent that the County's authorization to collect or impose any tax imposed under this Chapter is expanded as a result of changes in State or federal law, no amendment or modification of this Chapter shall be required to conform the tax to those changes, and the tax shall be imposed and collected to the full extent of the authorization up to the full amount of the tax imposed under this Chapter.

4.73.330 Remedies Cumulative.

All remedies and penalties prescribed by this Chapter or which are available under any other provision of law or equity, including but not limited to the California False Claims Act (Government Code section 12650, et seq.) and the California Unfair Practices Act (Business and Professions Code section 17070, et seq.), are cumulative. The use of one or more remedies by the County shall not bar the use of any other remedy for the purpose of enforcing the provisions of this Chapter.

4.73.340 Amendment or Repeal.

This Chapter of the Los Angeles County Code may be repealed or amended by the Board of Supervisors without a vote of the people. However, as required by Article XIIIC of the California Constitution, voter approval is required for any amendment

provision that would increase the rate of any tax levied pursuant to this Chapter. The people of the County of Los Angeles affirm that the following actions shall not constitute an increase of the rate of a tax:

A. The restoration of the rate of the tax to a rate that is no higher than that set by this Chapter, if the Board of Supervisors has acted to reduce the rate of the tax;

B. An action that interprets or clarifies the methodology of the tax, or any definition applicable to the tax, so long as interpretation or clarification (even if contrary to some prior interpretation or clarification) is not inconsistent with the language of this Chapter;

C. The establishment of a class of person that is exempt or excepted from the tax or the discontinuation of any such exemption or exception (other than the discontinuation of an exemption or exception specifically set forth in this Chapter); or

D. The collection of the tax imposed by this Chapter, even if the County had, for some period of time, failed to collect the tax.

4.73.350 Execution.

The Chair of the Board of Supervisors is authorized to attest to the adoption of this ordinance by the voters of the County at the Election.

I hereby certify that the foregoing ordinance was PASSED, APPROVED and ADOPTED by the people of the County of Los Angeles voting on the 8th day of November 2016.

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Chair of the Board of Supervisors

[CH473JWCC]