



CITY of CALABASAS

RECEIVED

By Anjanette at 11:10 am, Feb 06, 2026

February 6, 2026

Honorable Los Angeles County Board of Supervisors and Esteemed Los Angeles County Registrar-Recorder/County Clerk,

Following the City of Calabasas City Council Special Meeting of Thursday, February 5, 2026, please find the following documents attached:

1. **Resolution No. 2026-1994** adopted by **UNANIMOUS** vote of the Calabasas City Council:

RESOLUTION NO. 2026-1994

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALABASAS, CALIFORNIA, UNANIMOUSLY DECLARING A FISCAL EMERGENCY FOR PURPOSES OF ARTICLE XIII C, SECTION 2(b) OF THE CALIFORNIA CONSTITUTION

2. **Resolution No. 2026-1995** adopted by **UNANIMOUS** vote of the Calabasas City Council:

RESOLUTION NO. 2026-1995

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALABASAS, CALIFORNIA, (1) CALLING AND GIVING NOTICE OF A SPECIAL MUNICIPAL ELECTION TO BE HELD ON MAY 5, 2026; (2) SUBMITTING TO THE VOTERS A PROPOSED ORDINANCE IMPOSING A ONE CENT (1¢) TRANSACTIONS AND USE TAX FOR GENERAL GOVERNMENTAL PURPOSES; (3) PROVIDING FOR THE ELECTION TO BE CONDUCTED AS AN ALL-MAIL BALLOT ELECTION PURSUANT TO ELECTIONS CODE SECTION 4000 ET SEQ. AND IN ACCORDANCE WITH THE VOTE-BY-MAIL PROCEDURES IN ELECTIONS CODE SECTION 3000 ET SEQ.; (4) DIRECTING THE CITY CLERK TO TAKE ALL ACTIONS NECESSARY TO CONDUCT THE ELECTION; (5) REQUESTING THAT THE REGISTRAR-RECORDER/COUNTY CLERK PROVIDE SPECIFIC ELECTION ADMINISTRATION SERVICES; AND (6) SETTING PRIORITIES FOR FILING WRITTEN ARGUMENTS AND REBUTTALS REGARDING THE BALLOT MEASURE AND DIRECTING PREPARATION OF AN IMPARTIAL ANALYSIS

3. Ordinance No. 2026-422 introduced by UNANIMOUS vote of the Calabasas City Council:

ORDINANCE NO. 2026-422

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CALABASAS, CALIFORNIA, IMPOSING A ONE PERCENT TRANSACTIONS AND USE TAX FOR GENERAL GOVERNMENTAL USE TO BE ADMINISTERED BY THE CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION

These actions, taken by unanimous vote of our City Council, effectively comply with the requirements to hold a **Special Municipal Election to be held on May 5, 2026**. Said election will be an All-Mail Ballot Election placing a proposed measure on the ballot to Calabasas voters.

In addition to submitting electronic (emailed) documents, certified copies with wet signatures will be hand-delivered today to both the Los Angeles County Board of Supervisors and the Los Angeles County Registrar-Recorder/County Clerk's Office.

Please don't hesitate to email me at kbuxkemper@cityofcalabasas.com or call me at 818-224-1662 if you have any questions or need any additional information to process the requested document.

Respectfully,



Kristy Buxkemper
City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) §
CITY OF CALABASAS)

RECEIVED

By Anjanette at 11:11 am, Feb 06, 2026

I, **KRISTY BUXKEMPER, CMC**, City Clerk of the City of Calabasas, California,

DO HEREBY CERTIFY that the foregoing resolution, being:

RESOLUTION NO. 2026-1994

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALABASAS, CALIFORNIA, UNANIMOUSLY DECLARING A FISCAL EMERGENCY FOR PURPOSES OF ARTICLE XIII C, SECTION 2(b) OF THE CALIFORNIA CONSTITUTION

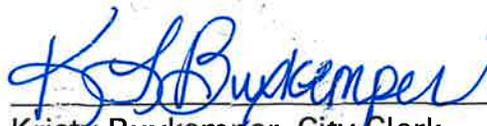
Was duly adopted by the City Council of the City of Calabasas, at their special meeting held on February 5, 2026, and that it was adopted by the following **UNANIMOUS** vote, to wit:

AYES: Mayor James Bozajian, Mayor Pro Tem Edward Albrecht, Councilmember Peter Kraut, Councilmember David Shapiro, and Councilmember Alicia Weintraub

NOES: None.

ABSTAIN: None.

ABSENT: None



Kristy Buxkemper, City Clerk
City of Calabasas, California

RESOLUTION NO. 2026-1994

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALABASAS, CALIFORNIA, UNANIMOUSLY DECLARING A FISCAL EMERGENCY FOR PURPOSES OF ARTICLE XIII C, SECTION 2(b) OF THE CALIFORNIA CONSTITUTION

SECTION 1. Recitals

- A. The City Council of the City of Calabasas ("City") is responsible for maintaining essential municipal services and protecting the public health, safety, and welfare of the Calabasas community; and
- B. The City is committed to maintaining a safe, high-quality community, protecting open space, and providing essential municipal services and facilities for residents, businesses, and visitors; and
- C. The City has historically maintained disciplined financial management, transparent budgeting practices, and a commitment to fiscal accountability; and
- D. With noted exceptions during the economic downturns, including the 2008 recession and the COVID-19 pandemic, the City has maintained balanced budgets, protected reserves, and prioritized essential services, such as public safety, emergency response, and community amenities; and
- E. The City has also recently experienced significant emergency preparedness and response demands associated with wildfire events, including the Woolsey Fire, Franklin Fire, Kenneth Fire, and Palisades Fire, and has incurred significant costs related thereto, underscoring the ongoing need for stable funding for emergency readiness, response, and recovery; and
- F. Economic conditions have shifted, and rising costs for public safety, emergency response, wildfire preparedness, insurance, utilities, and contract services, as well as inflation have outpaced the City's modest revenue growth, resulting in a growing structural budget deficit that, if unaddressed, will threaten the City's ability to maintain its levels of services; and
- G. The City's adopted Fiscal Year 2025-26 General budget reflects General Fund revenues of approximately \$30.6 million and General Fund expenditures of approximately \$31.2 million, resulting in a projected structural deficit of approximately \$598,465 in Fiscal Year 2025-26; and
- H. The City's projections indicate that, absent corrective action, the structural deficit will grow to approximately \$1.35 million by Fiscal Year 2026-27, and to almost \$6 million by Fiscal Year 2035-36; and

- I. The City's General Fund reserves are approximately \$19.6 million (approximately 64% of the General Fund), and projections indicate reserves will be drawn down over time and may be depleted within five to six years; and
- J. The City faces approximately \$23.6 million in unfunded capital improvement projects and initiatives, and without a dedicated source, projects are delayed and costs escalate, including infrastructure, facility, and program improvements; and
- K. The City anticipates annual shortfalls widening as Sheriff services, CalPERS obligations, insurance premiums, and contracted service costs continue to rise faster than revenues; and
- L. Cost increases that are outpacing revenues include labor, construction, utilities, insurance, and contracted services, as well as external pressures such as supply chain impacts and increasing pension and insurance obligations; and
- M. The City Council has undertaken a fiscally responsible approach over the years, including: reduced the City's workforce, deferred repairs and maintenance, implemented a hiring freeze, eliminated programs and events, conducted and implemented fee studies for planning services and the Tennis & Swim Center, renegotiated and/or eliminated contracts, and used one-time funds and reserves to bridge operating gaps; and
- N. Absent an ongoing revenue solution, continued deficits may require reductions in emergency preparedness efforts, neighborhood programs, and community activities, deferral of required maintenance on City facilities, infrastructure, and capital improvement projects, and a drawdown of General Fund reserves, threatening the City's ability to respond to future emergencies and maintain public safety, parks, and open spaces; and
- O. Without an additional substantial and consistent revenue source, the increasing budget shortfalls may also require adjustments to City facility operations, such as reduced hours at City Hall, the Senior Center, Community Center, Tennis & Swim Center, and Library, as well as reductions in contracted law enforcement services that could result in fewer Sheriff deputies and slower 911 emergency response times; and
- P. State and County allocation constraints limit the City's ability to fund local needs: (i) the City retains only a portion of sales tax generated locally, meaning the current total sales tax rate in the City is 9.75%, and only 1% of the total rate is under local control; and (ii) the City receives one of the smallest shares of property tax revenue in Los Angeles County, just 4.7%, ranking 87th out of 88 cities; and

- Q. City management began identifying and discussing the City's current and projected financial challenges, including the impending structural imbalances and other budgetary pressures, at a City Council study session in June 26, 2024; and
- R. At its September 10, 2025 special study session and its October 6, 2025 study session, the City Council reviewed the financial issues and evaluated alternative revenue options, including but not limited to a transactions and use tax, transient occupancy tax increase, business license tax, parcel tax, and an increase to the utility user tax, franchise and building related revenue; and
- S. After a thorough analysis, a transactions and use tax has been identified as the only new revenue source expected to generate sufficient ongoing funds to adequately address the projected increasing structural deficit while maintaining essential services; and
- T. For most cities in Los Angeles County, the total sales tax rate is capped at 10.75%, and the City therefore has limited remaining local capacity within that cap; and
- U. Several nearby communities have adopted higher sales tax rates than the City's current 9.75%, including Malibu at 10.25%; Burbank, Glendale, San Fernando at 10.50%; and Santa Monica and Culver City at 10.75%; and
- V. State law limits the total combined rate of local transactions and use taxes that may be imposed within Los Angeles County, and staff has reported that for most cities the combined rate is capped at 10.75%; and
- W. The City derives approximately 26% of its General Fund revenue from sales tax, generating about \$7.8 million annually; and
- X. Importantly, 57% of all sales tax revenue generated within the City comes from non-residents and visitors — meaning that more than half of the sales tax collected is paid by those who live outside the City; and
- Y. The City Council finds that the City therefore has limited remaining local capacity for a transactions and use tax add-on within the cap; and
- Z. The City Council understands that the County is considering submitting a countywide transactions and use tax measure of one-half cent ($\frac{1}{2}\text{¢}$) to voters in June 2026, and if a countywide measure is approved first and diminishes the remaining available local capacity, the City could lose the ability to establish its own locally controlled sales tax measure; and

- AA. In that scenario, a sales tax would still take effect and City residents would pay the higher rate, but the resulting revenues would not stay local and would not be under the City's control to address City priorities; and
- BB. The City Council finds that preserving local control is important because the City is directly accountable to local voters for the provision of City services and infrastructure, and the City requires stable, locally controlled revenue to address structural deficits and maintain essential services; and
- CC. The City Council finds that it is time-sensitive to submit the City's proposed transactions and use tax measure to voters now in order to preserve the City's remaining local capacity and avoid the risk that a countywide or other regional measure will eliminate the City's opportunity to secure a locally controlled revenue source; and
- DD. A transactions and use tax does not apply to common essentials such as groceries, prescriptions, medical and dental services, real estate, rent, utilities, education, personal services, and labor; and
- EE. The City Council finds that revenues from a voter-approved transactions and use tax measure would stay in the City to support essential services and community priorities, including maintaining 911 emergency response and proactive law enforcement, wildfire preparedness and response, maintaining streets and sidewalks, maintaining senior and youth programs and services, vegetation management and public alert systems, and maintaining safe parks and protecting open space and natural areas; and
- FF. Based on the City's fiscal condition, structural deficit projections, reserve outlook, and the potential impacts to essential services if the structural deficit is not corrected, the City Council finds that a fiscal emergency exists requiring prompt action to preserve the City's ability to maintain essential services and address structural deficits and unfunded needs; and
- GG. Article XIII C, section 2(b) of the California Constitution requires that a general tax submitted by a local government be presented to the electorate and approved by a majority vote, and further provides that the election required by that subdivision shall be consolidated with a regularly scheduled general election for members of the governing body of the local government, except in cases of emergency, as is the case here, declared by a unanimous vote of members of the governing body (*see* 75 Ops.Cal.Atty.Gen 47 (1992), citing *Tidewaters. Ry., Co. v. Jordan* (1912) 163 Cal. 105); and
- HH. At minimum, a fiscal emergency in this context typically involves an unexpected decline in revenue, or increase in expense, or sustained structural

deficit, combined with an inability to provide or maintain essential services at acceptable levels, and that a declaration should be supported by evidence and reflect reasonable steps taken and consideration of alternatives; and

- II. By this Resolution, the City Council desires to make a clear public finding of a fiscal emergency as defined by Article XIII C, section 2(b) of the California Constitution and herein, regarding the City's fiscal condition, and to preserve the City's ability to consider revenue measures necessary to avoid cuts to essential services and to protect the public health, safety, and welfare.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CALABASAS DOES RESOLVE AS FOLLOWS:

Section 2. Recitals; Evidence. The foregoing recitals are true and correct and are incorporated into this Resolution by this reference as findings. The City Council relies on the staff report and attachments presented to the City Council at the June 26, 2024 council meeting; the June 11, 2025 regular council meeting (regarding adoption of the FY 2025-2026 budget); the September 10, 2025 special study session (regarding Fiscal Sustainability and Revenue Initiative Options); and the October 6, 2025 study session (regarding Fiscal Sustainability and a Potential Sales Tax Measure) and the staff report presented herewith, including the City's projected General Fund deficit, structural deficit characterization, and identified unfunded capital needs.

Section 3. Declaration of Fiscal Emergency (Article XIII C, Section 2(b)). Based on the findings in this Resolution, including (a) the projected structural General Fund deficit for FY 2026-27 exceeding \$1,346,400, (b) the risk that continued imbalance between revenues and expenditures will force reductions to essential City services and defer critical maintenance and repairs, and (c) the magnitude of unfunded capital needs, the City Council unanimously finds and declares that a fiscal emergency exists, as that term is used in Article XIII C, section 2(b) of the California Constitution.

Section 4. Reasonable Steps and Alternatives. The City Council finds that the City has taken reasonable steps to address the City's financial condition through expenditure controls and other actions, including a cost allocation plan, operational expense reductions, and delaying capital improvement projects, and that the City has considered alternative revenue options, as reflected in the staff report.

Section 5. No Automatic Election Call. This Resolution is limited to declaring a fiscal emergency for purposes of Article XIII C, section 2(b). This Resolution does not, by itself, call an election, adopt a tax ordinance, or approve ballot language.

Section 6. Duration; Reassessment. The City Council directs staff to return to the City Council at an appropriate time with updated financial information and, if applicable, with any proposed election-calling documents. The City Council may rescind or modify this fiscal emergency declaration by subsequent action.

Section 7. Effective Date. This Resolution shall take effect immediately upon its adoption.

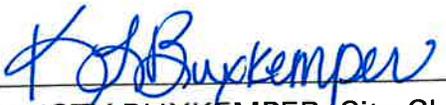
SECTION 8. Certification. The City Clerk shall certify to the adoption of this resolution and shall cause the same to be processed in the manner required by law.

PASSED, APPROVED, AND ADOPTED this 5th day of February 2026.



JAMES R. BOZAJIAN, Mayor

ATTEST:



KRISTY BUXKEMPER, City Clerk

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP



PAM LEE, City Attorney

I CERTIFY THAT THE FOREGOING RESOLUTION NO. 2026-1994 was passed and adopted by the City Council of the City of Calabasas at the special meeting held on February 5, 2026, by the following vote:

AYES: 5 Councilmembers: Kraut, Shapiro, Weintraub, Albrecht, and Bozajian
NOES: 0
ABSTAIN: 0
ABSENT: 0



KRISTY BUXKEMPER, City Clerk
(seal)



STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) §
CITY OF CALABASAS)

RECEIVED
By Anjanette at 11:11 am, Feb 06, 2026

I, KRISTY BUXKEMPER, CMC, City Clerk of the City of Calabasas, California, DO

HEREBY CERTIFY that the foregoing resolution, being:

RESOLUTION NO. 2026-1995

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALABASAS, CALIFORNIA, (1) CALLING AND GIVING NOTICE OF A SPECIAL MUNICIPAL ELECTION TO BE HELD ON MAY 5, 2026; (2) SUBMITTING TO THE VOTERS A PROPOSED ORDINANCE IMPOSING A ONE CENT (1¢) TRANSACTIONS AND USE TAX FOR GENERAL GOVERNMENTAL PURPOSES; (3) PROVIDING FOR THE ELECTION TO BE CONDUCTED AS AN ALL-MAIL BALLOT ELECTION PURSUANT TO ELECTIONS CODE SECTION 4000 ET SEQ. AND IN ACCORDANCE WITH THE VOTE-BY-MAIL PROCEDURES IN ELECTIONS CODE SECTION 3000 ET SEQ.; (4) DIRECTING THE CITY CLERK TO TAKE ALL ACTIONS NECESSARY TO CONDUCT THE ELECTION; (5) REQUESTING THAT THE REGISTRAR-RECORDER/COUNTY CLERK PROVIDE SPECIFIC ELECTION ADMINISTRATION SERVICES; AND (6) SETTING PRIORITIES FOR FILING WRITTEN ARGUMENTS AND REBUTTALS REGARDING THE BALLOT MEASURE AND DIRECTING PREPARATION OF AN IMPARTIAL ANALYSIS

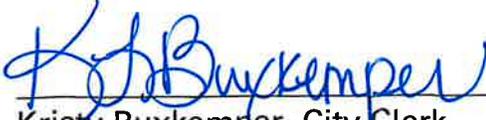
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AYES: Mayor James Bozajian, Mayor Pro Tem Edward Albrecht, Councilmember Peter Kraut, Councilmember David Shapiro, and Councilmember Alicia Weintraub

NOES: None.

ABSTAIN: None.

ABSENT: None


Kristy Buxkemper, City Clerk
City of Calabasas, California

RESOLUTION NO. 2026-1995

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SECTION 1. Recitals

- A. The City Council of the City of Calabasas ("City") is responsible for maintaining essential municipal services and protecting the public health, safety, and welfare of the Calabasas community; and
- B. The City is committed to maintaining a safe, high-quality community, protecting open space, and providing essential municipal services and facilities for residents, businesses, and visitors; and
- C. The City has historically maintained disciplined financial management, transparent budgeting practices, and a commitment to fiscal accountability; and
- D. With noted exceptions during the economic downturns, including the 2008 recession and the COVID-19 pandemic, the City has maintained balanced budgets, protected reserves, and prioritized essential services, such as public safety, emergency response, and community amenities; and
- E. The City has also recently experienced significant emergency preparedness and response demands associated with wildfire events, including the Woolsey Fire, Franklin Fire Kenneth Fire, and Palisades Fire, and has incurred significant costs related thereto, underscoring the ongoing need for stable funding for emergency readiness, response, and recovery; and

- F. Economic conditions have shifted, and rising costs for public safety, emergency response, wildfire preparedness, insurance, utilities, and contract services, as well as inflation have outpaced the City's modest revenue growth, resulting in a growing structural budget deficit that, if unaddressed, will threaten the City's ability to maintain its levels of services; and
- G. The City's adopted Fiscal Year 2025-26 General budget reflects General Fund revenues of approximately \$30.6 million and General Fund expenditures of approximately \$31.2 million, resulting in a projected structural deficit of approximately \$598,465 in Fiscal Year 2025-26; and
- H. The City's projections indicate that, absent corrective action, the structural deficit will grow to approximately \$1.35 million by Fiscal Year 2026-27, and to almost \$6 million by Fiscal Year 2035-36; and
- I. The City's General Fund reserves are approximately \$19.6 million (approximately 64% of the General Fund), and projections indicate reserves will be drawn down over time and may be depleted within five to six years; and
- J. The City faces approximately \$23.6 million in unfunded capital improvement projects and initiatives, and without a dedicated source, projects are delayed and costs escalate, including infrastructure, facility, and program improvements; and
- K. The City anticipates annual shortfalls widening as Sheriff services, CalPERS obligations, insurance premiums, and contracted service costs continue to rise faster than revenues; and
- L. Cost increases that are outpacing revenues include labor, construction, utilities, insurance, and contracted services, as well as external pressures such as supply chain impacts and increasing pension and insurance obligations; and
- M. The City Council has undertaken a fiscally responsible approach over the years, including: reduced the City's workforce, deferred repairs and maintenance, implemented a hiring freeze, eliminated programs and events, conducted and implemented fee studies for planning services and the Tennis & Swim Center, renegotiated and/or eliminated contracts, and used one-time funds and reserves to bridge operating gaps; and
- N. Absent an ongoing revenue solution, continued deficits may require reductions in emergency preparedness efforts, neighborhood programs, and community activities, deferral of required maintenance on City facilities, infrastructure, and capital improvement projects, and a drawdown of General Fund reserves,

threatening the City's ability to respond to future emergencies and maintain public safety, parks, and open spaces; and

- O. Without an additional substantial and consistent revenue source, the increasing budget shortfalls may also require adjustments to City facility operations, such as reduced hours at City Hall, the Senior Center, Community Center, Tennis & Swim Center, and Library, as well as reductions in contracted law enforcement services that could result in fewer Sheriff deputies and slower 911 emergency response times; and
- P. State and County allocation constraints limit the City's ability to fund local needs: (i) the City retains only a portion of sales tax generated locally, meaning the current total sales tax rate in the City is 9.75%, and only 1% of the total rate is under local control; and (ii) The City receives one of the smallest shares of property tax revenue in Los Angeles County, just 4.7%, ranking 87th out of 88 cities; and
- Q. City management began identifying and discussing the City's current and projected financial challenges, including the impending structural imbalances and other budgetary pressures, at a City Council study session in June 26, 2024; and
- R. At its September 10, 2025 special study session and its October 6, 2025 study session, the City Council reviewed the financial issues and evaluated alternative revenue options, including but not limited to a transactions and use tax, transient occupancy tax increase, business license tax, parcel tax, and an increase to the utility user tax, franchise and building related revenue; and
- S. After a thorough analysis, a transactions and use tax has been identified as the only new revenue source expected to generate sufficient ongoing funds to adequately address the projected increasing structural deficit while maintaining essential services; and
- T. For most cities in Los Angeles County, the total sales tax rate is capped at 10.75%, and the City therefore has limited remaining local capacity within that cap; and
- U. Several nearby communities have adopted higher sales tax rates than the City's current 9.75%, including Malibu at 10.25%; Burbank, Glendale, and San Fernando at 10.50%; and Santa Monica and Culver City at 10.75%; and
- V. State law limits the total combined rate of local transactions and use taxes that may be imposed within Los Angeles County, and staff has reported that for most cities the combined rate is capped at 10.75%; and

- W. The City derives approximately 26% of its General Fund revenue from sales tax, generating about \$7.8 million annually; and
- X. Importantly, 57% of all sales tax revenue generated within the City comes from non-residents and visitors — meaning that more than half of the sales tax collected is paid by those who live outside the City; and
- Y. The City Council finds that the City therefore has limited remaining local capacity for a transactions and use tax add-on within the cap; and
- Z. The City Council understands that the County is considering submitting a countywide transactions and use tax measure of one-half cent ($\frac{1}{2}\phi$) to voters in June 2026, and if a countywide measure is approved first and diminishes the remaining available local capacity, the City could lose the ability to establish its own locally controlled sales tax measure; and
- AA. In that scenario, a sales tax would still take effect and City residents would pay the higher rate, but the resulting revenues would not stay local and would not be under the City's control to address City priorities; and
- BB. The City Council finds that preserving local control is important because the City is directly accountable to local voters for the provision of City services and infrastructure, and the City requires stable, locally controlled revenue to address structural deficits and maintain essential services; and
- CC. The City Council finds that it is time-sensitive to submit the City's proposed transactions and use tax measure to voters now in order to preserve the City's remaining local capacity and avoid the risk that a countywide or other regional measure will eliminate the City's opportunity to secure a locally controlled revenue source; and
- DD. A transactions and use tax does not apply to common essentials such as groceries, prescriptions, medical and dental services, real estate, rent, utilities, education, personal services, and labor; and
- EE. The City Council finds that revenues from a voter-approved transactions and use tax measure would stay in the City to support essential services and community priorities, including maintaining 911 emergency response and proactive law enforcement, wildfire preparedness and response, maintaining streets and sidewalks, maintaining senior and youth programs and services, vegetation management and public alert systems, and maintaining safe parks and protecting open space and natural areas; and

- FF. Based on the City's fiscal condition, structural deficit projections, reserve outlook, and the potential impacts to essential services if the structural deficit is not corrected, the City Council finds that a fiscal emergency exists requiring prompt action to preserve the City's ability to maintain essential services and address structural deficits and unfunded needs; and
- GG. Article XIII C, section 2(b) of the California Constitution requires that a general tax submitted by a local government be presented to the electorate and approved by a majority vote, and further provides that the election required by that subdivision shall be consolidated with a regularly scheduled general election for members of the governing body of the local government, except in cases of emergency, as is the case here, declared by a unanimous vote of members of the governing body (*see* 75 Ops.Cal.Atty.Gen 47 (1992), citing *Tidewaters. Ry., Co. v. Jordan* (1912) 163 Cal. 105); and
- HH. May 5, 2026, is an established mailed ballot election date under Elections Code section 1500; and
- II. Revenue and Taxation Code section 7285.9 authorizes the City to levy a transactions and use tax by ordinance following approval by two-thirds of the City Council and a majority vote of the qualified electors of the City voting in an election on the issue; and
- JJ. A transactions and use tax would be levied in addition to, and would be collected at the same time and in the same manner as, the Uniform Local Sales and Use Tax of the City of Calabasas (Calabasas Muni. Code, Ch. 3.08); and
- KK. Levying a one cent (1¢) transactions and use tax would not cause the overall transactions and use tax in the City to exceed two percent as required by Revenue and Taxation Code section 7251 *et seq.*; and
- LL. Pursuant to Resolution No. 2026-1994, adopted on the date hereof, the City declared a fiscal emergency (the "Fiscal Emergency Resolution") as defined and authorized under Article XIII C of the California Constitution; and
- MM. In reliance upon the Fiscal Emergency Resolution, the City Council desires to call a Special Municipal Election on May 5, 2026, and to conduct that election as an all-mail ballot election pursuant to Elections Code section 4000 *et seq.*, using the vote-by-mail procedures in Elections Code section 3000 *et seq.*, and related provisions of law; and
- NN. As part of the Special Municipal Election on May 5, 2026, the City Council therefore desires to submit to the voters a ballot measure (hereinafter the "Measure") to adopt an ordinance, which is concurrently approved (hereinafter,

"the Ordinance") imposing a one cent (1¢) transactions and use tax as a general tax for general governmental purposes to be deposited into the City's general fund, to help maintain essential services, protect local control, and address the City's financial condition, and establishing an independent oversight committee to review expenditures and ensure the City is operating in an efficient manner (a true and correct copy of the Ordinance is attached to this Resolution as Exhibit "A"); and

OO. The City Council also wishes to (i) establish deadlines and rules for the submission of written arguments and rebuttals for and against the Measure in accordance with applicable Elections Code procedures; (ii) direct the timely preparation of the City Attorney's impartial analysis; and (iii) provide such other direction to the City Manager and City Clerk as may be necessary to facilitate the placement of the Measure on the ballot at the Special Municipal Election on May 5, 2026.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CALABASAS AS FOLLOWS:

SECTION 2. Recitals.

The City Council of the City of Calabasas hereby finds and determines that the above recitals are true and correct and incorporated herein by this reference.

SECTION 3. Call and Notice of Special Municipal Election; Election Date.

A Special Municipal Election is hereby called and ordered to be held in the City of Calabasas on Tuesday, May 5, 2026, for the purpose of submitting the Measure to the voters.

SECTION 4. Submission of Measure; Nature of Tax; Required Approval.

Having satisfied the approval requirements of Government Code sections 53723 and 53724(b), Revenue and Taxation Code section 7285.9 and Article XIII C, section 2(b) of the California Constitution, the City Council hereby orders and calls a Special Municipal Election to be held in the City of Calabasas, California on Tuesday, May 5, 2026 so that City of Calabasas voters may consider a ballot measure to impose a one cent (1¢) transactions and use tax as a general tax, and to make certain administrative amendments and updates to Municipal Code provisions that codify the City's transactions and use tax as requested by the California Department of Tax and Fee Administration. If approved by the voters, the new tax rate shall be implemented by the Ordinance which is attached and incorporated hereto as Exhibit "A" to this Resolution. The transactions and use that is the subject of the Measure is and will remain a general tax within the meaning of Proposition 218 whose proceeds

may be deposited in the City's general fund and used for any public or other governmental purpose. Accordingly, the vote requirement for passage of the proposed Measure is a majority of the votes cast (50% plus 1) at the May 5, 2026 Special Municipal Election.

SECTION 5. Ballot Question.

A. The City Council does hereby order that the Measure shall be presented and printed upon the ballot submitted to the qualified voters in the manner and form set forth herein. There shall be printed substantially the following ballot question in compliance with Election Code Sections 9051, 13119(b) and 13247, with the designation "Measure __" (with the measure designation letter to be assigned by the elections official):

<p>Calabasas Public Safety/City Services Measure: To maintain Calabasas' financial stability and general City services, such as preparing for/responding to wildfires; reduce fire risk by managing brush/other fuels/natural areas; maintain 911/Sheriff response; help prevent property crimes/thefts/burglaries; keep public areas safe/clean; repairing streets; shall a measure establishing a 1¢ sales tax providing approximately \$5,300,000 annually until ended by voters; requiring audits, spending disclosure, all funds locally controlled, be adopted?</p>	<p>YES</p>
	<p>NO</p>

B. The City Clerk is authorized to make minor, non-substantive changes to the ballot question to conform to Elections Code requirements and ballot formatting.

SECTION 6. Ordinance Text.

The proposed ordinance text is attached as Exhibit A and incorporated by reference. The Ordinance is hereby approved and adopted by the City Council. The City Clerk is directed to transmit and post and/or publish the full text as required by law and to cause the Ordinance to be printed as required.

SECTION 7. Mailed Ballot Election; Applicable Procedures.

A. All-Mail Ballot Election Authorization. The City Council hereby authorizes and directs that the special election be conducted as an all-mail ballot election pursuant to Elections Code section 4000 *et seq.*, including section 4000(c)(8)

(elections required or authorized by Article XIII C), and that ballots and voting materials be provided to voters by mail.

B. **Vote-by-Mail Procedures Apply.** The election shall be conducted in accordance with the vote-by-mail procedures set forth in Elections Code section 3000 *et seq.* and/or all other applicable provisions of law.

C. **Mailing of Ballots and Materials.** The City Clerk shall cause official ballots, ballot return envelopes, and voter instructions to be mailed to voters in accordance with the Elections Code timelines and requirements applicable to vote-by-mail elections.

D. **Ballot Return Methods; Drop Boxes/Drop-Off Locations.** The City Clerk is authorized to establish ballot return options consistent with the Elections Code, including by mail and by ballot drop box and/or drop-off locations, and to adopt security, chain-of-custody, collection, and processing procedures consistent with applicable law.

E. **Signature Verification and Cure.** The City Clerk shall implement signature verification and any required notice and cure processes for vote-by-mail ballots consistent with the Elections Code.

F. **Canvass and Certification.** The City Clerk shall conduct the canvass, certify the election results, and present the results to the City Council as required by law.

SECTION 8. Elections Official; Election Services Provider; County Coordination.

A. **Elections Official.** The City Clerk is designated as the elections official for purposes of this election.

B. **Election Services Provider.** The City Clerk is authorized to contract for professional elections services (including printing, mailing, ballot processing support, signature verification support, secure transport, equipment, and related services) in accordance with the Elections Code.

C. **Necessary Coordination.** In accordance with California Elections Code Section 10002, the City Council hereby requests the Board of Supervisors of the County to permit the County Elections Official to render specified services to the city relating to the conduct of the election. The City Clerk is authorized and directed to coordinate with the Los Angeles County Registrar-Recorder/County Clerk as necessary to obtain voter registration information, vote-by-mail status data, voter data, voter signatures, precinct consolidation, if available, ballot drop-off box rentals, and other election support required by law for a City-administered mailed

ballot election. The Board of Supervisors is hereby requested to permit the County Elections Official and other County offices to render specified services like the services in the previous sentence requested by the City Clerk in connection with the City's mailed ballot election and to take any and all steps necessary for the provision of such services to the City in the conduct of elections.. The City shall reimburse the County for the services performed.

D. The City Clerk is authorized to expend up to \$300,000 in connection with costs of the election and election services.

E. That pursuant to the Elections Code, said Special Election shall be conducted by all-mail ballot, and shall be conducted pursuant to Chapter 2 of Division 4 (commencing with Section 4100 of the California Elections Code only insofar as required by law, and only where not inconsistent with (ordinances of the City). In accordance with Elections Code Section 4103, ballots cast in this Special Election shall be returned to the Office of the City Clerk no later than 8 p.m. on election day in order to be counted. Ballots that are postmarked or date stamped by a bonafide private mail delivery company on or before election day and received no later than 7 days following the day of election will also be counted in accordance with said section.

F. That in all particulars not recited in this resolution, the election shall be held and conducted as provided by law for holding municipal elections.

SECTION 9. Impartial Analysis; Arguments; Rebuttals; Voter Information Materials.

A. Impartial Analysis. The City Clerk shall transmit the Measure to the City Attorney for preparation of an impartial analysis pursuant to Elections Code section 9280. The City Attorney shall prepare an impartial analysis of the Measure, not to exceed 500 words in length. The impartial analysis should explain what the measure will do if approved and enacted and how that impacts/changes existing law. The City Attorney shall transmit its impartial analysis to the City Clerk, who shall cause the analysis to be published in the voter information guide along with the ballot measure as provided by law. The Impartial Analysis shall be filed no later than **February 19, 2026**. In the event the entire text of the measure is not printed in the Voter Information Guide, there shall be printed immediately below the impartial analysis, in no less than 10-font bold type, the following: "The above statement is an impartial analysis of Ordinance or Measure. If you desire a copy of the ordinance or measure, please call the election official's office at (818) 224-1660 and a copy will be mailed at no cost to you."

B. Ballot Arguments.

1. The City Council acknowledges Elections Code Section 9282(b) and 9287 which provide as follows:

(a) When a measure is placed on the ballot by a legislative body, the legislative body, or a member or members of the legislative body authorized by that body, or an individual voter who is eligible to vote on the measure, or bona fide association of citizens, or a combination of voters and associations, may file a 300 word or less written argument in favor of the measure; and

(b) If more than one argument in favor of a measure is submitted, the City Clerk shall give preference and priority, in the order named, to the arguments submitted by the following person(s) and entities: (A) the legislative body, or member or members of the legislative body authorized by that body; (B) an individual voter, or bona fide association of citizens, or combination of a voter(s) and associations, who are the bona fide sponsors or proponents of the measure; (C) a bona fide associations of citizens; and (D) individual voters who are eligible to vote on the measure.

The City Council hereby declares that the City Council, or any member(s) of the City Council so designated, shall have priority to file the argument in favor of the measure, and that the City Clerk shall accept that argument as the official argument in favor of the measure over any other proponent arguments submitted.

2. Arguments against the proposed ballot measure, if any, shall also be subject to the provisions of Elections Code 9282 and 9287.

3. The deadline date and time for submitting arguments for or against the measure to the City Clerk is **February 19, 2026 by 5:30 p.m.**, after which time no arguments for or against the measure will be accepted. Arguments for or against the measure **may not exceed 300 words** in length. Each argument shall be filed with the City Clerk, signed, and include the printed name(s) and signature(s) of the author(s) submitting it, or if submitted on behalf of an organization, the name of the organization, and the printed name and signature of at least one of its principal officers who is the author of the argument. The arguments shall be accompanied by the Form of Statement to be Filed by Author(s) or Arguments.

4. The City Clerk shall comply with all provisions of law establishing priority of arguments for printing and distribution to the voters, and shall take all

necessary actions to cause the selected arguments to be printed and distributed to the voters.

C. Rebuttals.

1. Pursuant to Elections Code Sections 9285 and 9287, the City Council hereby authorizes the filing of rebuttal arguments for and against the City measure submitted to the voters. When the City Clerk selects the arguments for and against the City-initiated measure to be printed and distributed to the voters, the City Clerk will send a copy of the argument in favor of the measure to the authors of the argument against the measure, and a copy of the argument against to the authors of the argument in favor of the measure.
2. The authors of the respective arguments for and against the measure or persons persons designated by them may then prepare and submit rebuttal arguments **not exceeding 250 words** in length. The deadline for submitting rebuttal arguments to the City Clerk is **March 2, 2026 by 5:30 p.m.**, after which time no rebuttal arguments will be accepted. Rebuttal arguments shall be printed in the same manner as the direct arguments. Each rebuttal argument shall immediately follow the direct argument which it seeks to rebut.

D. Other Materials. The City Clerk is authorized to prepare and include such other information and notices as may be required by the Elections Code and as the City Clerk determines to be appropriate for the conduct of the election.

SECTION 10. Filing with County.

The City Clerk shall, not later than the 88th day prior to the Special Municipal Election to be held on Tuesday, May 5, 2026, file with the Board of Supervisors and the County Clerk - Registrar of Voters of the County of Los Angeles, State of California, a certified copy of this Resolution.

SECTION 11. Public Examination.

Pursuant to Elections Code Section 9295, this measure will be available for public examination for no fewer than ten (10) calendar days prior to being submitted for printing in the voter information guide. The Clerk shall post notice in the Clerk's office of the specific dates that the examination period will run.

SECTION 12. Reliance on Fiscal Emergency Resolution; Consolidation Exception.

The City Council hereby finds and declares that this special election is called and ordered pursuant to and in reliance upon the Fiscal Emergency Resolution, and that the election is authorized under Article XIII C, section 2(b), including the emergency exception requiring a unanimous vote.

SECTION 13. CEQA.

The City Council hereby finds and determines that the ballot measure relates to organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment, and therefore is not a project within the meaning of the California Environmental Quality Act ("CEQA") and the State CEQA Guidelines, section 15378(b)(5).

SECTION 14. Notice; Publication; Posting.

The City Clerk is directed to give notice of the election, and to cause all notices to be posted and/or published as required by law.

SECTION 15. Further Authorization.

The City Clerk and City Manager and their designees are hereby authorized to take all actions as necessary to effectuate the purposes of this resolution and the election.

SECTION 16. Severability.

If any section, subsection, sentence, clause, or phrase of this Resolution is for any reason held to be invalid, such decision shall not affect the validity of the remaining portions.

SECTION 17. Effective Date.

This Resolution shall take effect immediately upon adoption.

SECTION 18. Certification of Resolution.

The City Clerk shall certify to the adoption of this resolution and shall cause the same to be processed in the manner required by law.

PASSED, APPROVED AND ADOPTED February 5, 2026.



JAMES R. BOZAJIAN, Mayor

ATTEST:



KRISTY BUXKEMPER, City Clerk

APPROVED AS TO FORM:



PAM LEE, City Attorney

Attachments: Exhibit A – Ordinance No. 2026-422

EXHIBIT A

ORDINANCE NO. 2026-422

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CALABASAS, CALIFORNIA IMPOSING A ONE PERCENT TRANSACTIONS AND USE TAX FOR GENERAL GOVERNMENTAL USE TO BE ADMINISTERED BY THE CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION

SECTION 1. Recitals

- A. The City Council of the City of Calabasas ("City") is responsible for maintaining essential municipal services and protecting the public health, safety, and welfare of the Calabasas community; and
- B. The City is committed to maintaining a safe, high-quality community, protecting open space, and providing essential municipal services and facilities for residents, businesses, and visitors; and
- C. The City has historically maintained disciplined financial management, transparent budgeting practices, and a commitment to fiscal accountability; and
- D. With noted exceptions during the economic downturns, including the 2008 recession and the COVID-19 pandemic, the City has maintained balanced budgets, protected reserves, and prioritized essential services, such as public safety, emergency response, and community amenities; and
- E. The City has also recently experienced significant emergency preparedness and response demands associated with wildfire events, including the Woolsey Fire, Franklin Fire, Kenneth Fire, and Palisades Fire, and has incurred significant costs related thereto, underscoring the ongoing need for stable funding for emergency readiness, response, and recovery; and
- F. Economic conditions have shifted, and rising costs for public safety, emergency response, wildfire preparedness, insurance, utilities, and contract services, as well as inflation have outpaced the City's modest revenue growth, resulting in a growing structural budget deficit that, if unaddressed, will threaten the City's ability to maintain its levels of services; and
- G. The City's adopted Fiscal Year 2025-26 General budget reflects General Fund revenues of approximately \$30.6 million and General Fund expenditures of approximately \$31.2 million, resulting in a projected structural deficit of approximately \$598,465 in Fiscal Year 2025-26; and
- H. The City's projections indicate that, absent corrective action, the structural deficit will grow to approximately \$1.35 million by Fiscal Year 2026-27, and to almost \$6 million by Fiscal Year 2035-36; and

- I. The City's General Fund reserves are approximately \$19.6 million (approximately 64% of the General Fund), and projections indicate reserves will be drawn down over time and may be depleted within five to six years; and
- J. The City faces approximately \$23.6 million in unfunded capital improvement projects and initiatives, and without a dedicated source, projects are delayed and costs escalate, including infrastructure, facility, and program improvements; and
- K. The City anticipates annual shortfalls widening as Sheriff services, CalPERS obligations, insurance premiums, and contracted service costs continue to rise faster than revenues; and
- L. Cost increases that are outpacing revenues include labor, construction, utilities, insurance, and contracted services, as well as external pressures such as supply chain impacts and increasing pension and insurance obligations; and
- M. The City Council has undertaken a fiscally responsible approach over the years, including: reduced the City's workforce, deferred repairs and maintenance, implemented a hiring freeze, eliminated programs and events, conducted and implemented fee studies for planning services and the Tennis & Swim Center, renegotiated and/or eliminated contracts, and used one-time funds and reserves to bridge operating gaps; and
- N. Absent an ongoing revenue solution, continued deficits may require reductions in emergency preparedness efforts, neighborhood programs, and community activities, deferral of required maintenance on City facilities, infrastructure, and capital improvement projects, and a drawdown of General Fund reserves, threatening the City's ability to respond to future emergencies and maintain public safety, parks, and open spaces; and
- O. Without an additional substantial and consistent revenue source, the increasing budget shortfalls may also require adjustments to City facility operations, such as reduced hours at City Hall, the Senior Center, Community Center, Tennis & Swim Center, and Library, as well as reductions in contracted law enforcement services that could result in fewer Sheriff deputies and slower 911 emergency response times; and
- P. State of California ("State") and County of Los Angeles ("County") allocation constraints limit the City's ability to fund local needs: (i) the City retains only a portion of sales tax generated locally, meaning the current total sales tax rate in the City is 9.75%, and only 1% of the total rate is under local control; and (ii) The City receives one of the smallest shares of property tax revenue in Los Angeles County, just 4.7%, ranking 87th out of 88 cities; and

- Q. At its September 10, 2025 special study session and its October 6, 2025 study session, the City Council reviewed the financial issues and evaluated alternative revenue options, including but not limited to a transactions and use tax, transient occupancy tax increase, business license tax, parcel tax, and an increase to the utility user tax, franchise and building related revenue; and
- R. After a thorough analysis, a transactions and use tax has been identified as the only new revenue source expected to generate sufficient ongoing funds to adequately address the projected increasing structural deficit while maintaining essential services; and
- S. For most cities in Los Angeles County, the total sales tax rate is capped at 10.75%, and the City therefore has limited remaining local capacity within that cap; and
- T. Several nearby communities have adopted higher sales tax rates than the City's current 9.75%, including Malibu at 10.25%; Burbank, Glendale, and San Fernando at 10.50% and Santa Monica and Culver City at 10.75%; and
- U. State law limits the total combined rate of local transactions and use taxes that may be imposed within Los Angeles County, and staff has reported that for most cities the combined rate is capped at 10.75%; and
- V. The City derives approximately 26% of its General Fund revenue from sales tax, generating about \$7.8 million annually; and
- W. Importantly, 57% of all sales tax revenue generated within the City comes from non-residents and visitors — meaning that more than half of the sales tax collected is paid by those who live outside the City; and
- X. The City Council finds that the City therefore has limited remaining local capacity for a transactions and use tax add-on within the cap; and
- Y. The City Council understands that the County is considering submitting a countywide transactions and use tax measure of one-half cent ($\frac{1}{2}\text{¢}$) to voters in June 2026, and if a countywide measure is approved first and diminishes the remaining available local capacity, the City could lose the ability to establish its own locally controlled sales tax measure; and
- Z. In that scenario, a sales tax would still take effect and City residents would pay the higher rate, but the resulting revenues would not stay local and would not be under the City's control to address City priorities; and
- AA. The City Council finds that preserving local control is important because the City is directly accountable to local voters for the provision of City services and

infrastructure, and the City requires stable, locally controlled revenue to address structural deficits and maintain essential services; and

- BB. The City Council finds that it is time-sensitive to submit the City's proposed transactions and use tax measure to voters now in order to preserve the City's remaining local capacity and avoid the risk that a countywide or other regional measure will eliminate the City's opportunity to secure a locally controlled revenue source; and
- CC. A transactions and use tax does not apply to common essentials such as groceries, prescriptions, medical and dental services, real estate, rent, utilities, education, personal services, and labor; and
- DD. The City Council finds that revenues from a voter-approved transactions and use tax measure would stay in the City to support essential services and community priorities, including maintaining 911 emergency response and proactive law enforcement, wildfire preparedness and response, maintaining streets and sidewalks, maintaining senior and youth programs and services, vegetation management and public alert systems, and maintaining safe parks and protecting open space and natural areas; and
- EE. Based on the City's fiscal condition, structural deficit projections, reserve outlook, and the potential impacts to essential services if the structural deficit is not corrected, the City Council finds that a fiscal emergency exists requiring prompt action to preserve the City's ability to maintain essential services and address structural deficits and unfunded needs; and
- FF. Article XIII C, section 2(b) of the California Constitution requires that a general tax submitted by a local government be presented to the electorate and approved by a majority vote, and further provides that the election required by that subdivision shall be consolidated with a regularly scheduled general election for members of the governing body of the local government, except in cases of emergency declared by a unanimous vote of the governing body; and
- GG. Revenue and Taxation Code section 7285.9 authorizes the City to levy a transactions and use tax by ordinance following approval by two-thirds of the City Council and a majority vote of the qualified electors of the City voting in an election on the issue; and
- HH. A transactions and use tax would be levied in addition to, and would be collected at the same time and in the same manner as, the Uniform Local Sales and Use Tax of the City of Calabasas (Calabasas Muni. Code, Ch. 3.08); and

- II. Levying a one cent (1¢) transactions and use tax would not cause the overall transactions and use tax in the City to exceed two percent as required by Revenue and Taxation Code section 7251 et seq.; and
- JJ. This City of Calabasas Public Safety/City Services Measure would raise the local sales tax by 1¢, and if approved, would generate an estimated \$5.3 million each year of new and local revenue to protect and maintain City services that directly benefit the residents and businesses of Calabasas; and
- KK. A 1¢ increase in the City's local sales tax amounts to one penny on every \$1 spent and ten pennies on every \$10 spent; and a sales tax DOES NOT apply to groceries, prescriptions, medical and dental services, real estate, rent, education, utilities, personal services, or labor; and
- LL. This measure includes tough accountability provisions, such as public disclosure of all spending, review by an independent oversight committee, and annual independent financial audits, to ensure that the funds generated from this measure will be used efficiently, effectively, and as promised; and
- MM. This Ordinance shall be adopted on its approval by a majority (50% + 1) of City voters in the special municipal election to be held on May 5, 2026.

THEREFORE, THE PEOPLE OF THE CITY OF CALABASAS DO HEREBY ORDAIN AS FOLLOWS:

SECTION 2. Chapter 3.10 is hereby added to Title 3 of the Calabasas Municipal Code to read as follows:

Chapter 3.10 – Transactions and Use Tax

3.10.010 – Title

This ordinance shall be known as the “Calabasas Transactions and Use Tax Ordinance.” The City of Calabasas shall be hereinafter referred to as the “City.” This ordinance shall apply in the incorporated territory of the City.

3.10.020 – Operative Date

“Operative Date” means the first day of the first calendar quarter commencing more than 110 days after the adoption of this ordinance.

3.10.030 – 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 7285.9 of Part 1.7 of Division 2, which authorizes the City 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 therefore that can be administered and collected by the California Department of Tax and Fee Administration in a manner that adapts itself as fully as practicable to, and requires the least possible deviation from, the existing statutory and administrative procedures followed by the California Department of Tax and Fee Administration 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.

3.10.040 – Contract with State

Prior to the operative date, the City shall contract with the California Department of Tax and Fee Administration to perform all functions incident to the administration and operation of this transactions and use tax ordinance; provided, that if the City shall not have contracted with the California Department of Tax and Fee Administration prior to the operative date, it shall nevertheless so contract and in such a case the operative date shall be the first day of the first calendar quarter following the execution of such a contract.

3.10.050 – Transactions Tax Rate

For the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all retailers in the incorporated territory of the City at the rate of 1.0% 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.

3.10.060 – 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 California Department of Tax and Fee Administration.

3.10.070 – Use Tax Rate

An excise tax is hereby imposed on the storage, use or other consumption in the City of tangible personal property purchased from any retailer on and after the operative date of this ordinance for storage, use or other consumption in said territory at the rate of 1.0% 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.

3.10.080 – 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.

3.10.090 – Limitations on Adoption of State Law and Collection of Use Taxes

In adopting the provisions of Part 1 of Division 2 of the Revenue and Taxation Code:

A. Wherever the State of California is named or referred to as the taxing agency, the name of this City shall be substituted therefore. 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 Treasury, or the Constitution of the State of California.
2. The result of that substitution would require action to be taken by or against this City or any agency, officer, or employee thereof rather than by or against the California Department of Tax and Fee Administration, 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.
 - c) In Sections 6701, 6702 (except in the last sentence thereof), 6711, 6715, 6737, 6797 or 6828 of the Revenue and Taxation Code.

B. The word "City" shall be substituted for the word "State" in the phrase "retailer engaged in business in this State" in Section 6203 and in the definition of that phrase in Section 6203.

1. "A retailer engaged in business in the City" shall also include any retailer that, in the preceding calendar year or the current calendar year, has total combined sales of tangible personal property in this state or for delivery in the State by the retailer and all persons related to the retailer that exceeds five hundred thousand dollars (\$500,000). For purposes of this section, a person is related to another person if both persons are related to each other pursuant to Section 267(b) of Title 26 of the United States Code and the regulations thereunder.

3.10.100 – 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.

3.10.110 – 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 City which is shipped to a point outside the City, pursuant to the contract of sale, by delivery to such point by the retailer or his or her 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 City shall be satisfied:

- a) With respect to vehicles (other than commercial vehicles) subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, and undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code by registration to an out-of-City address and by a declaration under penalty of perjury, signed by the buyer, stating that such address is, in fact, his or her principal place of residence; and
 - b) With respect to commercial vehicles, by registration to a place of business out-of-City and declaration under penalty of perjury, signed by the buyer, that the vehicle will be operated from that address.
 3. The sale of tangible personal property if the seller is obligated to furnish the property for a fixed price pursuant to a contract entered into prior to the operative date of this ordinance.
 4. A lease of tangible personal property which is a continuing sale of such property, for any period of time for which the lessor is obligated to lease the property for an amount fixed by the lease prior to the operative date of this ordinance.
 5. For the purposes of subparagraphs (3) and (4) of this section, the sale or lease of tangible personal property shall be deemed not to be obligated 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 City of tangible personal property:

1. The gross receipts from the sale of which have been subject to a transactions tax under any state-administered transactions and use tax ordinance.
2. Other than fuel or petroleum products purchased by operators of aircraft and used or consumed by such operators directly and exclusively in the use of such aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this State, the United States, or any foreign government. This exemption is in addition to the exemptions provided in Sections 6366 and 6366.1 of the Revenue and Taxation Code of the State of California.
3. If the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into prior to the operative date of this ordinance.
4. If the possession of, or the exercise of any right or power over, the tangible personal property arises under a lease which is a continuing purchase of such property for any period of time for which the lessee is obligated to lease the property for an amount fixed by a lease prior to the operative date of this ordinance.
5. For the purposes of 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 City shall not be required to collect use tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the City or participates within the City in making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the City or through any representative, agent,

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

7. "A retailer engaged in business in the City" shall also include any retailer of any of the following: vehicles subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, or undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code. That retailer shall be required to collect use tax from any purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in the City.
- D. Any person subject to use tax under this ordinance may credit against that tax any transactions tax or reimbursement for transactions tax paid to a district imposing, or retailer liable for, a transactions tax pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code with respect to the sale to the person of the property the storage, use or other consumption of which is subject to the use tax.

3.10.120 – Term

The tax imposed by this ordinance shall be effective until terminated or otherwise altered by a majority of the City's voters.

3.10.130 – Amendments

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

3.10.140 – Independent Oversight

Prior to the operative date, the City Council shall (a) adopt a resolution establishing the composition of an Independent Citizens' Advisory Committee of up to seven (7) members who will each be appointed to serve a term of two years by the City Council. The Independent Citizens' Advisory Committee shall meet publicly on at least a semi-annual basis to review all

revenues and expenditures of the transactions and use tax imposed by this chapter, review annual audit reports related to the tax, and make at least one written annual report to the City Council at a public meeting summarizing the Independent Citizens' Advisory Committee's findings and including any appropriate recommendations. The minutes of the meetings of Independent Citizens' Advisory Committee shall be provided to the City Council and placed on the next available regular City Council meeting agenda for informational purposes.

3.10.150 – Audit and Review

The proceeds of the tax imposed by this ordinance, as well as the expenditure thereof, shall be audited annually by an independent accounting firm. The City Council shall discuss the results of such audit at a meeting of the City Council that is open to the public. The report of such audit shall be posted on the City's website.

3.10.160 – Enjoining Collection Forbidden

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

3.10.170 – Severability

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

SECTION 3. CEQA. The adoption of this Ordinance is exempt from the California Environmental Quality Act (CEQA), Public Resources Code section 21000 *et seq.* and California Code of Regulations, title 14, section 15000 *et seq.* (CEQA Guidelines). The general transactions and use tax this Ordinance adopts is a government funding mechanism that does not "involve any commitment to any specific project which may result in a potentially significant physical impact on the environment," and thus it is not a project under CEQA Guidelines section 15378(b)(4).

SECTION 4. Severability. If any sections, subsections, subdivisions, paragraph, sentence, clause or phrase of this Ordinance or any part hereof or exhibit hereto is for any reason held to be invalid, such invalidity shall not affect the validity of the remaining portions of this Ordinance or any part thereof or exhibit thereto. The City

Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase hereof, irrespective of the fact that anyone or more sections, subsections, subdivisions, paragraph, sentences, clauses or phrases be declared invalid.

SECTION 5. Effective Date. If a majority of City voters cast votes in favor of this Ordinance in the special election held on May 5, 2026, this Ordinance shall be considered adopted upon the date that the vote is declared by the City Council, and it shall go into effect ten days after that date.

SECTION 6. Certification and Publication. As soon as practicable after this Ordinance is adopted pursuant to Section 3, the City Clerk shall certify to the passage and adoption of this Ordinance, cause it to be published according to law, and transmit it to the California Department of Tax and Fee Administration.

PASSED, APPROVED AND ADOPTED _____, 2026.

JAMES R. BOZAJIAN, Mayor

ATTEST:

KRISTY BUXKEMPER, City Clerk

APPROVED AS TO FORM:

PAM LEE, City Attorney

I CERTIFY THAT THE FOREGOING RESOLUTION NO. 2026-1995 was passed and adopted by the City Council of the City of Calabasas at the special meeting held on February 5, 2026, by the following vote:

AYES: 5 Councilmembers: Kraut, Shapiro, Weintraub, Albrecht, and Bozajian
NOES: 0
ABSTAIN: 0
ABSENT: 0



KRISTY BUXKEMPER, City Clerk
(seal)



STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) §
CITY OF CALABASAS)

RECEIVED
By Anjanette at 11:12 am, Feb 06, 2026

I, **KRISTY BUXKEMPER, CMC**, City Clerk of the City of Calabasas, California,

DO HEREBY CERTIFY that the foregoing ordinance, being:

ORDINANCE NO. 2026-422

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CALABASAS, CALIFORNIA IMPOSING A ONE PERCENT TRANSACTIONS AND USE TAX FOR GENERAL GOVERNMENTAL USE TO BE ADMINISTERED BY THE CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION

Was duly introduced by the City Council of the City of Calabasas, at their special meeting held on February 5, 2026, and that it was approved for introduction and first reading by the following **UNANIMOUS** vote, to wit:

AYES: Mayor James Bozajian, Mayor Pro Tem Edward Albrecht, Councilmember Peter Kraut, Councilmember David Shapiro, and Councilmember Alicia Weintraub

NOES: None.

ABSTAIN: None.

ABSENT: None



Kristy Buxkemper, City Clerk
City of Calabasas, California

ORDINANCE NO. 2026-422

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CALABASAS, CALIFORNIA IMPOSING A ONE PERCENT TRANSACTIONS AND USE TAX FOR GENERAL GOVERNMENTAL USE TO BE ADMINISTERED BY THE CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION

SECTION 1. Recitals

- A. The City Council of the City of Calabasas ("City") is responsible for maintaining essential municipal services and protecting the public health, safety, and welfare of the Calabasas community; and
- B. The City is committed to maintaining a safe, high-quality community, protecting open space, and providing essential municipal services and facilities for residents, businesses, and visitors; and
- C. The City has historically maintained disciplined financial management, transparent budgeting practices, and a commitment to fiscal accountability; and
- D. With noted exceptions during the economic downturns, including the 2008 recession and the COVID-19 pandemic, the City has maintained balanced budgets, protected reserves, and prioritized essential services, such as public safety, emergency response, and community amenities; and
- E. The City has also recently experienced significant emergency preparedness and response demands associated with wildfire events, including the Woolsey Fire, Franklin Fire, Kenneth Fire, and Palisades Fire, and has incurred significant costs related thereto, underscoring the ongoing need for stable funding for emergency readiness, response, and recovery; and
- F. Economic conditions have shifted, and rising costs for public safety, emergency response, wildfire preparedness, insurance, utilities, and contract services, as well as inflation have outpaced the City's modest revenue growth, resulting in a growing structural budget deficit that, if unaddressed, will threaten the City's ability to maintain its levels of services; and
- G. The City's adopted Fiscal Year 2025-26 General budget reflects General Fund revenues of approximately \$30.6 million and General Fund expenditures of approximately \$31.2 million, resulting in a projected structural deficit of approximately \$598,465 in Fiscal Year 2025-26; and
- H. The City's projections indicate that, absent corrective action, the structural deficit will grow to approximately \$1.35 million by Fiscal Year 2026-27, and to almost \$6 million by Fiscal Year 2035-36; and

- I. The City's General Fund reserves are approximately \$19.6 million (approximately 64% of the General Fund), and projections indicate reserves will be drawn down over time and may be depleted within five to six years; and
- J. The City faces approximately \$23.6 million in unfunded capital improvement projects and initiatives, and without a dedicated source, projects are delayed and costs escalate, including infrastructure, facility, and program improvements; and
- K. The City anticipates annual shortfalls widening as Sheriff services, CalPERS obligations, insurance premiums, and contracted service costs continue to rise faster than revenues; and
- L. Cost increases that are outpacing revenues include labor, construction, utilities, insurance, and contracted services, as well as external pressures such as supply chain impacts and increasing pension and insurance obligations; and
- M. The City Council has undertaken a fiscally responsible approach over the years, including: reduced the City's workforce, deferred repairs and maintenance, implemented a hiring freeze, eliminated programs and events, conducted and implemented fee studies for planning services and the Tennis & Swim Center, renegotiated and/or eliminated contracts, and used one-time funds and reserves to bridge operating gaps; and
- N. Absent an ongoing revenue solution, continued deficits may require reductions in emergency preparedness efforts, neighborhood programs, and community activities, deferral of required maintenance on City facilities, infrastructure, and capital improvement projects, and a drawdown of General Fund reserves, threatening the City's ability to respond to future emergencies and maintain public safety, parks, and open spaces; and
- O. Without an additional substantial and consistent revenue source, the increasing budget shortfalls may also require adjustments to City facility operations, such as reduced hours at City Hall, the Senior Center, Community Center, Tennis & Swim Center, and Library, as well as reductions in contracted law enforcement services that could result in fewer Sheriff deputies and slower 911 emergency response times; and
- P. State of California ("State") and County of Los Angeles ("County") allocation constraints limit the City's ability to fund local needs: (i) the City retains only a portion of sales tax generated locally, meaning the current total sales tax rate in the City is 9.75%, and only 1% of the total rate is under local control; and (ii) The City receives one of the smallest shares of property tax revenue in Los Angeles County, just 4.7%, ranking 87th out of 88 cities; and

- Q. At its September 10, 2025 special study session and its October 6, 2025 study session, the City Council reviewed the financial issues and evaluated alternative revenue options, including but not limited to a transactions and use tax, transient occupancy tax increase, business license tax, parcel tax, and an increase to the utility user tax, franchise and building related revenue; and
- R. After a thorough analysis, a transactions and use tax has been identified as the only new revenue source expected to generate sufficient ongoing funds to adequately address the projected increasing structural deficit while maintaining essential services; and
- S. For most cities in Los Angeles County, the total sales tax rate is capped at 10.75%, and the City therefore has limited remaining local capacity within that cap; and
- T. Several nearby communities have adopted higher sales tax rates than the City's current 9.75%, including Malibu at 10.25%; Burbank, Glendale, and San Fernando at 10.50% and Santa Monica and Culver City at 10.75%; and
- U. State law limits the total combined rate of local transactions and use taxes that may be imposed within Los Angeles County, and staff has reported that for most cities the combined rate is capped at 10.75%; and
- V. The City derives approximately 26% of its General Fund revenue from sales tax, generating about \$7.8 million annually; and
- W. Importantly, 57% of all sales tax revenue generated within the City comes from non-residents and visitors — meaning that more than half of the sales tax collected is paid by those who live outside the City; and
- X. The City Council finds that the City therefore has limited remaining local capacity for a transactions and use tax add-on within the cap; and
- Y. The City Council understands that the County is considering submitting a countywide transactions and use tax measure of one-half cent ($\frac{1}{2}\text{¢}$) to voters in June 2026, and if a countywide measure is approved first and diminishes the remaining available local capacity, the City could lose the ability to establish its own locally controlled sales tax measure; and
- Z. In that scenario, a sales tax would still take effect and City residents would pay the higher rate, but the resulting revenues would not stay local and would not be under the City's control to address City priorities; and
- AA. The City Council finds that preserving local control is important because the City is directly accountable to local voters for the provision of City services and

infrastructure, and the City requires stable, locally controlled revenue to address structural deficits and maintain essential services; and

- BB. The City Council finds that it is time-sensitive to submit the City's proposed transactions and use tax measure to voters now in order to preserve the City's remaining local capacity and avoid the risk that a countywide or other regional measure will eliminate the City's opportunity to secure a locally controlled revenue source; and
- CC. A transactions and use tax does not apply to common essentials such as groceries, prescriptions, medical and dental services, real estate, rent, utilities, education, personal services, and labor; and
- DD. The City Council finds that revenues from a voter-approved transactions and use tax measure would stay in the City to support essential services and community priorities, including maintaining 911 emergency response and proactive law enforcement, wildfire preparedness and response, maintaining streets and sidewalks, maintaining senior and youth programs and services, vegetation management and public alert systems, and maintaining safe parks and protecting open space and natural areas; and
- EE. Based on the City's fiscal condition, structural deficit projections, reserve outlook, and the potential impacts to essential services if the structural deficit is not corrected, the City Council finds that a fiscal emergency exists requiring prompt action to preserve the City's ability to maintain essential services and address structural deficits and unfunded needs; and
- FF. Article XIII C, section 2(b) of the California Constitution requires that a general tax submitted by a local government be presented to the electorate and approved by a majority vote, and further provides that the election required by that subdivision shall be consolidated with a regularly scheduled general election for members of the governing body of the local government, except in cases of emergency declared by a unanimous vote of the governing body; and
- GG. Revenue and Taxation Code section 7285.9 authorizes the City to levy a transactions and use tax by ordinance following approval by two-thirds of the City Council and a majority vote of the qualified electors of the City voting in an election on the issue; and
- HH. A transactions and use tax would be levied in addition to, and would be collected at the same time and in the same manner as, the Uniform Local Sales and Use Tax of the City of Calabasas (Calabasas Muni. Code, Ch. 3.08); and

- II. Levying a one cent (1¢) transactions and use tax would not cause the overall transactions and use tax in the City to exceed two percent as required by Revenue and Taxation Code section 7251 et seq.; and
- JJ. This City of Calabasas Public Safety/City Services Measure would raise the local sales tax by 1¢, and if approved, would generate an estimated \$5.3 million each year of new and local revenue to protect and maintain City services that directly benefit the residents and businesses of Calabasas; and
- KK. A 1¢ increase in the City's local sales tax amounts to one penny on every \$1 spent and ten pennies on every \$10 spent; and a sales tax DOES NOT apply to groceries, prescriptions, medical and dental services, real estate, rent, education, utilities, personal services, or labor; and
- LL. This measure includes tough accountability provisions, such as public disclosure of all spending, review by an independent oversight committee, and annual independent financial audits, to ensure that the funds generated from this measure will be used efficiently, effectively, and as promised; and
- MM. This Ordinance shall be adopted on its approval by a majority (50% + 1) of City voters in the special municipal election to be held on May 5, 2026.

THEREFORE, THE PEOPLE OF THE CITY OF CALABASAS DO HEREBY ORDAIN AS FOLLOWS:

SECTION 2. Chapter 3.10 is hereby added to Title 3 of the Calabasas Municipal Code to read as follows:

Chapter 3.10 – Transactions and Use Tax

3.10.010 – Title

This ordinance shall be known as the "Calabasas Transactions and Use Tax Ordinance." The City of Calabasas shall be hereinafter referred to as the "City." This ordinance shall apply in the incorporated territory of the City.

3.10.020 – Operative Date

"Operative Date" means the first day of the first calendar quarter commencing more than 110 days after the adoption of this ordinance.

3.10.030 – 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 7285.9 of Part 1.7 of Division 2, which authorizes the City 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 therefore that can be administered and collected by the California Department of Tax and Fee Administration in a manner that adapts itself as fully as practicable to, and requires the least possible deviation from, the existing statutory and administrative procedures followed by the California Department of Tax and Fee Administration 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.

3.10.040 – Contract with State

Prior to the operative date, the City shall contract with the California Department of Tax and Fee Administration to perform all functions incident to the administration and operation of this transactions and use tax ordinance; provided, that if the City shall not have contracted with the California Department of Tax and Fee Administration prior to the operative date, it shall nevertheless so contract and in such a case the operative date shall be the first day of the first calendar quarter following the execution of such a contract.

3.10.050 – Transactions Tax Rate

For the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all retailers in the incorporated territory of the City at the rate of 1.0% 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.

3.10.060 – 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 California Department of Tax and Fee Administration.

3.10.070 – Use Tax Rate

An excise tax is hereby imposed on the storage, use or other consumption in the City of tangible personal property purchased from any retailer on and after the operative date of this ordinance for storage, use or other consumption in said territory at the rate of 1.0% 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.

3.10.080 – 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.

3.10.090 – Limitations on Adoption of State Law and Collection of Use Taxes

In adopting the provisions of Part 1 of Division 2 of the Revenue and Taxation Code:

A. Wherever the State of California is named or referred to as the taxing agency, the name of this City shall be substituted therefore. 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 Treasury, or the Constitution of the State of California.
2. The result of that substitution would require action to be taken by or against this City or any agency, officer, or employee thereof rather than by or against the California Department of Tax and Fee Administration, 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.
 - c) In Sections 6701, 6702 (except in the last sentence thereof), 6711, 6715, 6737, 6797 or 6828 of the Revenue and Taxation Code.

B. The word "City" shall be substituted for the word "State" in the phrase "retailer engaged in business in this State" in Section 6203 and in the definition of that phrase in Section 6203.

1. "A retailer engaged in business in the City" shall also include any retailer that, in the preceding calendar year or the current calendar year, has total combined sales of tangible personal property in this state or for delivery in the State by the retailer and all persons related to the retailer that exceeds five hundred thousand dollars (\$500,000). For purposes of this section, a person is related to another person if both persons are related to each other pursuant to Section 267(b) of Title 26 of the United States Code and the regulations thereunder.

3.10.100 – 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.

3.10.110 – 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 City which is shipped to a point outside the City, pursuant to the contract of sale, by delivery to such point by the retailer or his or her 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 City shall be satisfied:

- a) With respect to vehicles (other than commercial vehicles) subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, and undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code by registration to an out-of-City address and by a declaration under penalty of perjury, signed by the buyer, stating that such address is, in fact, his or her principal place of residence; and
 - b) With respect to commercial vehicles, by registration to a place of business out-of-City and declaration under penalty of perjury, signed by the buyer, that the vehicle will be operated from that address.
3. The sale of tangible personal property if the seller is obligated to furnish the property for a fixed price pursuant to a contract entered into prior to the operative date of this ordinance.
 4. A lease of tangible personal property which is a continuing sale of such property, for any period of time for which the lessor is obligated to lease the property for an amount fixed by the lease prior to the operative date of this ordinance.
 5. For the purposes of subparagraphs (3) and (4) of this section, the sale or lease of tangible personal property shall be deemed not to be obligated 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 City of tangible personal property:

1. The gross receipts from the sale of which have been subject to a transactions tax under any state-administered transactions and use tax ordinance.
2. Other than fuel or petroleum products purchased by operators of aircraft and used or consumed by such operators directly and exclusively in the use of such aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this State, the United States, or any foreign government. This exemption is in addition to the exemptions provided in Sections 6366 and 6366.1 of the Revenue and Taxation Code of the State of California.
3. If the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into prior to the operative date of this ordinance.
4. If the possession of, or the exercise of any right or power over, the tangible personal property arises under a lease which is a continuing purchase of such property for any period of time for which the lessee is obligated to lease the property for an amount fixed by a lease prior to the operative date of this ordinance.
5. For the purposes of 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 City shall not be required to collect use tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the City or participates within the City in making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the City or through any representative, agent,

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

7. "A retailer engaged in business in the City" shall also include any retailer of any of the following: vehicles subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, or undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code. That retailer shall be required to collect use tax from any purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in the City.

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

3.10.120 – Term

The tax imposed by this ordinance shall be effective until terminated or otherwise altered by a majority of the City's voters.

3.10.130 – Amendments

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

3.10.140 – Independent Oversight

Prior to the operative date, the City Council shall (a) adopt a resolution establishing the composition of an Independent Citizens' Advisory Committee of up to seven (7) members who will each be appointed to serve a term of two years by the City Council. The Independent Citizens' Advisory Committee shall meet publicly on at least a semi-annual basis to review all

revenues and expenditures of the transactions and use tax imposed by this chapter, review annual audit reports related to the tax, and make at least one written annual report to the City Council at a public meeting summarizing the Independent Citizens' Advisory Committee's findings and including any appropriate recommendations. The minutes of the meetings of Independent Citizens' Advisory Committee shall be provided to the City Council and placed on the next available regular City Council meeting agenda for informational purposes.

3.10.150 – Audit and Review

The proceeds of the tax imposed by this ordinance, as well as the expenditure thereof, shall be audited annually by an independent accounting firm. The City Council shall discuss the results of such audit at a meeting of the City Council that is open to the public. The report of such audit shall be posted on the City's website.

3.10.160 – Enjoining Collection Forbidden

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

3.10.170 – Severability

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

SECTION 3. CEQA. The adoption of this Ordinance is exempt from the California Environmental Quality Act (CEQA), Public Resources Code section 21000 *et seq.* and California Code of Regulations, title 14, section 15000 *et seq.* (CEQA Guidelines). The general transactions and use tax this Ordinance adopts is a government funding mechanism that does not "involve any commitment to any specific project which may result in a potentially significant physical impact on the environment," and thus it is not a project under CEQA Guidelines section 15378(b)(4).

SECTION 4. Severability. If any sections, subsections, subdivisions, paragraph, sentence, clause or phrase of this Ordinance or any part hereof or exhibit hereto is for any reason held to be invalid, such invalidity shall not affect the validity of the remaining portions of this Ordinance or any part thereof or exhibit thereto. The City

Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase hereof, irrespective of the fact that anyone or more sections, subsections, subdivisions, paragraph, sentences, clauses or phrases be declared invalid.

SECTION 5. Effective Date. If a majority of City voters cast votes in favor of this Ordinance in the special election held on May 5, 2026, this Ordinance shall be considered adopted upon the date that the vote is declared by the City Council, and it shall go into effect ten days after that date.

SECTION 6. Certification and Publication. As soon as practicable after this Ordinance is adopted pursuant to Section 3, the City Clerk shall certify to the passage and adoption of this Ordinance, cause it to be published according to law, and transmit it to the California Department of Tax and Fee Administration.

APPROVED FOR INTRODUCTION on February 5, 2026.



JAMES R. BOZAJIAN, Mayor

ATTEST:



KRISTY BUXKEMPER, City Clerk

APPROVED AS TO FORM:



PAM LEE, City Attorney

I CERTIFY THAT THE FOREGOING ORDINANCE NO. 2026-422 was approved for introduction by the City Council of the City of Calabasas at the special meeting held on February 5, 2026, by the following vote:

AYES: 5 Councilmembers: Kraut, Shapiro, Weintraub, Albrecht, and Bozajian
NOES: 0
ABSTAIN: 0
ABSENT: 0



KRISTY BUXKEMPER, City Clerk
(seal)