City of South Gate

8650 California Avenue. South Gate, Ca 90280-3075
(323) 563-9510 Fax (323) 563-5411

Yodit Glaze
City Clerk

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

65 September 15, 2026

Edward Yen
EDWARD YEN
EXECUTIVE OFFICER

July 6, 2026

RECEIVED
2026 JUL 10 PM 1:15

Mr. Dean C. Logan
Registrar-Recorder/County Clerk
Election Coordination Section
12400 Imperial Highway, 2nd Floor, Room 2013A
Norwalk, California 90650

Subject: City of South Gate General Municipal Election of November 3, 2026

Dear Mr. Logan:

At their regular meeting of June 23, 2026, the South Gate City Council adopted Resolution No. 2026-35-CC, submitting ballot measure text for the Utility Users Tax Measure to the voters on November 3, 2026, General Municipal Election.

Additionally, we are requesting the Board of Supervisors accept this request for LA County services from the LACC/RR to place the measure on the ballot.

Should you require further information, please contact our office at 323.563.9510.

Sincerely,

Yodit Glaze, City Clerk

Enclosure

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RESOLUTION NO. 2026-35-CC

CITY OF SOUTH GATE
LOS ANGELES COUNTY, CALIFORNIA

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOUTH GATE, CALIFORNIA, SUBMITTING BALLOT MEASURE TEXT FOR THE UTILITY USERS TAX MEASURE TO THE VOTERS AT THE NOVEMBER 3, 2026, GENERAL MUNICIPAL ELECTION

WHEREAS, the City Council of the City of South Gate ("City") wishes to present a utility users tax ordinance ("Ordinance") to City voters;

WHEREAS, the Ordinance would impose a general tax on utility use to be collected by utility suppliers on utilities consumed in the City ("Utility Users Tax"), the revenues from which may fund public safety, street maintenance, parks, or any other lawful purpose of the City;

WHEREAS, the City Council wishes to present the Ordinance to the voters in the general municipal election held on November 3, 2026;

WHEREAS, the City Council requests the services of the Los Angeles County Registrar-Recorder/County Clerk to conduct this election;

WHEREAS, the City, despite significant improvements in its fiscal accountability, is experiencing an increase in service demands from a growing population -- leaving the City, like many other cities in California, with inadequate funding to address essential public safety and service needs;

WHEREAS, the City has implemented a number of cost-saving measures, having reduced the number of employees, consolidated departments and become more efficient in its operations;

WHEREAS, the City of South Gate is in a Financial State of Emergency, having experienced a structural budget deficit of over $7 million in fiscal year 2025-26, which is being addressed only through the use of non-recurring reserves and one-time measures, and further projects a continuing and worsening deficit projected to exceed $9 million in 2026-27, such that General Fund reserve levels will be significantly depleted absent corrective action;

WHEREAS, without an immediate source of new revenue, the City will be forced to reduce essential services to the community;

WHEREAS, maintaining public safety with a fully funded police department, continuing to provide school crossing guards, maintaining parks and recreation services, senior services, neighborhood graffiti abatement programs, maintaining responsive planning, building, and code enforcement services, and fixing streets and potholes, are essentials for our community;

WHEREAS, without the adoption and submission of a Utility Users Tax measure to the voters, the City will be required to implement immediate and significant reductions to existing service levels, including reductions affecting public safety operations, parks and recreation programming, community development services, public works maintenance activities, financial administration, and the school crossing guard program, due to the insufficiency of ongoing General Fund revenues;

WHEREAS, a Utility Users Tax measure will make it possible for the City to improve its overall community services, for example by: hiring additional police officers to reduce emergency response times, fixing City streets to improve traffic flow and reduce congestion, fighting gangs and drugs by expanding neighborhood graffiti removal programs, supporting youth anti-gang and drug prevention programs, and after-school tutoring and mentoring programs; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SOUTH GATE, CALIFORNIA, DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. Call of General Municipal Election. Pursuant to the laws of the State of California applicable to general law cities, the City Council hereby calls and notices a general municipal election to be held on November 3, 2026 (the "Election"), to consider the following measure:

[The remainder of this page purposely left blank.]

Measure __

"SOUTH GATE FISCAL EMERGENCY STREET MAINTENANCE, YOUTH PROGRAMS, PARKS FUNDING PROTECTION MEASURE. Shall an ordinance preventing cuts to City of South Gate services including maintaining streets and sidewalks; maintaining school crossing guards, parks / recreation programs, police 911 and support services, and other General Fund uses by establishing an 8% utility user tax, exempting low income seniors, annually providing approximately $10,400,000 until ended by voters; requiring independent audits, public disclosure of all spending, local control, to benefit South Gate residents, be adopted?"	Yes ___ No ___

The full Ordinance comprising this measure is attached hereto as Exhibit A and is incorporated here by this reference. The Ordinance requires the approval of a simple majority (50% plus one) of those voting on it.

SECTION 2. Request that County Conduct Election. The City Council hereby asks the Los Angeles County Board of Supervisors ("Board of Supervisors") to authorize the Los Angeles County Registrar-Recorder / County Clerk ("County Elections Official") to render all services necessary to conduct the Election. The City Council hereby asks the Board of Supervisors to consolidate the Election with any other election the County Elections Official is to administer on November 3, 2026, and to order the Election to be conducted by the County Elections Official. (Elec. Code, §§ 10402, 10403.) The City Council acknowledges that the Election will be held and conducted in the manner prescribed in Elections Code section 10418. The ballots to be used in the election shall be in form and content as required by law.

The City Clerk is authorized and directed to work with the County Elections Official and to procure and furnish any and all official ballots, notices, printed matter and all supplies, equipment and paraphernalia as needed to properly and lawfully conduct the Election. In all particulars not recited in this Resolution, the election shall be held and conducted as provided by law for holding municipal elections. The City of South Gate will reimburse Los Angeles County for the actual costs incurred in conducting the Election upon receipt of a bill stating the amount due.

The notice of the time and place of holding the Election is hereby given, and the City Clerk and County Elections Official are authorized to give further notice of the Election as required by law.

SECTION 3. Implementation. The City Clerk is directed to file certified copies of this Resolution with the Board of Supervisors, with a copy to the County Elections Official. (Elec. Code, § 10402.) The City Clerk is further authorized and directed to perform all other acts necessary or required by law to implement this Resolution and related to the Election.

SECTION 4. Ballot Arguments.

A. The City Clerk shall set the deadline for submission of arguments in favor of or against the Ordinance and provide notice of that deadline. The City Clerk may do this in coordination with the County Elections Official, as necessary. In all respects, the process to choose these arguments shall accord with Elections Code sections 9280 et seq. and 9600 et seq.

B. The City Council hereby authorizes Councilmembers _____ and _____ to prepare and file the written argument in support of the measure on behalf of the City Council. (Elec. Code,§ 9282(b).)

C. Further, the City Council hereby adopts the provisions of Elections Code section 9285(a) authorizing rebuttal argument only as to arguments for the Election. This Subdivision 4(C) is repealed, and the provisions of section 9285(a) shall not apply, thereafter.

SECTION 5. Impartial Analysis. The City Clerk is directed to transmit a copy of the Ordinance to the City Attorney, who shall prepare an impartial analysis of the Ordinance in accordance with applicable law. The impartial analysis shall indicate the measure that was placed on the ballot by the City Council.

If the entire text of the Ordinance is not printed in the voter information pamphlet, the following shall be printed immediately below the impartial analysis in no smaller than 10-point type: "The above statement is an impartial analysis of Measure___. The full text of Measure___ can be found online at cityofsouthgate.org. If you desire the measure, please call the City Clerk's office at 323-563-9510 and a copy will be mailed at no cost to you."

SECTION 6. CEQA. The adoption of this Resolution 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 calling of a municipal election is not a project within the meaning of CEQA Guidelines section 15378. Further, the general tax proposed by this Resolution 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 adopting this Resolution is not a project under CEQA Guidelines section 15378(b)(4).

SECTION 7. Severability. If any section, subsection, sentence, clause, phrase or portion of this Resolution or its application to any person or circumstance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Resolution or its application to other persons and circumstances. The City Council hereby declares that it would have adopted this Resolution and each section, subsection, sentence, clause, phrase or portion thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, or portions be declared invalid or unconstitutional and, to that end, the provisions hereof are hereby declared to be severable.

SECTION 8. Effective Date. The City Clerk shall certify the adoption of this Resolution, which shall be effective upon its adoption, and shall give notice of the measure to be voted on in the manner provided by law.

SECTION 9. In accordance with the provisions of California Government Code Section 53724(b), this Resolution shall only be effective if passed by a two-thirds vote (4 or more votes) of the City Council.

SECTION 10. The City Clerk shall certify the adoption of this Resolution, which shall be effective upon its adoption.

PASSED, APPROVED, and **ADOPTED** this **23rd** day of **June 2026.**

CITY OF SOUTH GATE:

By: _____
Joshua Barron, Mayor

ATTEST:

By: _____
Yodit Glaze, City Clerk
(SEAL)

APPROVED AS TO FORM:

By: _____
Raúl F. Salinas, City Attorney

Exhibit "A"

ORDINANCE NO. ____

CITY OF SOUTH GATE
LOS ANGELES COUNTY, CALIFORNIA

ORDINANCE OF THE PEOPLE OF THE CITY OF SOUTH GATE ADOPTING A UTILITY USERS TAX

WHEREAS, the City of South Gate ("City"), despite significant improvements in its fiscal accountability, is experiencing an increase in service demands from a growing population, leaving the City, like many others in California, with inadequate funding to address essential public safety and service needs;

WHEREAS, the City has implemented a number of cost-saving measures having reduced the number of employees, consolidated departments, and become more efficient in its operations;

WHEREAS, the City is in a Financial State of Emergency, with a projected structural General Fund deficit of approximately $9.4 million in fiscal year 2026–27, following a structural imbalance in fiscal year 2025–26 that has been addressed only through the use of non-recurring reserves and one-time measures; and absent corrective action, General Fund reserves will be significantly depleted, impacting the City's ability to sustain ongoing services;

WHEREAS, without an immediate source of new revenue, the City will be forced to reduce essential services to the community;

WHEREAS, maintaining public safety with a fully funded police department, continuing to provide school crossing guards, maintaining parks and recreation services, senior services, neighborhood graffiti abatement programs, maintaining responsive planning, building, and code enforcement services, and fixing streets and potholes, are essentials for our community;

WHEREAS, without the adoption and submission of a Utility Users Tax measure to the voters, the City will be required to implement immediate and significant reductions to existing service levels, including reductions affecting public safety operations, parks and recreation programming, community development services, public works maintenance activities, financial administration, and the school crossing guard program, due to the insufficiency of ongoing General Fund revenues;

WHEREAS, a Utility Users Tax measure will make it possible for the City to improve its overall community services, for example by: hiring additional police officers to reduce emergency response times, fixing City streets to improve traffic flow and reduce congestion, fighting gangs and drugs by expanding neighborhood graffiti removal programs, supporting youth anti-gang and drug prevention programs, and after-school tutoring and mentoring programs; and

NOW, THEREFORE, THE PEOPLE OF THE CITY OF SOUTH GATE, CALIFORNIA, DO HEREBY ORDAIN AS FOLLOWS.

SECTION 1. Chapter 2.79 (Utility Users Tax) is hereby added to Title 2 (Licenses – Business Regulations) of the City of South Gate Municipal Code to read as follows:

Section 2.79.010 Definitions

For the purposes of this chapter, the following words and phrases shall have the meanings ascribed to them unless otherwise noted:

"Ancillary telecommunication services" means services that are associated with or incidental to the provision, use or enjoyment of telecommunication services, including, but not limited to, the following services:

1. "Conference bridging service" means an ancillary service that links two or more participants of an audio or video conference call and may include the provision of a telephone number. Conference bridging service does not include the telecommunication services used to reach the conference bridge.

2. "Detailed telecommunication billing service" means an ancillary service of separately stated information pertaining to individual calls on a customer's billing statement.

3. "Directory assistance" means an ancillary service of providing telephone number information, and/or address information.

4. "Vertical service" means an ancillary service that is offered in connection with one or more telecommunication services, which offers advanced calling features that allow customers to identify callers and to manage multiple calls and call connections, including conference bridging services.

5. "Voice mail service" means an ancillary service that enables the customer to store, send or receive recorded messages. Voice mail service does not include any vertical services that the customer may need to use the voice mail service.

"Ancillary video services" means services that are associated with, or incidental to, the provision or delivery of video services, including, but not limited to, electronic program guide services, recording services, search functions, or other interactive services or communications that are associated with or incidental to the provision, use or enjoyment of video services.

"Billing address" means the mailing address of the service user where the service supplier submits invoices or bills for payment by the customer.

"City" means the City of South Gate, a municipal corporation, or the territory within its jurisdictional boundaries, as the context requires.

"Communication services" means telecommunication services, ancillary telecommunication services, video services, and ancillary video services.

"Electrical corporation" means as defined in Section 218 of the Public Utilities Code and shall be construed to include any entity engaged in the selling or supplying of electricity to a service user.

"Exempt wholesale generator" shall have the same meaning as set forth in 42 U.S.C. Section 16451 and the regulations thereunder.

"Gas" means natural or manufactured gas or any alternate hydrocarbon fuel, which may be substituted therefor.

"Mobile telecommunications service" shall have the same meaning and usage as set forth in 4 U.S.C. Section 124 and the regulations thereunder.

"Month" means a calendar month.

"Non-utility service supplier" means:

1. A service supplier, other than a supplier of electric distribution services to all or a significant portion of the city, which generates electricity for sale to others, and shall include, but is not limited to, any publicly owned electric utility, investor-owned utility, cogenerator, distributed generation provider, exempt wholesale generator, municipal utility district, federal power marketing agency, electric rural cooperative, or other supplier or seller of electricity; or

2. A community choice aggregator, electric service provider (ESP), electricity broker, marketer, aggregator, pool operator, or other electricity supplier other than a supplier of electric distribution services to all or a significant portion of the city, which sells or supplies electricity or supplemental services to electricity users within the city; or

3. A gas service supplier, aggregator, marketer, or broker, other than a supplier of gas distribution services to all or a significant portion of the city, which sells or supplies gas or supplemental services to gas users within the city.

"Paging service" means a telecommunication service that provides transmission of coded radio signals for the purpose of activating specific pagers; such transmissions may include messages and/or sounds.

"Person" means, without limitation, any natural individual, firm, trust, common law trust, estate, partnership of any kind, association, syndicate, club, joint stock company, joint venture, limited liability company, corporation (including foreign, domestic, and non-profit), municipal district, municipal corporation (other than the City of South Gate), cooperative, receiver, trustee, or guardian.

"Place of primary use" means the street address representative of where a customer's use of a service primarily occurs, which must be a customer's residential street address or primary business street address.

"Post-paid telecommunication service" means the telecommunication service obtained by making a payment on a communication-by-communication basis either through the use of a credit card or payment mechanism such as a bank card, travel card, credit card, or debit card, or by a charge

made to a service number which is not associated with the origination or termination of the telecommunication service.

"Prepaid telecommunication service" means the right to access telecommunication services, which must be paid for in advance and which enables the origination of communications using an access number or authorization code, whether manually or electronically dialed, and that is sold in predetermined units or dollars of which the number declines with use in a known amount.

"Private telecommunication service" means a telecommunication service that entitles the customer to exclusive or priority use of a communications channel or group of channels between or among termination points, regardless of the manner in which such channel or channels are connected, and includes switching capacity, extension lines, stations, and any other associated services that are provided in connection with the use of such channel or channels.

"Service address" means:

1. The location of the service user's place of primary use, such as his or her residential street address or business street address, or

2. The location of the service user's communication equipment from which the communication originates or terminates, regardless of where the communication is billed or paid, or

3. For prepaid telecommunication service, the location associated with the service number.

"Service supplier" means any person, including the city, who provides telephone communication, electric, gas, water, or video services to a user of such services within the city. The term shall include any person required to collect and remit a tax as imposed by this chapter, including its billing agent in the case of electric and gas service suppliers.

"Service user" means a person required to pay a tax imposed by this chapter.

"State" means the state of California.

"Streamlined Sales and Use Tax Agreement" means the multistate agreement commonly known and referred to as the Streamlined Sales and Use Tax Agreement, as it is amended from time to time.

"Tax administrator" means the City Manager of the City of South Gate, or his or her designee.

"Telecommunication services" means the transmission, conveyance, or routing of voice, data, audio, video, or any other information or signals to a point, or between or among points, whatever the technology used. "Telecommunication services" includes such transmission, conveyance, or routing in which computer processing applications are used to act on the form, code or protocol of the content for purposes of transmission, conveyance or routing without regard to whether such services are referred to as voice over internet protocol (VoIP) services or are classified by the Federal Communications Commission as enhanced or value added, and includes video and/or data services that are functionally integrated with "telecommunication services." "Telecommunication

services" include, but are not limited to, the following services, regardless of the manner or basis on which such services are calculated or billed: intrastate, interstate, and international telecommunication services; ancillary telecommunication services; mobile telecommunications service; prepaid telecommunication service; post-paid telecommunication service; private telecommunication service; paging service; 800 service (or any other toll-free numbers designated by the Federal Communications Commission); 900 service (or any other similar numbers designated by the Federal Communications Commission for services whereby subscribers who call in to prerecorded or live service).

"Video programming" means those programming services commonly provided to subscribers by a video service supplier including, but not limited to, basic services, premium services, audio services, video games, pay-per-view services, video on demand, origination programming, or any other similar services, regardless of the content of such video programming, or the technology used to deliver such services, and regardless of the manner or basis on which such services are calculated or billed.

"Video services" means video programming and any and all services related to the providing, recording, delivering, use or enjoyment of "video programming" (including origination programming and programming using Internet Protocol, e.g., IP-TV and IP-Video) by a "video service supplier," regardless of the technology used to deliver, store or provide such services, and regardless of the manner or basis on which such services are calculated or billed, and includes ancillary video services, data services, telecommunication services, or interactive communication services that are functionally integrated with video services.

"Video service supplier" means any person, company, or service which provides or sells video programming, or provides or sells the capability to receive video programming, including any communications that are ancillary, necessary or common to the provision, use or enjoyment of the video programming, to or from a business or residential address in the city, including but not limited to or from a business, home, condominium, or apartment, where some fee is paid, whether directly or included in dues or rental charges for that service, whether or not public rights-of-way are used in the delivery of the video programming or communications. A video service supplier includes, but is not limited to: multi-channel video programming distributors (as defined in 47 U.S.C. Section 522(13)); open video systems (OVS) suppliers; suppliers of cable television; master antenna television; satellite master antenna television; multichannel multipoint distribution services (MMDS); video services using internet protocol (e.g., IP-TV and IP-Video, which provide, among other things, broadcasting and video on demand), direct broadcast satellite to the extent federal law permits taxation of its video services, now or in the future; video streaming services, and other suppliers of video services (including two-way communications), whatever their technology.

"VoIP (voice over internet protocol)" means the digital process of making and receiving real-time voice transmissions over any internet protocol network.

"800 service" means a "telecommunications service" that allows a caller to dial a number without incurring a charge for the call. The service is typically marketed under the name "800," "855," "866," "877," and "888" toll-free calling, and any subsequent numbers the Federal Communications Commission may designate for such services.

"900 service" means an inbound toll "telecommunications service" purchased by a subscriber that allows the subscriber's customers to receive the subscriber's prerecorded announcement or live service. "900 service" does not include the charge for collection services provided by the seller of the "telecommunications services" to the subscriber, or service or product sold by the subscriber to the subscriber's customer. The service is typically marketed under the name "900" service, and any subsequent numbers the Federal Communications Commission may designate for such service.

Section 2.79.020 Communications Users Tax

A. Telecommunication Services

1. There is hereby imposed a tax upon every person using telecommunication services in the city. The tax shall be at the rate of 8 percent of all charges made for such services and shall be collected from the service user by the telecommunication services supplier or its billing agent. There is a rebuttable presumption that telecommunication services, which are billed to a billing or service address in the city, are used, in whole or in part, within the city, and such services are subject to taxation under this chapter. If the billing address of the service user is different from the service address, the service address of the service user shall be used to apply the tax. As used in this section, the term "charges" shall include the value of any other services, credits, property of every kind or nature, or other consideration provided by the service user in exchange for the telecommunication services.

2. As used in this section charges for "telecommunication services" shall include, but are not limited to, charges for: connection, reconnection, termination, movement, or change of telecommunication services; late payment fees; detailed billing; central office and custom calling features (including, but not limited to, call waiting, call forwarding, caller identification and three-way calling); voice mail and other messaging services; directory assistance; access and line charges; universal service charges; regulatory, administrative and other cost-recovery charges; local number portability charges; and text and instant messaging. "Telecommunication services" shall not include digital downloads that are not "ancillary telecommunication services," such as music, ringtones, games, and similar digital products.

B. Video Services

1. There is hereby imposed a tax upon every person using video services in the city provided by a video service supplier. The tax shall be at the rate of 8 percent of the charges made for such video services, and shall be collected from the service user by the video service supplier, or its billing agent.

2. As used in this section, "charges" shall include the value of any other services, credits, property of every kind or nature, or other consideration provided by the service user in exchange for video services. Charges for video services shall also include, but are not limited to, charges for the following:

a. Regulatory fees and surcharges, franchise fees, and access fees (including those to fund public, educational, and government video programming);

b. Initial installation of equipment necessary for provision and receipt of video services;

c. Late fees, collection fees, bad debt recoveries, and returned-check fees;

d. Activation fees, reactivation fees, and reconnection fees;

e. Video programming and video services;

f. Ancillary video services (e.g., electronic program guide services, recording functions, search functions, or other interactive services or communications that are ancillary, necessary or common to the use or enjoyment of video services);

g. Equipment leases (e.g., remote, recording or search devices, converters, remote devices);

h. Service calls, service protection plans, name changes, changes of services, and special services;

i. Leasing of channel or other access.

C. Mobile telecommunications service shall be sourced in accordance with the sourcing rules set forth in the Mobile Telecommunications Sourcing Act (4 U.S.C. Section 124). The tax administrator may issue and disseminate to communication service suppliers required to collect a tax under this chapter, sourcing rules for the taxation of other communication services, including, but not limited to, post-paid communication services, prepaid communication services, and private communication services, provided that such rules are based upon custom and common practice that further administrative efficiency and minimize multijurisdictional taxation (e.g., Streamlined Sales and Use Tax Agreement).

D. The tax administrator, from time to time, may issue and disseminate to communication service suppliers required to collect a tax under this chapter, an administrative ruling identifying those communication services that are subject to the taxes levied by subsections A and B above. Further, the tax administrator, from time to time, may survey communication service suppliers to identify the components of communication services offered to customers within the city, and the charges therefor. The tax administrator, thereafter, may issue and disseminate to such communication service suppliers an administrative ruling identifying components that (1) are necessary for or common to the receipt, use or enjoyment of taxed communication service; or (2) currently are or historically have been included in a bundled rate for taxed communication service. Charges for such components shall be subject to the tax imposed by subsections A and B above.

E. To prevent actual multijurisdictional taxation of communication services subject to tax under this section, any service user, upon proof to the tax administrator that the service user has previously paid the same tax in another state or city on such communication services,

shall be allowed a credit against the tax imposed to the extent of such tax legally imposed in such other state or city; provided, however, the amount of credit shall not exceed the tax owed to the city under this section.

F. The tax on communication services imposed by this section shall be collected from the service user by the service supplier or its billing agent. In the case of video service, the purchaser of the bulk video service (e.g., an apartment owner) shall be the "service user," unless such service is resold to individual users, in which case the service user shall be the ultimate purchaser. The amount of tax collected in one month shall be remitted to the tax administrator, and must be received by the tax administrator on or before the 25th day of the following month.

Section 2.79.030 Electricity Users Tax

A. There is hereby imposed a tax upon every person using electricity in the city. The tax imposed by this section shall be at the rate of 8 percent of the charges made for such electricity, and for any supplemental services or other associated activities directly related to and / or necessary for the provision of electricity to the service user, which are provided by a service supplier or non-utility service supplier to a service user.

B. As used in this section, "charges" includes charges for all services, components, and items that (1) are necessary for or common to the receipt, use, or enjoyment of electric service, or (2) currently are or historically have been included in a single or bundled rate for electric service by a service supplier to retail customers. As used in this section, "charges" shall include the value of any other services, credits, property of every kind or nature, or other consideration provided by a service user in exchange for electricity or services related to the provision of electricity. "Charges" include, but are not limited to, the following:

1. Energy charges;

2. Distribution or transmission charges;

3. Metering charges;

4. Stand-by, reserves, firming, ramping, voltage support, regulation, emergency, or other similar minimum charges for services;

5. Customer charges, late charges, service establishment or reestablishment charges, demand charges, fuel or other cost adjustments, power exchange charges, independent system operator (ISO) charges, stranded investment or competitive transition charges (CTC), public-purpose-program charges, nuclear decommissioning charges, trust transfer amounts (bond financing charges), franchise fees, franchise surcharges, annual and monthly charges, and other charges, fees or surcharges which are necessary for or common to the receipt, use, or enjoyment of electricity service; and

6. Charges, fees, or surcharges for electricity services or programs which are mandated by the California Public Utilities Commission or the Federal Energy Regulatory

Commission, whether or not such charges, fees, or surcharges appear on a bundled or line-item basis on a customer's bill.

C. The tax administrator, from time to time, may survey electricity service suppliers to identify the unbundled billing components of electric retail service that they commonly provide to residential and other customers in the city, and the charges therefor, including those items that are mandated by state or federal regulatory agencies as a condition of providing such electricity service. The tax administrator, thereafter, may issue and disseminate to such electricity service suppliers an administrative ruling identifying those components and items which (1) are necessary for or common to the receipt, use or enjoyment of electricity service; or (2) currently are or historically have been included in a single or bundled rate for electricity service by a service supplier to retail customers. Charges for such components and items shall be subject to the tax imposed by subsection A above.

D. As used in this section, "using electricity" shall not include an electrical corporation's or governmental agency's receiving of electricity for resale.

E. The tax on electricity provided by self-production or by a non-utility service supplier not required by this chapter to collect the tax shall be collected and remitted as set forth in Section 7.29.045 of this chapter. All other taxes on charges for electricity imposed by this section shall be collected from the service user by the electric service supplier or its billing agent. The amount of tax collected in one month shall be remitted to the tax administrator, and must be received by the tax administrator on or before the 25th day of the following month.

Section2.79.040 Gas Users Tax

A. There is hereby imposed a tax upon every person using gas in the city, which is transported and delivered through a pipeline distribution system. The tax imposed by this section shall be at the rate of 8 percent of the charges made for such gas, including all services related to the storage, transportation and delivery of such gas.

B. There shall be excluded from the base to which the tax imposed by this section is applied:

1. Charges made for gas which is to be resold and delivered through mains or pipes;

2. Charges made for gas to be used in the generation of electrical energy by an electrical corporation; and

3. Charges made by a gas public utility for gas used and consumed in the conduct of the gas public utility's business.

C. As used in this section, "charges" shall include charges for all services, components and items for gas service that (1) are necessary for or common to the receipt, use, or enjoyment of gas service; or (2) currently are or historically have been included in a single or bundled rate for gas service by a service supplier to retail customers. "Charges" shall include, but is not limited to, the following:

1. The commodity charges for purchased gas, or the cost of gas owned by the service user (including the actual costs attributed to drilling, production, lifting, storage, gathering, trunkline, pipeline, and other operating costs associated with the production, transmission, and delivery of such gas), which is delivered through a gas pipeline distribution system;

2. Gas transportation charges, including interstate charges to the extent not included in commodity charges;

3. Storage charges; provided, however, that a service supplier shall not be required to apply the tax to any charges for gas storage services when the service supplier cannot, as a practical matter, determine the jurisdiction in which such stored gas is ultimately used; but it shall be the obligation of the service user to self-collect the amount of tax not applied to any charge for gas storage by the service supplier and to remit the tax to the appropriate jurisdiction;

4. Capacity or demand charges, late charges, service establishment or reestablishment charges, transition charges, customer charges, minimum charges, annual and monthly charges, and any other charges which are necessary for or common to the receipt, use, or enjoyment of gas service; and,

5. Charges, fees, or surcharges for gas services or programs mandated by the California Public Utilities Commission or the Federal Energy Regulatory Commission, whether or not such charges, fees, or surcharges appear on a bundled or line-item basis on a customer's bill.

D. As used in this section, "charges" shall include the value of any other services, credits, property of every kind or nature, or other consideration provided by a service user in exchange for gas or services related to the delivery of gas.

E. The tax administrator, from time to time, may survey gas service suppliers to identify the unbundled billing components of gas retail service that they commonly provide to residential and other customers in the city, and the charges therefor, including those items that are mandated by state or federal regulatory agencies as a condition of providing such gas service. The tax administrator may issue and disseminate to such gas service suppliers an administrative ruling identifying those components and items which (1) necessary for or common to the receipt, use, or enjoyment of gas service; or (2) currently are or historically have been included in a single or bundled rate for gas service by a gas service supplier to retail customers. Charges for such components and items shall be subject to the tax imposed by subsection A above.

F. The tax on gas provided by self-production or by a non-utility service supplier not required to collect a tax by this chapter shall be collected and remitted in the manner set forth in Section 7.29.045 of this chapter. All other taxes imposed on charges for gas by this section shall be collected from the service user by the gas service supplier or its billing agent. The amount of tax collected in one month shall be remitted to the tax administrator, and must be received by the tax administrator, on or before the 25th day of the following month.

Section2.79.045 Collection of Tax from Service Users Making Direct Purchase of Gas or Electricity

A. Any service user subject to a tax imposed by Section 7.29.030 or by Section 7.29.040 of this chapter, which produces gas or electricity for self-use; which receives gas or electricity, including any related supplemental services, directly from a non-utility service supplier not required to collect a tax imposed by this chapter; or which, for any other reason, does not have the full tax collected and remitted by its service supplier, a non-utility service supplier, or its billing agent on the use of gas or electricity in the city, including any related supplemental services, shall report that fact to the tax administrator and shall remit the tax due directly to the tax administrator within 30 days of such use.

B. The tax administrator may require such a service user to identify its non-utility service supplier and provide, subject to audit: invoices; books of account; or other satisfactory evidence documenting the quantity of gas or electricity used, including any related supplemental services, and the cost or price thereof. If the service user is unable to provide such satisfactory evidence, or if the tax administrator concludes in his or her reasonable discretion that the cost to calculate the tax is excessive, the tax administrator may determine the tax by applying the tax rate to the equivalent charges the service user would have incurred if the gas or electricity used, including any related supplemental services, had been provided by the primary supplier of gas or electricity within the city. The tax administrator shall make available rate schedules for this purpose.

Section2.79.050 Water Users Tax

A. There is hereby imposed a tax upon every person using water in the city which is transported and delivered through a pipeline distribution system. The tax imposed by this section shall be at the rate of 8 percent of the charges made for such water and shall be collected from the service user by the water service supplier or its billing agent.

B. As used in this section, "charges" shall apply to all services, components and items that (1) are necessary for or common to the receipt, use, or enjoyment of water service; or (2) currently are or historically have been included in a single or bundled rate for water service by a service supplier to retail customers. "Charges" shall include, but is not limited to, the following:

1. Water commodity charges (potable and non-potable),

2. Distribution or transmission charges,

3. Metering charges,

4. Customer charges, late charges, service establishment or reestablishment charges, franchise fees, franchise surcharges, annual and monthly charges, and other charges, fees and surcharges which are necessary for or common to the receipt, use, or enjoyment of water service, and

5. Charges, fees, or surcharges for water services or programs, which are mandated by a water district or a state or federal agency, whether or not such charges, fees, or surcharges appear on a bundled or line-item basis on a customer's bill.

C. As used in this section, "charges" shall include the value of any other services, credits, property of every kind or nature, or other consideration provided by a service user in exchange for water services.

D. The tax administrator, from time to time, may survey water service suppliers to identify the unbundled billing components of water retail service that they commonly provide to residential and other customers in the city, and the charges therefor, including those items that are mandated by a wholesale or retail water supplier or a state or federal agency as a condition of providing such water service. The tax administrator, thereafter, may issue and disseminate to such water service suppliers an administrative ruling identifying those components and items which (1) are necessary for or common to the receipt, use, or enjoyment of water service; or (2) currently are or historically have been included in a single or bundled rate for water service by a service supplier to retail customers. Charges for such components and items shall be subject to the tax imposed by subsection A above.

E. There shall be excluded from the base to which the tax imposed in this section is applied charges for water which is to be resold and delivered through a pipeline distribution system.

F. The tax on water service imposed by this section shall be collected from a service user by the water service supplier or its billing agent. The amount of tax collected in one month shall be remitted to the tax administrator, and must be received by the tax administrator on or before the 25th day of the following month.

Section 2.79.060 Effect of Comingling Taxable Items with Nontaxable Items

If any nontaxable charges are combined with and not separately stated from taxable service charges on a customer bill or invoice, the combined charge is subject to tax unless the service supplier identifies, by reasonable and verifiable standards, the portions of the combined charge that are nontaxable and taxable through the service supplier's books and records kept in the regular course of business, and in accordance with generally accepted accounting principles, and not created and maintained for tax purposes. A service supplier has the burden to prove the proper apportionment of taxable and nontaxable charges. If the service supplier offers a combination of taxable and nontaxable services, and the charges are separately stated, then for taxation purposes, the values assigned the taxable and nontaxable services shall be based on its books and records kept in the regular course of business and in accordance with generally accepted accounting principles, and not created and maintained for tax purposes. A service supplier has the burden to prove the proper valuation of the taxable and nontaxable services.

Section2.79.070 Exemptions

A. Nothing in this chapter shall be construed as imposing a tax upon the city, or upon any person or service when imposition of such tax upon that person or service would be in violation of a federal or state statute, the Constitution of the United States or the Constitution of the State of California.

B. The taxes imposed by this chapter, shall not apply to any person who:

1. Is 65 years of age or older;

2. Resides at the service address as his or her primary place of residence; and

3. Has a combined gross income, including all taxable and non-taxable income of all members of the household in which the person resides, that does not exceed the income threshold established by the Tax Administrator pursuant to subdivision (C) of this section; and

4. Has filed the application described in subdivision (D) of this section.

C. The Tax Administrator shall establish, by administrative rule, the household income thresholds applicable to the exemption provided in subdivision (B) of this section. In establishing such thresholds, the Tax Administrator shall use the income eligibility standards published by the California Public Utilities Commission for low-income utility assistance programs, as those standards are updated from time to time, with separate thresholds applicable to households of one or two persons and to households of three or more persons. In no event shall the threshold be set below the applicable CPUC standard in effect at the time of determination. The Tax Administrator shall update the applicable thresholds annually, consistent with any revision to the CPUC standards, and shall make the current thresholds publicly available in English and Spanish.

D. Any person claiming an exemption under subdivision (B) of this section shall apply to the Tax Administrator on a form approved by the Tax Administrator. The application shall include a declaration under penalty of perjury of the facts qualifying the applicant, including proof of age and documentation sufficient to establish the combined gross income of all household members for the prior calendar year. An approved exemption shall remain in effect unless the service user no longer meets the qualifying criteria, at which point the service user shall notify the Tax Administrator in writing within 30 days of any change in qualifying status. The Tax Administrator shall require annual re-verification of eligibility. A service user who fails to timely notify the Tax Administrator of a change in qualifying status shall not be entitled to a refund of taxes collected and remitted during the period of ineligibility.

E. Upon request of the Tax Administrator, a service supplier or non-utility service supplier, or its billing agent, shall provide a list of the names and addresses of those customers which, according to its billing records, are deemed exempt from the taxes imposed by this chapter.

F. The decision of the tax administrator may be appealed pursuant to Section 7.29.170 of this chapter. Application to the tax administrator and appeal to the City Council pursuant to Section 7.29.170 of this chapter are prerequisites to a suit thereon.

Section 2.79.080 Substantial Nexus and Minimum Contacts

For purposes of imposing a tax or establishing a duty to collect and remit a tax under this chapter, "substantial nexus" and "minimum contacts" shall be construed broadly in favor of the imposition, collection, and/or remittance of a tax to the fullest extent permitted by state and federal law, and as it may change from time to time by judicial interpretation or by statutory enactment. Any communication service (including VoIP) used by a person with a service address in the city, which service is capable of terminating a call to another person on the general telephone network, shall be subject to a rebuttable presumption that "substantial nexus / minimum contacts" exists for purposes of imposing a tax, or establishing a duty to collect and remit a tax, under this chapter. A service supplier shall be deemed to have sufficient activity in the city for tax collection and remittance purposes if its activities include, but are not limited to, any of the following: maintains or has within the city, directly or through an agent or subsidiary, a place of residence or business of any nature; solicits business in the city by employees, independent contractors, resellers, agents or other representatives; solicits business in the city on a continuous, regular, seasonal or systematic basis by means of advertising broadcast or relayed from a transmitter with the city or distributed from a location with the city; or advertises in newspapers or other periodicals printed and published within the city or through materials distributed in the city by means other than the United States mail; or if there are activities performed in the city on behalf of the service supplier that are significantly associated with the service supplier's ability to establish and maintain a market in the city for the provision of communication services that are subject to a tax under this chapter.

Section 2.79.090 Duty to Collect and Remit

Service suppliers shall collect and remit the taxes imposed by this chapter as follows:

A. The taxes shall be collected insofar as practicable at the same time as, and along with, the charges made in accordance with the regular billing practice of a service supplier. If a service user pays a service supplier less than the full amount of the charge and tax accrued for the billing period, a proportionate share of both the charge and the tax shall be deemed to have been paid. If a service user has notified the service supplier of refusal to pay the tax imposed on said charges, Section 7.29.130 of this chapter shall apply.

B. A service supplier's duty to collect tax from a service user shall commence with the beginning of the first regular billing period applicable to the service user in which all charges normally included in such regular billing are subject to the provisions of this chapter. Where a person receives more than one billing, one or more being for different periods than another, the duty to collect shall arise separately for each billing period.

C. Each person required by this chapter to remit a tax shall file a return with the tax administrator on or before the due date, on forms approved by the tax administrator. The full amount of the tax owed shall be included with the return. The tax administrator is authorized to require such additional information as he or she deems necessary to determine if the tax is being levied, collected, and remitted in accordance with this chapter. Returns are due immediately upon cessation of business for any reason. The tax administrator, and its agents, shall maintain such returns as confidential information.

Section 7.29.100 Collection Penalties – Service Suppliers or Self-Collectors

A. Taxes collected from a service user, or self-collected by a service user subject to Section 7.29.045 of this chapter, are delinquent if not received by the tax administrator on or before the due date. Should the due date occur on a weekend or legal holiday, the return must be received by the tax administrator on or before the first regular working day following the weekend or legal holiday. A direct deposit, including electronic fund transfers and other similar methods of electronically exchanging monies between financial accounts, made by a service supplier in satisfaction of its obligations under this subsection shall be considered timely if the transfer is initiated on or before the due date, and the transfer settles into the city's account on or before the following business day.

B. If a service supplier, or a service user subject to Section 7.29.045 of this chapter, fails to remit any tax collected on or before the due date, said person shall pay a penalty for such delinquencies at the rate of 15% of the total tax that is delinquent in the remittance, and shall pay interest at the rate of three-quarters of one (0.75) percent per month, or any fraction thereof, on the amount of the tax, exclusive of penalties, from the date on which the remittance first became delinquent, until paid.

C. To discourage fraud and cover anticipated costs the City would incur to identify and remedy fraud, the tax administrator shall have the power to impose additional penalties upon persons required to collect and / or remit taxes pursuant to the provisions of this chapter for fraud or gross negligence in collecting, reporting, or remitting tax at the rate of 25% of the tax due.

D. For collection purposes only, every penalty imposed and such interest that is accrued under the provisions of this section shall become a part of the tax required to be paid.

E. Notwithstanding the foregoing, the tax administrator may, in his or her discretion, modify the due dates of this chapter to be consistent with any uniform standards or procedures that are mutually agreed upon by other public agencies imposing a utility users tax, or otherwise legally established, to create a central payment location or mechanism. The tax administrator may also enter into written agreements with a service provider to alter the administrative details of this ordinance as appropriate to facilitate tax collection and remittance without undue expense to the service supplier or the City provided, however that no such agreement may materially alter the amounts due to the City.

Section 7.29.110 Actions to Collect

Any tax imposed on a service user under this chapter shall be deemed a debt owed by the service user to the city. Any such tax collected from a service user which has not been remitted to the tax administrator shall be deemed a debt owed to the city by the person required to collect and remit and shall no longer be a debt of the service user. Any person owing money to the city under this chapter shall be liable to an action brought in the name of the city for the recovery of such amount, including penalties and interest as provided for in this chapter, along with any collection costs incurred by the city as a result of the person's noncompliance with this chapter, including, but not limited to, reasonable attorney fees.

Section 7.29.120 Deficiency Determination and Assessment

A. The tax administrator shall make a deficiency determination if he or she determines that any person required to collect or self-collect taxes pursuant to this chapter has failed to collect and remit the proper amount of tax, including but not limited to, by improperly applying or failing to apply the tax to one or more taxable services or charges.

B. The tax administrator shall mail a notice of such deficiency determination to the person required to pay or remit the tax, which notice shall refer briefly to the amount of the taxes owed, plus interest at the rate of three-quarters of one (0.75) percent per month, or any fraction thereof, on the tax due from the date the city should have received the tax. Within 14 calendar days after service of such notice, the person may make written request to the tax administrator for a hearing. If the person fails to request a hearing within that time, the amount of the deficiency determination shall become a final assessment, and shall immediately be due and owing to the city.

C. If the person requests a hearing, the tax administrator shall cause the matter to be set for hearing not later than 30 days after receipt of the request. The tax administrator shall mail notice of the time and place of the hearing to such person at least 10 calendar days before the hearing, and the notice may designate records that said person must produce at such hearing.

D. At the time fixed for the hearing, the tax administrator or his or her designee shall hear all relevant testimony and evidence, including that of any other interested parties. At the discretion of the tax administrator, the hearing may be continued from time to time to allow presentation of additional evidence. Within a reasonable time following the conclusion of the hearing, the tax administrator or his or her designee shall issue a final assessment confirming, modifying, or rejecting the original deficiency determination, and shall mail a copy of such final assessment to the person owing the tax. The decision of the tax administrator may be appealed pursuant to Section 7.29.170 of this chapter. A hearing request to the tax administrator and an appeal to the city council pursuant to Section 7.29.170 of this chapter are prerequisites to a suit thereon.

E. Payment of the final assessment shall become delinquent if not received by the tax administrator on or before the 30th day following service of the notice of final assessment. The penalty for delinquency shall be 15% on the assessment, along with interest at the rate of three-quarters of one (0.75) percent per month, or any fraction thereof, on the amount of the tax, exclusive of penalties, from the date of delinquency, until paid.

Section 7.29.130 Nonpaying Service Users

A. Whenever the tax administrator determines that a service user has deliberately withheld the amount of the tax from amounts remitted to a person required to collect the tax, or whenever the tax administrator deems it in the best interest of the city, he or she may relieve such person of the obligation to collect the taxes due under this chapter from certain named service users for specific billing periods. Whenever the service user has failed to pay the amount of tax owed for a period of two or more billing periods, the service supplier shall be relieved of the obligation to collect taxes due. The service supplier shall provide the city

with the names and addresses of such service users and the amounts of taxes owed under the provisions of this chapter.

B. In addition to the tax owed, the service user shall pay a delinquency penalty at the rate of 15% of the tax owed, and shall pay interest at the rate of three-quarters of one (0.75) percent per month, or any fraction thereof, on the amount of the tax, exclusive of penalties, from the due date, until paid.

C. The tax administrator shall notify the non-paying service user that the tax administrator has assumed the responsibility to collect the taxes due for the stated periods and demand payment of such taxes, including penalties and interest. The notice shall be served on the service user by personal delivery or by deposit of the notice in the United States mail, postage prepaid, addressed to the service user at the address to which the person required to collect the tax addressed bills; or, should the service user have a change of address, to his or her last known address.

D. If the service user fails to remit the tax to the tax administrator within 30 days of service of the notice, the tax administrator may impose an additional penalty of 15% of the tax owed.

Section 7.29.140 Additional Powers and Duties of the Tax Administrator

A. The tax administrator shall have the power and duty, and is hereby directed, to enforce each and all of the provisions of this chapter.

B. The tax administrator may adopt administrative rules and regulations not inconsistent with provisions of this chapter to interpret, clarify, carry out and enforce the payment, collection and remittance of the taxes herein imposed. A copy of such administrative rules and regulations shall be available for inspection in the tax administrator's office.

C. To ensure compliance with this chapter, the tax administrator may audit any person required to collect and / or remit a tax pursuant to this chapter. The tax administrator shall notify said person of such an audit in writing. In the absence of fraud or other intentional misconduct, the audit period of review shall not exceed three years next preceding the date of service of notice of audit. Upon completion of the audit, the tax administrator may make a deficiency determination pursuant to Section2.79.120 of this chapter for all taxes, penalties and interest owed, as evidenced by information provided by such person to the tax administrator. If said person is unable or unwilling to provide sufficient records to enable the tax administrator to verify compliance with this chapter, the tax administrator may make a reasonable estimate of the deficiency. Said reasonable estimate shall be entitled to a rebuttable presumption of correctness.

D. Upon receipt of a written request of a taxpayer or tax collector, and for good cause, the tax administrator may extend the time for any filing required by this chapter for a period of not to exceed 45 days, provided that the time for filing has not already passed when the tax administrator receives the request. No penalty or interest for delinquent payment shall accrue by reason of such extension.

E. The tax administrator shall determine the eligibility of any person who asserts a right to exemption from, or a refund of, the tax imposed by this chapter.

F. The tax administrator may compromise a claim pursuant to this chapter where the portion of the claim proposed to be released is less than $5,000. With the approval of the city council, the tax administrator may compromise larger claims.

G. Notwithstanding any provision in this chapter to the contrary, the tax administrator may waive any penalty or interest imposed upon a person required to collect and / or remit tax for failure to do so if the non-collection occurred in good faith and with reasonable diligence. In determining whether the non-collection was in good faith and reasonable diligence, the tax administrator shall consider, but need not be bound by, industry practice or other precedent.

Section 7.29.150 Records

A. It shall be the duty of every person required to collect and / or remit any tax imposed by this chapter to keep and preserve, for a period of at least three years, all records as may be necessary to determine the tax such person may have been liable to collect and remit, which records the tax administrator shall have the right to inspect at all reasonable times.

B. The tax administrator may issue an administrative subpoena to compel a person to deliver, to the tax administrator, copies of all records deemed necessary by the tax administrator to establish compliance with this chapter, including the delivery of records in a common electronic format on readily available media if the person keeps such records electronically in the ordinary course of business. As an alternative to delivering the subpoenaed records to the tax administrator on or before the due date provided in the administrative subpoena, such person may provide access to such records outside the city on or before the due date, provided that such person shall reimburse the city for all reasonable travel expenses incurred by the city to inspect those records, including travel, lodging, meals, and other similar expenses, but excluding the normal salary or hourly wages of those who make the inspection.

C. The tax administrator is authorized to execute a non-disclosure agreement approved by the city attorney to protect the confidentiality of customer information. The tax administrator may request from a person providing transportation or distribution services of gas or electricity to service users within the city, a list of the names, billing and service addresses, quantities of gas or electricity delivered, and other pertinent information, pursuant to Section 6354(e) of the California Public Utilities Code.

D. If a service supplier uses a billing agent or billing aggregator to bill, collect, and/or remit the tax, the service supplier shall:

1. Provide to the tax administrator the name, address and telephone number of each billing agent and billing aggregator currently authorized by the service supplier to bill, collect, and / or remit the tax; and

2. Upon request of the tax administrator, deliver, or effect the delivery of, any information or record in the possession of such billing agent or billing aggregator that, in the opinion of the tax administrator, is necessary to verify the proper application, calculation, collection and / or remittance of such tax.

E. If any person required to keep records under this section unreasonably denies the tax administrator, or the tax administrator's designee, access to such records, or fails to produce the information requested in an administrative subpoena within the time specified, the tax administrator may impose a penalty on such person of $500 for each day following the initial date that the person refuses to provide such access, or following the due date set forth in an administrative subpoena. This penalty shall be in addition to any other penalty imposed under this chapter.

Section 7.29.160 Refunds

A. Whenever any tax imposed by this chapter has been overpaid, paid more than once, or has been erroneously or illegally collected or received by the tax administrator, it may be refunded as provided in this section.

B. The tax administrator may refund such tax provided that no refund shall be paid unless the claimant or his or her guardian, conservator, executor or administrator submits a written claim, under penalty of perjury, to the tax administrator within one year of the payment or collection. Such claim must clearly establish claimant's right to the refund by written records. Nothing herein shall permit the filing of a refund claim for a class or group of taxpayers. City council approval shall be required for any individual refund in excess of $5,000.

C. The tax administrator, or the city council, as claimed in excess of $5,000, shall act upon a refund claim within 45 days of its receipt. Said decision shall be final as to the City but subject to judicial review pursuant to Code of Civil Procedure section 1094.5. If the tax administrator or city council fails or refuses to act on a refund claim within the 45-day period, the claim shall be deemed to have been rejected on the 45th day.

D. The filing of a written claim is a prerequisite to any suit thereon. Any action brought against the city pursuant to this section shall be subject to the provisions of Government Code section 940 et seq.

E. Notwithstanding other provisions of this section, whenever a service supplier, pursuant to an order of the California Public Utilities Commission, makes a refund to service users of charges for past utility services, the taxes paid pursuant to this chapter on the amount of such refunded charges shall also be refunded to service users, and the service supplier shall be entitled to a credit for such refunded taxes against tax due upon the next monthly return.

Section 7.29.170 Appeals

A. Except as to decisions relating to a refund pursuant to Section 7.29.160, this section applies to any deficiency determination, assessment, administrative ruling, or other decision of the tax administrator concerning taxes due under this chapter. Any person aggrieved by such a

decision of the tax administrator may appeal pursuant to this section and must do so as a prerequisite to any suit thereon. Nothing herein shall permit the filing of a claim or action on behalf of a class or group of taxpayers.

B. Such an aggrieved person may appeal that decision to the city council. Such an appeal must be submitted in writing to the city clerk within 14 days of the date of the deficiency determination, assessment, administrative ruling, or other decision at issue.

C. The city council shall fix a time and place for hearing such appeal before itself or a hearing officer. The appellant shall be served with notice of the time and place of the hearing, as well as any relevant materials, at least ten calendar days before the hearing. The city council or hearing officer may continue the hearing from time to time. At the time of the hearing, the appealing party, the tax administrator, and any other interested person may present such relevant evidence as he or she may have relating to the determination from which the appeal is taken.

D. Based upon the submission of evidence and review of the city's files, the hearing officer shall prepare for the city council's consideration, or the city council shall issue a written notice, and order upholding, modifying, or reversing the determination appealed. The city council's decision is final for the city but is subject to judicial review under Code of Civil Procedure Section 1094.6.

Section 7.29.180 Disposition of Funds

The utility users taxes collected under and pursuant to the provisions of this chapter shall be deposited and paid into the general fund of the city and expended for any lawful purpose of the city as the city council may determine.

Section 7.29.190 No Action to Prevent Collection of Tax

No injunction, writ of mandate, or other legal or equitable process shall issue in any suit, action, or proceeding in any court against this city or against any employee or officer of the city to prevent or enjoin the collection under this chapter of any tax or any amount of tax required to be collected and/or remitted.

Section 7.29.200 Remedies Cumulative

All remedies and penalties prescribed by this chapter or which are available under any other provision of law or equity are cumulative. The use of one or more remedies by the city shall not bar the use of any other remedy for the purpose of enforcing the provisions of this chapter provided only that the city may not collect any liability under this chapter more than once.

Section 7.29.210 Notice of Changes to Ordinance

If a tax under this chapter is added, repealed, increased, reduced, or the tax base is changed, the tax administrator shall provide notice as Public Utilities Code Section 799 requires. Before the effective date of the ordinance change, each service supplier shall provide the tax administrator with a copy of any written procedures describing the information the service supplier needs to

implement the ordinance change. If the service supplier fails to provide such written instructions, the tax administrator, or his or her agent, shall send, by first class mail, a copy of the ordinance change to all collectors and remitters of the city's utility users taxes according to the latest payment records of the tax administrator.

Section 7.29.220 Future Amendment to Cited Statute

Unless specifically provided otherwise, any reference to a state or federal statute in this chapter shall mean such statute as it may be amended from time to time, provided that such reference to a statute herein shall not include any subsequent amendment thereto, or to any subsequent change of interpretation thereof, to the extent that such amendment or change of interpretation would require voter approval under California law or would result in a tax decrease (as, for example, as a result of excluding all or a part of a communication service, or charge therefor, from taxation). Only to the extent voter approval would otherwise be required or a tax decrease would result, the prior version of the statute (or interpretation) shall remain applicable to construction of this chapter for any application or situation that would not require voter approval or result in a decrease of a tax, provisions of the amended statute (or new interpretation) shall apply to the maximum possible extent.

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

SECTION 2. The City Council may amend this Ordinance without a vote of the people provided, however, that voter approval is required for any amendment that would increase a tax within the meaning of Government Code section 53750(h).

SECTION 3. This Ordinance is exempt from the California Environmental Quality Act (Pub. Resources Code, § 21000 et seq.) ("CEQA"). It can be seen with certainty that there is no possibility that this Ordinance may have a significant effect on the environment. (14 CCR § 15061(b)(3).) Further, this Ordinance simply creates a government funding mechanism, which does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment. (14 CCR § 15378(b)(4).)

SECTION 4. If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance or the application thereof is for any reason held to be invalid or unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The People of the City of South Gate hereby declare that they would have adopted this Ordinance, and each and every section, subsection, subdivision, sentence, clause, or phrase thereof without regard to whether any other portion of the Ordinance may be declared invalid or unconstitutional.

SECTION 5. Pursuant to Elections Code section 9217, this Ordinance shall take effect 10 days after certification of its approval by a majority of the electorate voting at the general election to be held November 3, 2026. Taxes shall be collected and remitted thereafter as provided in Public Utilities Code section 799.

SECTION 6. The Mayor shall sign, and the City Clerk shall attest to the passage of, this Ordinance upon certification by the City Council of the results of the election approving it.

We hereby certify that the voters of the City of South Gate did approve this Ordinance by majority vote on November 3, 2026.

PASSED, APPROVED and **ADOPTED** this ____ day of _____ **2026.**

CITY OF SOUTH GATE:

By: _____
Joshua Barron, Mayor

ATTEST:

By: _____
Yodit Glaze, City Clerk
(SEAL)

APPROVED AS TO FORM:

By: _____
Raúl F. Salinas, City Attorney

STATE OF CALIFORNIA)

COUNTY OF LOS ANGELES) SS

CITY OF SOUTH GATE)

I, Yodit Glaze, City Clerk of the City of South Gate, California, hereby certify that the whole number of Members of the City Council of said City is five; that Resolution No. 2026-35-CC was adopted by the City Council at their Regular Meeting held on June 23, 2026, by the following vote:

Ayes:	Council Members:	Hurtado, Davila, Rios and Barron
Noes:	Council Members:	Avalos
Absent:	Council Members:	None
Abstain:	Council Members:	None
Recused:	Council Member:	None

Witness my hand and the seal of said City on July 2, 2026.

Yodit Glaze, City Clerk
City of South Gate, California