CITY OF HERMOSA BEACH
RESOLUTION NO. 26-7574

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HERMOSA BEACH, CALIFORNIA, CALLING FOR THE PLACEMENT OF A GENERAL TAX MEASURE ON THE BALLOT FOR THE NOVEMBER 3, 2026, GENERAL MUNICIPAL ELECTION FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF AN ORDINANCE TO ENACT A GENERAL TRANSACTIONS AND USE TAX AT THE RATE OF ONE-HALF PERCENT (0.5%) FOR GENERAL GOVERNMENTAL PURPOSES

WHEREAS, the voters of the State of California approved Proposition 218 on November 6, 1996, an amendment to the California Constitution (Section 2 of Article XIIIC) which requires that all general taxes imposed, extended, or increased must be submitted to the electorate and approved by a majority vote of the qualified electors voting in the election; and

WHEREAS, the City of Hermosa Beach ("City") is a general law city organized and existing under the Constitution and laws of the State of California; and

WHEREAS, the City Council is authorized to levy a transactions and use tax ("TUT") for general purposes pursuant to California Revenue and Taxation Code ("Revenue Code") section 7285.9, subject to approval by a majority vote of the electorate pursuant to Proposition 218; and

WHEREAS, the proposed one-half percent (0.5%) TUT is a general tax, the revenue of which will be placed in the City's general fund and may be used for any lawful governmental purpose; and

WHEREAS, the City Council has authority to place local measures on the ballot to be considered at a municipal election pursuant to California Elections Code ("Elections Code") section 9222; and

WHEREAS, the next regularly scheduled general election at which City Council members are to be elected is November 3, 2026 ("Election"); and

WHEREAS, a two-thirds (2/3) vote of all members of the City Council is required to place the measure on the Election ballot ("Ballot") pursuant to Government Code section 53724 ("Proposition 62") and Revenue Code section 7285.9; and

WHEREAS, the City Council desires to submit to the voters at the Election a measure enacting a general TUT at a rate of one-half percent (0.5%) on the sale and/or use of all tangible personal property sold at retail in the City until it is ended by voters ("Measure"), as more specifically set forth in the attached proposed ordinance ("Ordinance") adding Chapter 3.26 to Title 3 of the Hermosa Beach Municipal Code ("HBMC"); and

WHEREAS, the City Council desires to amend Resolution No. RES-26-7557 dated June 23, 2026, to add the Ordinance to the Election ballot; and

WHEREAS, the City Council desires to establish a Citizens Oversight Committee to review Measure revenues and expenditures, and promote public accountability if voters approve the Measure; and

WHEREAS, the Ordinance to be considered by the qualified voters and the terms of approval, collection, and use of the general TUT are described and provided for in the Ordinance (attached hereto as Exhibit "A" and by this reference made an operative part hereof) in accordance with all applicable laws.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HERMOSA BEACH:

SECTION 1. Incorporation of Recitals. The recitals above are true and correct, and are hereby incorporated herein by reference.

SECTION 2. Submission of Ballot Measure. The City Council (by a two-thirds (2/3) vote of all members) hereby orders the Measure to be submitted to the voters of the City at the Election pursuant to Elections Code section 9222, Government Code section 53724, Revenue Code section 7285.9, and other applicable provisions of California law.

<u>SECTION 3</u>. <u>Election</u>. The City Council hereby orders that the Measure shall be presented and printed upon the Ballot submitted to the qualified voters in the manner and form set forth in this Section 3 pursuant to Elections Code section 9222. There shall be printed substantially the following question on the Ballot:

Shall the measure to adopt a one-half percent (0.5%) local transactions and use (sales) tax providing approximately two million dollars ($2,000,000) annually until ended by voters (with citizens' oversight, independent audits, public reporting, and all funds remaining under local control) to maintain public safety services; repair and maintain streets, sidewalks, storm drains, parks, public facilities, and other infrastructure; address long-term fiscal sustainability; and support other general governmental purposes be adopted?	**YES**
	NO

<u>SECTION 4</u>. <u>Vote Requirement</u>. The vote requirement for the Measure to pass is a majority fifty percent plus one (50%+1) of the votes cast pursuant to Elections Code section 9217.

<u>SECTION 5</u>. <u>Conduct of Election</u>. The City Clerk is authorized, instructed, and directed to procure and furnish any and all official ballots; printed matter; and all supplies, equipment, and paraphernalia that may be necessary in order 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.

a. <u>Amendment to Prior Resolution</u>. Resolution No. RES-26-7557 is hereby amended accordingly; and the City Clerk is authorized and directed to take all actions necessary to add the Ordinance to the Ballot.

b. <u>Impartial Analysis</u>. The City Attorney shall cause the preparation of an impartial analysis of the Measure. The impartial analysis shall comply with all applicable provisions of the Elections Code. In the event the entire text of the Measure is not printed on the Ballot (nor in the voter information portion of the sample Ballot), there shall be printed immediately below the impartial analysis in no less than ten (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 Office of the City Clerk at [insert phone number] and a copy will be mailed at no cost to you."

c. Notice. The City Clerk is directed to prepare and publish a notice of the Measure to be voted on. Arguments for and against the Measure shall be filed in accordance with the deadlines established by the Los Angeles County ("County") Registrar-Recorder/County Clerk.

d. Argument. The City Council hereby acknowledges its authority to submit a written argument not to exceed three hundred (300) words in length pursuant to Elections Code section 9282, and hereby designates Mayor Pro Tem Michael Keegan and Council Member Rob Saemann to submit an argument in favor of the Measure on behalf of the City Council.

e. Submission of Argument. The arguments shall be filed with the City Clerk on the date established by the County Registrar of Voters.

f. Rebuttal Arguments. Rebuttal arguments shall be filed in accordance with Elections Code section 9285 and the schedule established by the County Registrar-Recorder/County Clerk.

g. Filing with County. The City Clerk shall file with the County Board of Supervisors and the Registrar of Voters a certified copy of this Resolution within the time required by the Elections Code.

h. Public Examination. 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 pursuant to Elections Code section 9295. The City Clerk shall post notice in the Clerk's office of the specific dates that the examination period will run.

SECTION 6. Citizens Oversight Committee ("Committee"). If voters approve the Measure, the City Council shall establish an advisory Committee to review annual reports and audits concerning Measure revenues and expenditures; and report its findings to the City Council and public. The City

Council shall establish the Committee's membership and operating procedures by resolution or policy.

SECTION 7. California Environmental Quality Act ("CEQA"). The City Council finds that adoption of this Resolution is not a project within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(b)(4) and section 15378(b)(5) because it constitutes the creation of a governmental funding mechanism and organizational or administrative activity that will not result in a direct or reasonably foreseeable indirect physical change in the environment. Alternatively, and independently, the Resolution is exempt under the common-sense exemption set forth in CEQA Guidelines section 15061(b)(3).

SECTION 8. Severability. If any section or provision of this Resolution is for any reason held to be invalid or unconstitutional by any court of competent jurisdiction, or contravened by reason of any preemptive legislation, the remaining sections and/or provisions of this Resolution shall remain valid. The City Council hereby declares that it would have adopted this Resolution, and each section or provision thereof, regardless of the fact that any one or more section(s) or provision(s) may be declared invalid or unconstitutional or contravened via legislation.

SECTION 9. Certification. The City Clerk shall certify to the adoption of this Resolution by a vote of two-thirds (2/3) of City Council Members; cause the same to be entered among the original resolutions of the City; and make a minute of the passage and adoption thereof in the records of the proceedings of the City Council in the minutes of the meeting at which time same is passed and adopted.

SECTION 10. Effective Date. This Resolution is effective immediately upon adoption and shall remain subject to voter approval of the Ordinance at the Election.

PASSED, APPROVED and **ADOPTED** on this 28th day of July 2026.

Michael Detoy

Mayor Mike Detoy
PRESIDENT of the City Council and **MAYOR** of the City of Hermosa Beach, CA

ATTEST:

Martha Alvarez

Martha Alvarez
City Clerk

APPROVED AS TO FORM:

Jason Baltimore

Jason Baltimore
Interim City Attorney

Exhibit A

ORDINANCE NO. 26-XXXX

AN ORDINANCE OF THE PEOPLE OF THE CITY OF HERMOSA BEACH, CALIFORNIA, ADDING CHAPTER 3.26 TO TITLE 3 OF THE HERMOSA BEACH MUNICIPAL CODE TO ENACT A ONE-HALF PERCENT (0.5%) GENERAL TRANSACTIONS AND USE TAX TO BE ADMINISTERED BY THE CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION FOR GENERAL GOVERNMENTAL PURPOSES

WHEREAS, the City of Hermosa Beach ("City") is a general law city organized and existing under the Constitution and laws of the State of California; and

WHEREAS, the City is authorized to levy a transactions and use tax ("TUT") for general purposes pursuant to California Revenue and Taxation Code ("Revenue Code") section 7285.9, subject to majority voter approval and administration by the California Department of Tax and Fee Administration ("CDTFA"); and

WHEREAS, the People of the City desire to levy a general TUT at a rate of one-half percent (0.5%) on the sale and/or use of all tangible personal property sold at retail in the City until it is ended by voters ("Measure"); and

WHEREAS, the City Council directed preparation of a ballot measure for voter consideration at the November 3, 2026, General Municipal Election ("Election"); and

WHEREAS, this Ordinance will be incorporated into Chapter 3.26 to Title 3 of the Hermosa Beach Municipal Code ("HBMC") if approved by the City Council and voters.

NOW, THEREFORE, THE PEOPLE OF THE CITY OF HERMOSA BEACH DO HEREBY ORDAIN AS FOLLOWS:

<u>SECTION 1</u>. <u>Incorporation of Recitals</u>. The above recitals are true and correct, and are incorporated herein by this reference. This Ordinance shall be known as the "Hermosa Beach General Transactions and Use Tax Ordinance", the full text of which is set forth in Attachment 1 (attached hereto and incorporated herein by reference).

SECTION 2. Approval by the City Council. This Ordinance was duly approved for placement on the ballot by at least a two-thirds (2/3) vote of all members of the City Council on July 28, 2026, pursuant to California Government Code section 53724 and Revenue Code section 7285.9.

SECTION 3. Approval by the Voters. This Ordinance shall be adopted only if approved by a majority of the votes cast on the Measure at the Election pursuant to Elections Code section 9217. The Ordinance shall be deemed adopted upon certification of the Election results by the City Council and shall become effective ten (10) days thereafter.

SECTION 4. Operative Date. The operative date of the tax imposed by this Ordinance shall be the first day of the first calendar quarter commencing more than one hundred ten (110) days after the date this Ordinance is adopted, or such later date as required by the Revenue Code or CDTFA.

SECTION 5. Administration. CDTFA shall administer and collect the tax imposed by this Ordinance pursuant to the Revenue Code and applicable regulations. The City Manager, Administrative Services Director, Finance Director (or successor position), and other appropriate City officials are authorized to execute all agreements and documents necessary to implement this Ordinance and HBMC Chapter 3.26.

SECTION 6. Independent Audits and Public Accountability. The City shall provide annual public reporting regarding revenues received under this Ordinance through its regular budget and financial reporting processes. The City's annual financial statements shall continue to be subject to an independent audit. Nothing in this section creates any independent legal right or cause of action regarding expenditure of tax revenues.

SECTION 7. California Environmental Quality Act (“CEQA”). The People of the City find that adoption of this Ordinance is not a project within the meaning of CEQA Guidelines section 15378(b)(4) and section 15378(b)(5) because it establishes a governmental funding mechanism and will not result in a direct or reasonably foreseeable physical change in the environment. Alternatively, and independently, adoption of this Ordinance is exempt pursuant to CEQA Guidelines section 15061(b)(3).

SECTION 8. Severability. If any provision of this Ordinance or its application is held invalid by a court of competent jurisdiction, the People of the City declare that such invalidity shall not affect the effectiveness of the remaining provisions or applications; and, to this end, the provisions of this Ordinance are severable.

<u>SECTION 9</u>. <u>Certification</u>. The City Clerk is directed to certify the passage and adoption of this Ordinance; cause it to be entered into the City's book of original ordinances; make a note of the passage and adoption in the records of this meeting; and, within fifteen (15) days after certification of the Election results approving this Ordinance, cause it to be published or posted in accordance with California law.

<u>SECTION 10</u>. <u>Effective Date</u>. This Ordinance shall become effective ten (10) days after the City Council certifies the Election results approving the measure pursuant to Elections Code section 9217, and shall become operative as provided in Section 4.

PASSED, APPROVED, AND ADOPTED by the People of the City of Hermosa Beach at the Election held on November 3, 2026.

Mayor Mike Detoy
PRESIDENT of the City Council and **MAYOR** of the City of Hermosa Beach, CA

ATTEST:	**APPROVED AS TO FORM:**
Martha Alvarez City Clerk	Jason Baltimore Interim City Attorney

State of California)
County of Los Angeles) ss
City of Hermosa Beach)

August 3, 2026

Certification of Council Action

RESOLUTION NO. RES. 26-7574

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HERMOSA BEACH, CALIFORNIA, CALLING FOR THE PLACEMENT OF A GENERAL TAX MEASURE ON THE BALLOT FOR THE NOVEMBER 3, 2026, GENERAL MUNICIPAL ELECTION FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF AN ORDINANCE TO ENACT A GENERAL TRANSACTIONS AND USE TAX AT THE RATE OF ONE-HALF PERCENT (0.5%) FOR GENERAL GOVERNMENTAL PURPOSES

I, Martha Alvarez, City Clerk of the City of Hermosa Beach, do hereby certify that the above and foregoing Resolution No. RES-26-7574 was duly approved and adopted by the City Council of said City at its regular meeting thereof held on the 28th day of July 2026 and passed by the following vote:

AYES: **MAYOR DETOY, MAYOR PRO TEMPORE KEEGAN, COUNCILMEMBERS JACKSON AND SAEMANN**

NOES: **COUNCILMEMBER DEAN FRANCOIS**

ABSTAIN: **NONE**

ABSENT: **NONE**

Martha Alvarez

Martha Alvarez
City Clerk