



# CITY OF CARSON

## PLANNING COMMISSION STAFF REPORT

NEW BUSINESS DISCUSSION: January 27, 2009  
SUBJECT: Utility Users' Tax  
APPLICANT: City of Carson  
REQUEST: To discuss the enactment of Measure C establishing a 2% utility users' tax on gas and electric utilities  
PROPERTY INVOLVED: Citywide

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### COMMISSION ACTION

Concurred with staff  
 Did not concur with staff  
 Other

### COMMISSIONERS' VOTE

AYE	NO		AYE	NO	
		Chairman Faletogo			Cannon
		Vice-Chair Saenz			Gordon
		Brimmer			Graber
		Brown			Verrett

## I. Introduction and Background

The City of Carson is facing a \$5 million budget shortfall for the current fiscal year (2008-2009), and anticipates a greater budget shortfall for its next fiscal year (2009-2010). This shortfall is largely due to the global recession and Carson, like other cities, is faced with difficult decisions, which may require cuts to vital city programs.

In December 2008, the City Council of the city of Carson, by unanimous vote, placed a ballot measure election on March 3, 2009, to coincide with the regular city election, so that the voters of the city of Carson may decide the question of whether to establish a temporary two percent (2%) tax on electric and gas utilities. This measure has been designated Measure C.

All money raised from Measure C would be directed to the city's general fund. This fund is used to provide a wide range of basic city services and programs for residents. Historically, in Carson the largest expenditure from the general fund is for law enforcement services provided by Los Angeles County Sheriff's Department. Other examples of general fund expenditures include street and sidewalk repair, maintenance of public parks and facilities, city recreational and park programs, and graffiti removal.

Measure C provides for a "sunset" date in seven (7) years. This would result in the automatic termination of the Utility Users' Tax (UUT) on June 30, 2016.

Also, Measure C requires the appointment of a citizens' oversight committee which shall receive reports from the City's Tax Administrator. The citizens' oversight committee, comprised solely of Carson residents, would also make recommendations to the City Council on general fund expenditures.

The UUT established by Measure C would apply only to electric and natural gas utilities. No UUT shall be collected for water, telephone, cable, and cellular phone utilities.

The UUT is estimated to raise some \$9 million annually for the city of Carson, with 80% (or \$7.2 million) generated from commercial and industrial natural gas and electricity consumers. The average cost to city residents is estimated to be \$2.50 per month.

Measure C also has exemptions for two groups. Residential customers, 62 years or older whose name appears on the utility bill, and "lower income" households (as defined by State law) shall be exempt from and shall not pay any UUT.

The proposed 2% UUT rate for Carson is lower than surrounding cities with similar UUT's. Examples of UUT rates in surrounding cities include: Compton, 10% (electricity, gas & water) and 8.5% (telephone), Long Beach, 5%, Los Angeles, 10%, and Torrance, 6.5% (electricity, gas, phone and cable) and 6% (water).



## II. Analysis

When deciding to place Measure C on the ballot, the City Council considered the fact that it would be using approximately \$5 million from city reserves to fund all the budgeted expenditures for fiscal year 2008-2009. Due to current economic conditions, the State's budget deficit, and other recessionary indicators, this "structural budget deficit" is expected to grow unless new funding sources are utilized.

For your consideration, staff has attached some documents relating to Measure C, including: Resolution No. 08-144, calling the election to consider the UUT measure at the March 3, 2009 election (Exhibit No. 1); Impartial City Attorney Analysis of Measure C (Exhibit No. 2); Argument in Favor of Measure C (Exhibit No. 3); Argument Against Measure C (Exhibit No. 4); Rebuttal to Argument in Favor of Measure C (Exhibit No. 5); and Rebuttal to Argument Against Measure C (Exhibit No. 6).

In addition, City staff has included a power-point presentation of facts demonstrating the need for a 2% UUT on gas and electric utilities. Following our review of this presentation, staff will be pleased to answer any questions you may have.

Under the law, the Planning Commission is authorized to endorse Measure C, and may do so, if that is the desire of the Planning Commission, by adopting the attached Resolution (Exhibit No. 7). No City funds shall be spent to advocate for or against the passage of Measure C, but the city will provide a neutral informational outreach to the community to explain the UUT, the need for the UUT, its impact on the City's general fund, and the consequences of Measure C, so that voters can make an informed decision on this ballot measure.

## III. Recommendation

That the Planning Commission:

- **WAIVE** further reading and **ADOPT** Resolution No. \_\_\_\_\_, entitled "A Resolution of the Planning Commission of the City of Carson, California, In Support of Establishing A Temporary Two Percent Utility Users' Tax (UUT) as A General Tax in the City of Carson."

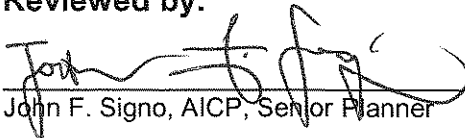
## IV. Exhibits


1. Resolution No. 08-144
2. Impartial City Attorney Analysis of Measure C
3. Argument in Favor of Measure C



4. Argument Against Measure C
5. Rebuttal to Argument in Favor of Measure C
6. Rebuttal to Argument Against Measure C
7. Resolution

Prepared by:   
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Reviewed by:  
  
John F. Signo, AICP, Senior Planner

Approved by:  
  
Sheri Repp-Loadsmán, Planning Division Manager

Mc/UtilityUsersTax\_p



RESOLUTION NO. 08-144

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, CALLING FOR AND GIVING NOTICE OF THE HOLDING OF A SPECIAL MUNICIPAL ELECTION ON TUESDAY, MARCH 3, 2009, FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF THE CITY A PROPOSED ORDINANCE TO INSTITUTE A UTILITY USERS' TAX AS A GENERAL TAX IN THE CITY OF CARSON

WHEREAS, the City Council of the city of Carson determined at a regular City Council meeting that it should present to voters of the city of Carson the question of whether to establish a two percent (2%) citywide tax on electric and gas utilities for the purpose of raising general fund revenue to provide basic city services for residents, including but not limited to, law enforcement, gang prevention programs, graffiti removal, youth and senior programs, sidewalk and street repair, and staffing and maintenance of public parks; and

WHEREAS, the City Council of the city of Carson is authorized and directed by statute to submit the proposed ordinance to the voters and all prerequisites for this proposal have been met.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CARSON DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

**Section 1.** Pursuant to the requirement of the laws of the State of California relating to general law cities, there is called and ordered to be held in the city of Carson, California on Tuesday, March 3, 2009, a Special Municipal Election for the purpose of submitting to the voters of the city of Carson, the measure specified in Sections 2 and 3, below. Pursuant to Government Code Section 53724 and Elections Code Section 9222, it is the intent of the City Council that the measure be submitted to the voters of Carson at the aforementioned election.

**Section 2.** Pursuant to Article XIIC of the California Constitution, the measure ordered to be submitted to the voters at the March 3, 2009 Regular Municipal Election shall be consideration of a utility users' tax on electric and gas utilities, with exemptions for senior citizens and low-income persons, with all revenue generated deposited into the city of Carson general fund. The ballot question presented to the voters shall be determined by the City Manager in a form approved by the City Attorney.

**Section 3.** The type of tax is a utility users' tax, as described in more details in Exhibit "A," attached, which is imposed on users of electric and gas utility services in the city, to the extent permitted by state and federal law. The rate of the tax shall not exceed two percent (2%) and utility service suppliers shall collect the tax from utility service users on the utility

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Exhibit 1



service bills, to be remitted to the city thereafter. The full text of the ordinance to be submitted to the voters, codified as Chapter 11 of Article VI, is attached hereto as Exhibit "A."

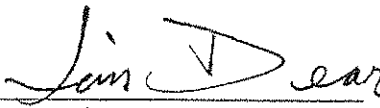
**Section 4.** The City Council of the city of Carson further does resolve, declare and order as follows:

(a) That notice of time and place of holding said election is hereby given and the City Clerk is hereby authorized, instructed, and directed to give such further or additional notice of said election in the time, form, and manner as required by California law.

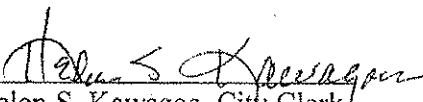
(b) That the City Council authorizes the City Clerk to administer said election, including but not limited to, contracting with the County of Los Angeles and the City's election consultant, Martin and Chapman, to assist with conducting the election, and otherwise take all necessary steps to ensure the proper handling and conduct of the election authorized by this resolution, and all reasonable and actual election expenses shall be paid by the city upon presentation of a properly submitted bill.

(c) That this resolution shall be effective immediately upon passage and adoption.

**PASSED, APPROVED, and ADOPTED** this 2<sup>nd</sup> day of December, 2008, at the city of Carson, County of Los Angeles.

  
\_\_\_\_\_  
Mayor Jim Dear

ATTESTED:

  
\_\_\_\_\_  
Helen S. Kawagoe, City Clerk

APPROVED AS TO FORM:

  
\_\_\_\_\_  
City Attorney

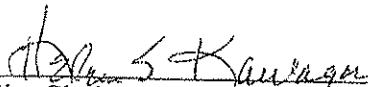
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STATE OF CALIFORNIA        )  
COUNTY OF LOS ANGELES    ) ss.  
CITY OF CARSON             )

I, Helen S. Kawagoe, City Clerk of the City of Carson, California, do hereby certify that the whole number of members of the City Council is five; that the foregoing resolution, being Resolution No. 08-144 was duly and regularly adopted by said Council at a regular meeting duly and regularly held on the 2nd day of December, 2008, and that the same was passed and adopted by the following vote:

AYES:	COUNCIL MEMBERS:	Mayor Dear, Gipson, Santarina, Williams and Davis-Holmes
NOES:	COUNCIL MEMBERS:	None
ABSTAIN:	COUNCIL MEMBERS:	None
ABSENT:	COUNCIL MEMBERS:	None

  
\_\_\_\_\_  
City Clerk Helen S. Kawagoe

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EXHIBIT "A"

ORDINANCE NO. 09-XXX

AN ORDINANCE OF THE CITY OF CARSON,  
CALIFORNIA, ESTABLISHING AND IMPOSING A TWO  
PERCENT (2%) TAX ON ELECTRIC AND GAS UTILITY  
USERS

ARTICLE VI  
CHAPTER 11

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§ 61101. Findings.

The City Council of the city of Carson finds and declares:

- a. The city is facing a current budget crisis and must reduce law enforcement services, maintenance of the streets, sidewalks, alleys, trees and other property open to the public, as well as other community services vital to the preservation of the public peace, health, and safety.
- b. The cost of supplies, materials and other services required to provide necessary city services increases each year, yet at the time of the adoption of this ordinance the State of California is proposing to reduce the level of funding allocated to local government.

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- c. It is the intention and understanding of the people that this measure shall be deemed a "general tax" and that it is not a "special tax" within the meaning of Section 4 of Article XIII A of the California Constitution by virtue of the fact that the proceeds of this tax are to be deposited in the general fund of the city and are to be available to be used for any general governmental purpose that the City Council shall determine.
- d. As soon as practical after the adoption of this ordinance, the City Council shall appoint a citizens oversight committee which shall receive reports from the Tax Administrator at least annually on the implementation of this chapter, the funds collected, and how funds collected are spent. The citizens oversight committee, which may make recommendations to the City Council on any matter relating to this chapter, shall hold all meetings in compliance with the Ralph M. Brown Act. (Cal. Gov. Code § 54950, et seq.)

§ 61102. Purpose.

The purpose of this section is to establish the methods for calculating a utility users' tax on users of electric and gas utility services in the city and to establish standards for administration of the taxes.

§ 61103. Definitions.

The following words and phrases whenever used in this section shall be construed as defined in this subsection.

- a. Person shall mean any domestic or foreign corporation, firm, association, syndicate, joint stock company, partnership of any kind, joint venture, club, business or common law trust, society, or individuals.
- b. City shall mean the city of Carson.
- c. Gas shall mean natural or manufactured gas or any alternate hydrocarbon fuel that may be substituted therefor.
- d. Electrical corporation and gas corporation shall have the same meanings as defined in the California Public Utilities Code except, "electrical corporation" and "gas corporation" shall also be construed to include any municipality, public agency or person engaged in the selling or supplying of electrical power or gas to a service user.
- e. Tax Administrator shall mean the person designated by the City Manager to implement this chapter.
- f. Service supplier shall mean any entity required to collect or self-impose and remit a tax as imposed by this section.
- g. Service user shall mean a person required to pay a tax imposed by this section.
- h. Month shall mean a calendar month.
- i. Non-utility supplier shall mean: (a) a service supplier, other than an electrical corporation serving within the city, which generates electrical energy in capacities of at least fifty

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(50) kilowatts for its own use or for sale to others; or (b) a gas supplier other than a gas corporation, that sells or supplies gas to users within the city.

- j. "Lower-income households" means persons and families whose incomes do not exceed the qualifying limits for lower-income families as determined and published by the California Department of Housing and Community Development. (See California Health and Safety Code § 50079.5.)

§ 61104. Exemptions; Limitations.

- a. Nothing in this section shall be construed as imposing a tax upon any person when imposition of such tax upon that person would be in violation of the Constitution of the United States or that of the State of California.
- b. The City Council may, by minute order or resolution, establish one or more classes of persons or one or more classes of utility service otherwise subject to payment of a tax imposed by this section and provide that such classes of persons or service shall be exempt, in whole or in part from such tax.
- c. Notwithstanding any other provision of this chapter, residential customers shall be exempt from the payment of any utility users' tax if the household qualifies as any of the following: (a) households where the household resident whose name appears on the utility bill is age 62 years and older or (b) lower-income households as defined hereinabove.
- d. The Tax Administrator shall prepare a list of the persons exempt from the provisions of this section by virtue of this subsection and furnish a copy thereof to each service supplier. The Tax Administrator shall make the final determination as to the eligibility for any exemption.
- e. Notwithstanding any other provision of this chapter, no service user shall be required to pay more than \$1 million in electricity users tax, or gas users tax, or both combined, for service provided in any calendar year. Any claim for refund must be made in writing in accordance with § 61014.

§ 61105. Electricity Users Tax.

- a. There is hereby imposed a tax upon every person other than an electric or gas corporation using electrical energy in the city. The tax imposed by this subsection shall be at the rate of not more than two (2%) percent of the charges made for such energy by an electrical corporation providing service in the city and shall be billed to and paid by the person using the energy. The tax applicable to electrical energy provided by a non-utility supplier shall be determined by applying the tax rate to the equivalent charge the service user would have incurred if the energy used had been provided by the electrical corporation serving the residents of the city. Rate schedules for this purpose shall be available from the city. Non-utility suppliers shall install, maintain and use an appropriate utility-type metering system which will enable compliance with this subsection. "Charges," as used in this subsection, shall include charges made for: (1) metered energy and (2) minimum charges for service, including customer charges,

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service charges, demand charges, standby charges, and all other annual and monthly charges, fuel or other costs adjustments, authorized by the California Public Utilities Commission or the Federal Energy Regulatory Commission.

- b. As used in this subsection, the term "using electrical energy" shall not be construed to mean the storage of such energy by a person in a battery owned or possessed by him or her for use in an automobile or other machinery device apart from the premises upon which the energy was received, provided, however, that the term shall include the receiving of such energy for the purpose of using it in the charging of batteries; nor shall the term include electricity used and consumed by an electric utility supplier in the conduct of its business; nor shall the term include the mere receiving of such energy by an electric corporation or governmental agency at a point within the city of Carson for resale; nor shall the term include the use of such energy in the production or distribution of water by a water utility or a governmental agency.
- c. The tax imposed in this subsection shall be collected from the service user by the service supplier or non-utility supplier. The tax imposed in this subsection on use supplied by self-generation or from a non-utility supplier not subject to the jurisdiction of this section, shall be collected and remitted to the Tax Administrator in the manner set forth in this chapter or by order of the Tax Administrator. The amount of tax collected by a service supplier or a non-utility supplier in one (1) month shall be remitted by U.S. mail to the Tax Administrator, postmarked on or before the last day of the following month.

§ 61106. Gas Users Tax.

- a. There is hereby imposed a tax upon every person in the city other than a gas corporation or electrical corporation, using, in the city, gas which is transported through mains or pipes or by mobile transport. The tax imposed by this subsection shall be at the rate of not more than two (2%) percent of the charges made for the gas and shall be billed to and paid by the person using the gas. The tax applicable to gas or gas transportation provided by non-utility suppliers shall be determined by applying the tax rate to the equivalent charges the service user would have incurred if the gas or gas transportation has been provided by the gas corporation franchised by the city. "Charges" as used in this subsection shall include: (1) that billed for gas, which is delivered through mains or pipes; (2) gas transportation charges; and (3) demand charges, service charges, customer charges, minimum charges, annual and monthly charges, and any other charge authorized by the California Public Utilities Commission or the Federal Energy Regulatory Commission.
- b. The tax otherwise imposed by this subsection is not applicable to: (1) charges made for gas which is to be resold and delivered through mains and pipes; (2) charges made for gas used and consumed by a public utility or governmental agency in the conduct of its business or, (3) charges made by a gas public utility or gas used and consumed in the course of its public utility business; and (4) charges made for gas used in the propulsion of a motor vehicle, as authorized in the Vehicle Code of the State of California.
- c. The tax imposed in this subsection shall be collected from the service user by the person selling or transporting the gas. A person selling only transportation services to a user for

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delivery of gas through mains or pipes shall collect the tax from the service user based on the transportation charges. The person selling or transporting the gas shall, on or before the 20th of each month after the effective date of this section 61106, make a return to the Tax Administrator stating the amount of taxes billed during the preceding calendar month. At the time such returns are filed, the person selling or transporting the gas shall remit tax payments to the Tax Administrator in accordance with schedules established or approved by the Tax Administrator. The tax imposed on this section on use supplied by self-production or a non-utility supplier not subject to the jurisdiction of this ordinance shall be collected and remitted to the Tax Administrator in the manner set forth in this chapter or by order of the Tax Administrator.

§ 61107. Service Users Receiving Direct Purchase of Electricity or Gas.

- a. Notwithstanding any other provision of this section, a service user receiving gas or electricity directly from a non-utility supplier not under the jurisdiction of this section, or otherwise not having the full tax due on the use of electricity or gas in the city directly billed and collected by the service supplier, shall report said fact to the Tax Administrator within thirty (30) days of said use and shall directly remit to the city the amount of tax due.
- b. The Tax Administrator may require said service user to provide, subject to audit, filed tax returns or other satisfactory evidence documenting the quantity of electricity or gas used and the price thereof.

§ 61108. Remittance of Tax.

Taxes collected from a service user which are not remitted to the Tax Administrator on or before the due dates provided in this chapter are delinquent. Should the due date occur on a weekend or legal holiday, the return may be postmarked on the first regular working day following a Saturday/Sunday, or a legal holiday.

§ 61109. Actions to Collect.

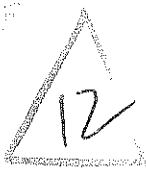
Any tax required to be paid by a service user under the provisions of this section shall be deemed a debt owed by the service user to the city. Any such tax collected from a service user which has willfully been withheld from the Tax Administrator shall be deemed a debt owed to the city by the person required to collect and remit. Any person owing money to the city under the provisions of this section shall be liable to an action brought in the name of the city for the recovery of such amount.

§ 61110. Duty to Collect - Procedures.

The duty to collect and remit the taxes imposed by this section shall be performed as follows:

- a. Notwithstanding any other provision, the tax shall be collected insofar as practicable at the same time as and along with the charges made in accordance with the regular billing practices of the service supplier. Where the amount paid by a service user to a service supplier is less than the full amount of the service charge and tax which has accrued for the billing period, such amount and any subsequent payments by a service user shall be

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applied to the utility charge first until such charge has been fully satisfied. Any remaining balance shall be applied to taxes due.

- b. The duty to collect tax from a service user shall commence with the beginning of the first full regular billing period applicable to the service user where 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.

§ 61111. Additional Power and Duties of 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 section.
- b. The Tax Administrator shall have the power to adopt rules and regulations not inconsistent with provisions of this section for the purpose of carrying out and enforcing the payment, collection and remittance of the taxes herein imposed. A copy of such rules and regulations shall be on file in the Tax Administrator's office.
- c. The Tax Administrator may make administrative agreements to vary the strict requirements of this section so that collection of any tax imposed here may be made in conformance with the billing procedures of particular service supplier so long as said agreements result in collection of the tax in conformance with the general purpose and scope of this section. A copy of each such agreement shall be on file in the Tax Administrator's office.
- d. The Tax Administrator shall determine the eligibility of any person who asserts a right to exemption from the tax imposed by this section. The Tax Administrator shall provide the service supplier with the name of any person who the Tax Administrator determines is exempt from the tax imposed hereby, together with the address and account number to which service is supplied to any such exempt person. The Tax Administrator shall notify the service supplier of termination of any person's right to exemption hereunder, or the change of any address to which service is supplied to any exempt person.
- e. The Tax Administrator shall provide notice to all service suppliers, at least ninety (90) days prior to any annexation or other change in the city's boundaries. Said notice shall set forth the revised boundaries by street and address, along with a copy of the final annexation order from LAFCO.

§ 61112. Assessment - Service User Administrative Remedy.

- a. Whenever the Tax Administrator determines that a service user has deliberately withheld from the service supplier the amount of the tax owed by him or her, or that a service user has refused to pay the amount of tax, the service supplier may be relieved of the obligation to collect taxes due under this Section from certain named service users for specified billing periods as set forth below. The notice shall be served on the service user by handing it to him or her personally or by deposit of the notice in the United States mail, postage prepaid thereon, addressed to the service user at the address to which billing was mailed by the person required to collect the tax.

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- b. The service supplier shall provide the city with amounts refused and/or unpaid along with the names and addresses of the service users neglecting to pay the tax imposed under provisions of this Section. Whenever the service user has failed to pay the amount of tax for a period of two (2) or more billing periods, the service supplier may be relieved of the obligation to collect taxes due.
- c. The Tax Administrator shall notify the service user that the Tax Administrator assumed responsibility to collect the taxes due for the stated periods and demand payment of such taxes. The notice shall be served on the service user by handing it to him or her personally or by deposit of the notice in the United States mail, postage prepaid thereon, addressed to the service user at the address to which billing was mailed by the person required to collect the tax; or, should the service user's address change, to the last known address. If a service user fails to remit the tax to the Tax Administrator within fifteen (15) days from the date of the service of the notice upon him or her, which shall be the date of mailing if service is not accomplished in person, a penalty of twenty-five percent (25%) of the amount of the tax set forth in the notice shall be imposed. The penalty shall become part of the tax herein required to be paid.

§ 61113. Records.

It shall be the duty of every person required to collect and remit to the city any tax imposed by this chapter to keep and preserve, for a period of three (3) years, all records as may be necessary to determine the amount of such tax as he may have been liable for the remittance to the Tax Administrator, which records the Tax Administrator shall have the right to inspect at all reasonable times.

§ 61114. Refunds.

- a. *Written Claim Required:* Whenever the amount of any tax, interest, or penalty has been overpaid or paid more than once or has been erroneously or illegally collected or received by the Tax Administrator under this chapter, it may be refunded as provided in this Subsection. However, any claim must be in writing, stating under penalty of perjury the specific grounds upon which the claim is founded, and filed with the Tax Administrator within 15 days of the day the claimed amount was paid. The claim shall be made on a form furnished by the Tax Administrator.
- b. *Refund Or Credit:* Notwithstanding the provisions of subsection (a) above, a service supplier may claim a refund; or take as credit against taxes remitted the amount overpaid, paid more than once, or erroneously or illegally collected or received when it is established that the service user from whom the tax has been collected did not owe the tax; provided, however, that neither a refund nor a credit shall be allowed unless the amount of the tax erroneously or illegally collected has either been refunded to the service user or credited to charges subsequently payable by the service user to the person required to collect and remit. A service supplier that has collected any amount of tax in excess of the amount of tax imposed by this Section may refund such amount to the service user and may, with the prior written approval of the Tax Administrator, claim credit for such overpayment against the amount of tax that is due to the city, provided

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that a claim for such credit is presented within the time and in the manner prescribed by this Code.

- c. *Taxes Refunded.* Notwithstanding other provisions of this Subsection, whenever a service supplier, pursuant to an order of the California Public Utilities Commission or a court of competent jurisdiction, makes a refund to service users of charges for past utility services, the taxes paid pursuant to this Section on the amount of such refunded charges shall also be refunded to service users, and the service supplier shall be entitled to claim a credit for such refunded taxes against the amount of tax which is due upon the next monthly returns. In the event this Section is repealed, the amounts of any refundable taxes will be borne by the City.

§ 61115. Severability.

If any subsection, subdivision, paragraph, sentence, clause or phrase of this Section or any part thereof is for any reason held to be unconstitutional, such decision shall not affect the validity of the remaining portion of this Section or any part thereof. The City Council hereby declares that it would have passed each subsection, subdivision, paragraph, sentence, clause, or phrase thereof, irrespective of the fact that any one or more subsection, subdivision, paragraph, sentence, clause, or phrase be declared unconstitutional.

§ 61116. Amendment.

The tax rate set forth in this chapter may only be amended by a vote of the people of the city of Carson; provided, however, that the City Council may otherwise amend this chapter to achieve the purpose or intent of this chapter.

§ 61117. Operative Date.

Under the provisions of Government Code section 36937, this section shall become effective immediately upon passage of the enacting ordinance. The tax imposed under this section shall apply to bills rendered on or after ninety (90) days or as soon thereafter as the respective utilities are physically and mechanically able to get "on line" for the imposition of charges (not more than 60 days).

§ 61118. Sunset Date.

The utility users' tax described in this chapter shall no longer be effective on July 1, 2016, and at such time this chapter shall be repealed without further action, except that the provisions of this chapter shall remain in effect as to any tax due and owing, but unpaid, as of July 1, 2016.

§ 61119. Oversight Committee.

As soon as practical after the adoption of this ordinance, the City Council shall appoint a citizens oversight committee which shall receive reports from the Tax Administrator at least annually on the implementation of this chapter, the funds collected, and how funds collected are spent. The citizens oversight committee, which may make recommendations to the City Council on any matter relating to this chapter, shall hold all meetings in compliance with the Ralph M. Brown Act. (Cal. Gov. Code § 54950, et seq.)

RECEIVED  
CITY CLERK

08 DEC 18 PM 1:45

CITY OF CARSON

**Impartial Analysis for Measure C**  
[Carson Utility Users' Tax Ballot Measure]

Measure C, if approved by the voters, would enact in Carson a Utility Users' Tax ("UUT") of two percent (2%), and authorize collection of the UUT by utility providers. The UUT would apply *only* to electric and natural gas utilities. No UUT shall be collected for water, telephone, cable, and cellular phone utilities.

The UUT is estimated to raise some \$9 million annually for the city of Carson, with 80% (or \$7.2 million) generated from commercial and industrial natural gas and electricity consumers. The average cost to city residents is estimated to be \$2.50 per month. Residential customers, 62 years or older whose name appears on the utility bill, *and* "lower income" households (as defined by State law) shall be exempt from and shall not pay any UUT.

The proposed 2% UUT rate for Carson would be lower than surrounding cities with similar UUTs. Examples of UUT rates in surrounding cities include: Compton, 10% (electricity, gas & water) & 8.5% (telephone), Long Beach, 5%, Los Angeles, 10%, and Torrance, 6.5%.

Measure C was placed on the ballot by the unanimous vote of the City Council following a discussion of the need for additional city revenues. The 2008-2009 general fund budget requires the use of \$1.8 million from city reserves to balance the budget. Due to current economic conditions, the State's budget deficit, and other recessionary indicators, this "structural budget deficit" is expected to grow unless new funding sources are obtained.

If Measure C is approved, all funds would be deposited into the city's general fund. Historically, in Carson the largest expenditure from the general fund is used to contract for law enforcement services provided by Los Angeles County Sheriff's Department. Other examples of typical uses for general fund revenues include street and sidewalk repair, construction and maintenance of public parks and facilities, city recreational and park programs, and graffiti removal.

Measure C also requires the appointment of a citizens' oversight committee which shall receive reports from the City's Tax Administrator and make recommendations to the City Council. This committee would not have decision-making authority over general fund expenditures because, by law, such authority remains with the City Council.

A "Yes" vote means you support a 2% UUT on only electric and natural gas utilities at this time. A "No" vote means you oppose a 2% UUT at this time. This measure would take effect if a majority of those voting on this ballot measure cast a "Yes" vote at the election. The UUT would end (or "sunset") seven (7) years from the date of its enactment (or in 2016) unless extended by a new vote of the voters of Carson.

The above statement is an impartial analysis of Measure C. If you desire a copy of the ordinance or measure, please call the Carson City Clerk's Office at (310) 952-1720 and a copy will be mailed to you at no cost.



**YES ON C, THE CARSON VITAL CITY SERVICES PROTECTION MEASURE**

Things in Carson are moving in the right direction, but because of the state budget crisis and proposed cuts to basic public services there is a significant need for additional funds to maintain vital City services that Carson residents need.

**Vote Yes on C, the Carson Vital City Services Protection Measure** to maintain levels of City services, such as:

- Sheriff's patrols of local neighborhoods.
- 9-1-1 emergency response.
- Pothole repair.
- Gang prevention programs/graffiti removal.
- Youth recreation programs.
- Meals on Wheels for homebound seniors and the Stroke Recovery Center.

**Approving Measure C prevents the City from cutting \$5 million dollars of City services from the budget, and protects these existing essential City services:**

- Protecting senior programs, including home meal delivery for low-income homebound seniors.
- Keeping the Carson Stroke Recovery Center open.
- Preserving existing levels of sheriff's deputy patrols, 9-1-1 emergency response personnel, the City's gang prevention/intervention program, and graffiti removal services.
- Protecting youth recreation and sports programming, and park staff to maintain City parks.
- Maintaining pothole repairs, street sweeping/maintenance of public areas.

**Measure C will cost the average Carson household less than \$3 a month, for which the City will:**

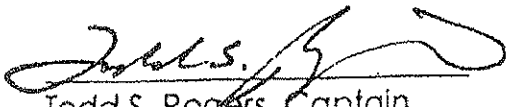
- Encourage energy conservation.
- Protect the health of residents, especially seniors.
- Reduce our dependence on foreign oil.
- Maintain current levels of City services despite state budget cuts.

**In addition, The Carson Vital City Services Protection Measure will:**

- Require City businesses pay their fair share.
- Exempt seniors/low-income households.
- Require citizens' oversight and independent annual audits.
- Legally expire in 7 years.



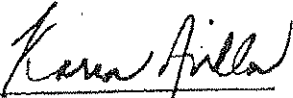
Keep Carson moving in the right direction. Vote Yes on Measure C, The Carson Vital City Services Protection Measure to preserve current levels of essential City services that have made Carson a safer and more desirable City.



Todd S. Rogers, Captain  
Commander, Carson Sheriff's Station



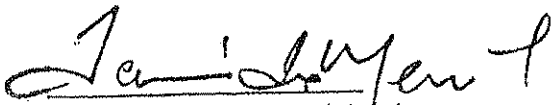
Jerome G. Groomes  
Carson City Manager



Karen L. Avilla  
Elected City Treasurer



Nathaniel "Nate" J. Riddick  
Chairperson,  
Carson Parks & Recreation  
Commission



Isabella Meni, President  
AFSCME Local 809  
City of Carson

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CITY OF CARSON

MEASURE TO INSTITUTE A UTILITY USERS' TAX ON ELECTRIC and GAS

During our four year consecutive budgetary SHORTFALL Council has voted to:

INCREASE salaries, pension percentages, and health care benefit costs for employees and elected Officials

City Council and Staff are promoting fear in the Citizens of Carson by stating the Utility Users Tax (UUT) has to happen right now in order to maintain the current level of services we enjoy.

As your neighbors we feel it is not fair to impose a Utility Users Tax (UUT) on the citizens during a time when we are faced with foreclosures, layoffs, lost wages, higher sales taxes (imposed by the County and State), higher household expenses, and fluctuating gas prices.

Meanwhile, Council refused to place ballot measures imposing a Warehouse tax on Big Businesses and an Admission tax on the Home Depot Center, which would have generated substantial revenue.

It's obvious why the city wants you to pay the UUT? They want to hide the mess they continuously create by overspending from the General Fund (checking account) and constantly transferring monies from the Reserve Fund (savings account) to balance the budget. Every year we are in debt because of poor planning and decision making. Council members are reluctant to ask you to support an Admission and Warehouse tax because of personal conflicts with their financial campaign supporters. They are forcing the UUT on the taxpaying citizens to bail them out from their poor leadership.

To be fair, all three measures: UUT, Warehouse and Admission Tax should have been on the ballot.

Vote AGAINST this measure. It won't stop the poor spending habits of our elected officials and it may be the start of a slippery slope to increase revenue by expanding the UUT to cover other utilities.

*Dianne Thomas*  
Dianne Thomas, Retired Technology Manager

*Patricia Hellerud*  
Patricia Hellerud, Retired, Credentialed Teacher

Latrice Carter, Community Activist

*Robert Lesley*  
Robert Lesley, Retired, Police Officer

*Mike Mitoma*  
Mike Mitoma, Former Mayor

*Joseph L. Robinson*

*Joseph L. Robinson*

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EXHIBIT NO. 4

**NO ON C! "THE CARSON VITAL SERVICES PROTECTION MEASURE"**

Measure C, the Utility Users' Tax (UUT) is unfair to residents. Businesses making millions are getting another free ride.

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CITY OF CARSON

**Problem** - During Carson's financial crisis:

- The Council wasted \$20 million in reserves.
- Mayor received a 65% raise. Council members received a 50% raise.
- Five top managers' combined annual salaries exceed over \$1 million.
- Millions spent for consultant fees. That's management's job!
- Council continues to approve increases in staff salaries, retirement contributions and health benefits.
- The majority of the Council refused to place the Admission and/or Warehouse tax on the ballot.

**What's Up With That?!!**

Carson's leadership in the early 1990's faced budgetary deficits. However, they balanced the budget and had a surplus without any new taxes on Carson residents. There were **no** decreases in vital services such as:

- Sheriff's patrols of local neighborhoods
- 9-1-1 emergency response
- Pothole repair
- Gang prevention programs/graffiti removal
- Youth recreation programs
- Meals on Wheels for homebound seniors

**Solutions:** A Utility Users' Tax alone will not solve our problems. Other cities with a UUT are facing similar budgetary challenges. They are now proposing or implementing the following:

- Consolidating some City departments
- Voluntary furloughs
- Encouraging early retirements
- Hiring freezes
- Less Consultants

- Warehouse Tax
- Admission Tax
- Increase Transient Occupancy Tax

Those who signed in favor of Measure C stand to gain from its passage.

**VOTE NO on THE UTILITY USERS' TAX – VOTE NO on MEASURE C.**



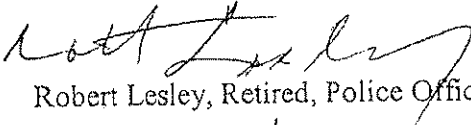
Dianne Thomas, Retired Technology Manager



Patricia Hellerud, Retired, Credentialed Teacher



Latrice Carter, Community Activist



Robert Lesley, Retired, Police Officer



Mike Mitoma, Former Mayor

## YES ON C, THE CARSON VITAL CITY SERVICES PROTECTION MEASURE

The unprecedented state budget crisis is making it nearly impossible for Carson to maintain the current levels of vital city services. ~~Things in Carson are moving in the right direction, but because of the state budget crisis and proposed cuts to basic public services, there is a significant need for additional funds to maintain vital City services that Carson residents need.~~

By voting Yes on C we will maintain current levels of:

- Sheriff's neighborhood patrols,
- 9-1-1 Emergency Response,
- Carson Stroke Recovery Center,
- Meals-on-Wheels for homebound seniors,
- Street & sidewalk repairs,
- Gang prevention programs,
- Graffiti removal,
- Senior and youth programs,
- Park and recreation programs.

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CITY OF CARSON

The opponents of Measure C are trying to confuse voters. Here are the facts:

Measure C will ensure that businesses pay their fair share since 80% of revenues generated from the UUT will be paid by industrial and commercial users, not the residents.

Seniors and low-income households will not have to pay a cent if Measure C passes.

The UUT will legally expire in 7 years.

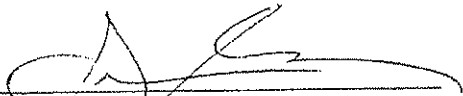
According to the City Attorney's Impartial Analysis, Measure C will result in a lower UUT rate than paid in all of Carson's surrounding cities, including Los Angeles, Long Beach, Torrance, and Compton.

Measure C will encourage energy conservation, protect the health of all residents, and help reduce our dependence on foreign oil.




~~We are faced with economic turmoil at the local, state and national levels. As a result, cities all across America are struggling to maintain vital services like public safety. Carson already cut \$1.8 million out of its proposed adopted budget this fiscal year alone. Since there will be more State and County budget cuts, Carson needs revenue to maintain our vital services, and now is the time to protect our most vital services from being cut.~~

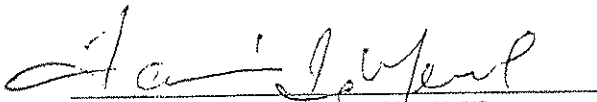
**We urge you to vote YES on Measure C to protect vital services and keep our streets safe!**



JEROME G. GROOMES  
CARSON CITY MANAGER



KAREN AVILLA  
ELECTED CITY TREASURER



ISABELLA MENI, PRESIDENT  
AFSCME LOCAL 809  
CITY OF CARSON

CITY OF CARSON  
PLANNING COMMISSION  
RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF CARSON,  
CALIFORNIA, IN SUPPORT OF ESTABLISHING A TEMPORARY TWO PERCENT  
UTILITY USERS' TAX (UUT) AS A GENERAL TAX IN THE CITY OF CARSON**

**THE PLANNING COMMISSION OF THE CITY OF CARSON, CALIFORNIA, HEREBY  
FINDS, RESOLVES AND ORDERS AS FOLLOWS:**

WHEREAS, the City Council of the city of Carson has ordered a ballot measure election on March 3, 2009, so that the voters of the city of Carson may decide the question of whether to establish a two percent (2%) citywide tax on electric and gas utilities for the purpose of raising general fund revenue to provide basic city services for residents, including but not limited to, law enforcement, gang prevention programs, graffiti removal, youth and senior programs, sidewalk and street repair, and staffing and maintenance of public parks.

WHEREAS, the aforementioned ballot measure to be considered by voters of the city of Carson is known as Measure C.

WHEREAS, the Planning Commission of the city of Carson is authorized to advise the City Council on issues within its subject matter jurisdiction.

NOW, THEREFORE, THE PLANNING COMMISSION DOES RESOLVE,  
DECLARE, AND DETERMINE AS FOLLOWS:

**Section 1.** After considering all arguments in favor of Measure C and the arguments against Measure C, and after a full, fair and balanced discussion of the all considerations on both sides of this issue, the members of this body do hereby adopt this resolution in support of the enactment of Measure C, a 2% UUT on gas and electric utilities only.

**Section 2.** This resolution shall be transmitted to the City Council for consideration as it deems appropriate. This resolution shall be a public record available to any person requesting a copy; however, no public funds shall be used to otherwise disseminate this resolution to the voting public. Nothing in this resolution shall be construed as limiting the First Amendment rights of any member of this body and nothing shall prevent any member of this body from urging or advocating a particular result in connection with Measure C in his or her capacity as a private citizen.

**PASSED, APPROVED AND ADOPTED THIS 27<sup>th</sup> DAY OF JANUARY, 2009, AT THE CITY OF  
CARSON, COUNTY OF LOS ANGELES.**

\_\_\_\_\_  
CHAIRMAN

ATTEST:

\_\_\_\_\_  
SECRETARY

APPROVED AS TO FORM:

\_\_\_\_\_  
CITY ATTORNEY

EXHIBIT NO. 7

