

RESOLUTION NO. 9923

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS, CALIFORNIA, CALLING FOR THE HOLDING OF A GENERAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 5, 2024, FOR THE ELECTION OF CERTAIN OFFICERS AND SUBMITTING A TAX MEASURE TO THE VOTERS AT THE ELECTION

WHEREAS, the City is home to many large businesses and warehouses; and

WHEREAS, the increased business footprint has increasingly damaged local roads; and

WHEREAS, a recent survey by independent engineers found more than 50 percent of City streets and roads are in poor or fair condition; and

WHEREAS, the expense of repairing damaged City streets will grow in cost the longer the roads are in poor condition; and

WHEREAS, damaged roads and potholes increase wear and tear on commuter vehicles; and

WHEREAS, repaired streets help protect groundwater and improve traffic flow; and

WHEREAS, the City currently only receives approximately 4 cents for every dollar paid to Los Angeles County sales tax; and

WHEREAS, the City has worked closely with the Chamber of Commerce and owners of local industrial and commercial businesses to develop a locally controlled funding plan to fix our roads without taxing local residents; and

WHEREAS, under the provisions of the laws relating to general law cities in the State of California, a General Municipal Election shall be held on November 5, 2024, for the election of Municipal Officers; and

WHEREAS, Elections Code section 9222 and Government Code section 53722 authorize the City Council to submit special tax measures to the voters; and

WHEREAS, the City Council desires to call the election and to submit a dedicated parcel tax measure to the voters at the election.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SANTA FE SPRINGS, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. That pursuant to the requirements 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 Santa Fe Springs, California, on Tuesday, November 5, 2024, a General Municipal Election (the "Election") for the purpose of electing two (2) Members of the City Council for the full term of four years and submitting a tax ordinance to the voters.

SECTION 2. That the ordinance attached hereto as Exhibit "A" and incorporated herein by reference (the "Ordinance") shall be submitted to the voters at the Election.

SECTION 3. That the question submitted regarding the Ordinance shall appear on the ballot as follows:

SANTA FE SPRINGS DEDICATED POTHOLE, ROAD REPAIR MEASURE. To repair deteriorating roads; protect groundwater; shall an ordinance that doesn't tax residential property and exclusively funds the maintenance, repair of Santa Fe Springs' roads using a dedicated annual parcel tax of 7¢ per square foot (commercial lots) and 3½¢ per square foot (industrial/ vacant lots), for 25 years, a 2% annual inflation adjustment, raising approximately \$6,000,000 annually be adopted, requiring audits, citizens oversight, spending disclosure, all funds used locally?	Yes	
	No	

SECTION 4. That adoption of this measure requires a two-thirds vote of those voting on the matter. The type of tax, rate of tax, and manner of collection are set forth in the Ordinance.

SECTION 5. That the ballots to be used at the Election shall be in form and content as required by law.

SECTION 6. That the City Clerk is authorized, instructed and directed to coordinate with the County of Los Angeles Registrar-Recorder/County Clerk to procure and furnish any and all official ballots, notices, printed matter and all supplies, equipment and paraphernalia that may be necessary in order to properly and lawfully conduct the Election.

SECTION 7. That the vote centers for the election shall be open at seven o'clock a.m. of the day of the Election and shall remain open continuously from that time until eight o'clock p.m. of the same day when the vote centers shall be closed, pursuant to § 10242 of the Elections Code, except as provided in Sections 14212 and 14401 of the Elections Code of the State of California.

SECTION 8. That in all particulars not recited in this resolution, the Election shall be held and conducted as provided by law for holding municipal elections.

SECTION 9. That notice of the time and place of holding the Election is given and the City Clerk is authorized, instructed and directed to give further or additional notice of the Election, in time, form and manner as required by law.

SECTION 10. That in the event of a tie vote (if any two or more persons receive an equal and the highest number of votes for an office) as certified by the County of Los Angeles Registrar-Recorder/County Clerk, the City Council, in accordance with Election Code section 15651(b), shall conduct a special runoff election to resolve the tie vote and such special runoff election is to be held on a Tuesday not less than 40 days nor more than 125 days after the administrative or judicial certification of the election which resulted in a tie vote.

SECTION 11. The City Council authorizes the City Clerk to administer the Election and all reasonable and actual election expenses shall be paid by the City upon presentation of a properly submitted bill.

SECTION 12. That pursuant to Section 9282 of the Elections Code of the State of California, the City Council, or any member or members of the City Council authorized by the body, or any individual voter who is eligible to vote on the measure or bona fide association of citizens, or any combination of voters and associations, may file a written argument, not to exceed 300 words in length, accompanied by the printed name(s) and signature(s) of the person(s) submitting it, or if submitted on behalf of an organization, the name of the organization, and the printed name and signature of at least one of its principal officers, for or against the measure. In the event that more than one argument for or against a measure is timely submitted, the City's elections official shall give preference and priority first, to arguments submitted by member(s) of the City Council, as authorized by this Resolution, and second, to individual voters, bona fide associations, or a combination thereof, in the order set forth in Section 9287 of the Elections Code.

SECTION 13. That the City Council elects to authorize rebuttal arguments pursuant to Elections Code section 9285. When the City's elections official has selected the arguments for and against the measure to will be printed and distributed to the voters, the elections official shall send copies of the argument in favor of the measure to the authors of the argument against, and copies of the argument against to the authors of the argument in favor. The author or a majority of the authors of an argument relating to the foregoing city measure may prepare and submit a rebuttal argument not to exceed two hundred and fifty (250) words in length. A rebuttal argument may not be signed by more than five (5) authors. The rebuttal arguments shall be filed with the City Clerk not more than ten (10) days after the final date for filing direct arguments. Rebuttal arguments shall be printed in the same manner as direct arguments. Each rebuttal argument shall immediately follow the direct argument which it seeks to rebut.

SECTION 14. That the City Clerk is directed to transmit a copy of the Ordinance to the City Attorney for preparation of an impartial analysis pursuant to Government Code section 9280.

SECTION 15. That the City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions.

APPROVED and ADOPTED this 16th day of July, 2024 by the following vote:

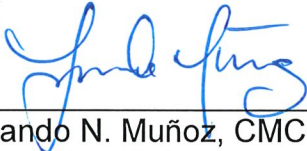
AYES: Councilmembers Martin, Rodriguez, Zamora, Mayor Pro Tem Rounds, and Mayor Sarno

NOES: None

ABSENT: None

ABSTAIN: None

ATTEST:



Fernando N. Muñoz, CMC
Deputy City Clerk

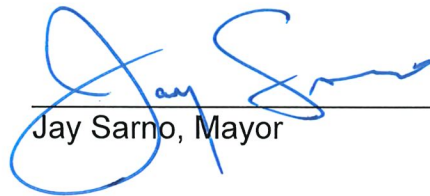

Jay Sarno, Mayor

Exhibit "A"
Tax Ordinance

**AN ORDINANCE OF THE PEOPLE OF THE CITY OF SANTA FE SPRINGS
AMENDING PROVISIONS OF THE MUNICIPAL CODE TO ENACT A SPECIAL
PARCEL TAX FOR ROADS**

WHEREAS, trucks and other heavy vehicles are the cause of a disproportionate amount of the damage and wear to the City's roads; and

WHEREAS, the best way to prevent potholes and road deterioration is through a program that repairs and maintains roads by rehabilitating road surfaces and otherwise improving the roads; and

WHEREAS, such a program can help to protect the City's groundwater from contaminants originating from vehicles that use the roads; and

WHEREAS, the People of the City of Santa Fe Springs desire that the City's roads be returned to a better condition; and

WHEREAS, the City has been funding road rehabilitation projects using available funds budgeted for that purpose, and will continue to do so regardless of whether this Ordinance is adopted; and

WHEREAS, the People desire that the pace of road rehabilitation be accelerated beyond what is possible using current budget resources; and

WHEREAS, the People desire to create a dedicated source of funds that the City can use solely to fund repair and maintenance of the City's roads; and

WHEREAS, the People can approve a dedicated parcel tax that will be collected by Los Angeles County on property tax bills; and

WHEREAS, the People do not desire to impose a tax on homes and residences; and

WHEREAS, the People desire to levy a dedicated parcel tax on non-residential land to fund the maintenance and repair of the City's roads.

NOW, THEREFORE, THE PEOPLE OF THE CITY OF SANTA FE SPRINGS DO ORDAIN AS FOLLOWS:

SECTION 1. The foregoing recitals are true and correct.

SECTION 2. Chapter 35 (Taxation) of Title III (Administration) of the Santa Fe Springs Municipal Code is hereby amended to add a new Subchapter, beginning at Section 35.140, relating to the Roads Dedicated Parcel Tax to read as follows:

ROADS DEDICATED PARCEL TAX

Section 35.140 SHORT TITLE.

This subchapter may be referred to as the City of Santa Fe Springs Roads Dedicated Parcel Tax Ordinance.

Section 35.141 PURPOSE.

The purpose of this subchapter is solely to raise funds for the specific purpose set forth in this subchapter and not for regulation. The dedicated parcel tax imposed by this subchapter is neither an ad valorem tax on real property nor a transaction or sales tax on the sale of property.

Section 35.142 SPECIAL PURPOSE.

The net proceeds of the dedicated parcel tax shall be used solely for the purpose of maintaining and repairing the roads in the City of Santa Fe Springs.

Section 35.143 DEFINITIONS.

For the purpose of this subchapter, the following definitions shall apply unless the context clearly indicates or requires a different meaning.

DEDICATED PARCEL TAX. The Roads Dedicated Parcel Tax imposed by Section 35.144 of this subchapter.

NET PROCEEDS. Proceeds of the dedicated parcel tax that are received by the city from the Los Angeles County Tax Collector (or other officer of the County), less (i) any charges imposed by the county or any department of the county for services associated with the collection of the dedicated parcel tax and (ii) the city's costs of administering the dedicated parcel tax.

ROAD. Any road, street, avenue, or similar thoroughfare that is owned or maintained by the city.

PARCEL. A parcel of property as shown on the records of Los Angeles County Assessors Office.

SPECIAL FUND. The special fund established pursuant to Section 35.151 of this subchapter.

TAX ADMINISTRATOR. The Director of Finance and Administrative Services (or such other official designated by the City Council) or designee.

TAX YEAR. The period running from July 1 of a year to June 30 of the following year.

Section 35.144 TAX IMPOSED.

There is hereby imposed a special tax, to be referred to as the “Roads Dedicated Parcel Tax,” on each parcel in the city. The dedicated parcel tax shall be assessed upon a parcel unless that parcel is exempt from the *ad valorem* property tax or is state-assessed property owned by a public utility. Where a parcel is exempted from the dedicated parcel tax by the previous sentence, the dedicated parcel tax shall be imposed on any taxable possessory interest in the parcel based on the characteristics of that possessory interest.

Section 35.145 COLLECTION.

The dedicated parcel tax shall be collected on the Los Angeles County property tax bill in the same manner and subject to the same penalty as the *ad valorem* property tax collected by the county. The county may deduct its reasonable costs incurred for the services provided to the city under this section before remittance of the balance to the city. The tax administrator shall take such actions as are necessary to obtain the services of the county.

Section 35.146 TAX RATE.

The annual rate of the dedicated parcel tax shall be:

- A. 7 cents per square foot for commercial parcels.
- B. 3.5 cents per square foot for industrial parcels.
- C. 3.5 cents per square foot for vacant parcels.

Section 35.147 ANNUAL ADJUSTMENT.

The tax rates listed in Section 35.146 are the rates that will apply for the 2025-26 tax year. For the 2026-27 tax year, and each subsequent tax year, each tax rate shall automatically adjust upward by two percent (2%) from the rates for the previous tax year.

Section 35.148 RESIDENTIAL EXEMPTION.

Parcels solely in residential use shall be exempt from the dedicated parcel tax.

Section 35.149 DETERMINATION OF PARCEL TYPE AND CALCULATION OF SQUARE FOOTAGE.

- A. Except as otherwise provided in this section, the taxable square footage of a parcel shall include the entire surface area of the parcel.

- B. Where a parcel includes some combination of residential, industrial and commercial improvements, the square footage of the entire surface area of the parcel shall be apportioned proportional to the square footage of the footprints of the different types of improvements of the parcel. Square footage apportioned to “residential” use shall be excluded from the calculation of the tax. If a building is developed for more than one use (as in a mixed-use residential development with ground floor retail space), for purposes of the preceding sentence, the square footage of the footprint of the mixed use structure shall be divided amongst the uses proportionally to the building square footage of such building.
- C. A parcel shall be considered a “vacant” parcel only if that parcel is developed with no structures with a footprint larger than 20 square feet.
- D. Square footage shall be excluded from the surface area of a parcel if that square footage meets all of the following criteria: (i) it is at a slope of more than four percent (4%) or, by reason of its topography, it is not usable for vehicle parking, (ii) it is not improved with a structure, and (iii) it is not paved in any way and is not planted with grass or other landscaping.

Section 35.150 DURATION.

The initial tax year in which the annual dedicated parcel tax shall be levied in the 2025-26 tax year. The final year in which the tax shall be levied is the 2049-50 tax year.

Section 35.151 SPECIAL FUND.

Proceeds of the dedicated parcel tax shall be deposited into a separate fund. All money in that fund shall be used solely for the purpose set forth in Section 35.142 of this subchapter.

Section 35.152 APPURTENANCES.

For purposes of Section 35.141 of this subchapter, “repair” includes, but is not limited to, rehabilitation and improvement of an existing road in order to correct the condition of that road. The repair of a segment of road also includes the associated necessary or useful repair, rehabilitation, replacement or improvement of appurtenances to the road segment, such as such storm drains, curbs, gutters, landscaping, lighting, and sidewalks that are embedded in or adjacent to the road segment.

Section 35.153 FINANCING.

As permitted by law, the city may pledge proceeds of the dedicated parcel tax and the balance of the special fund in connection with the issuance of debt or a financing transaction such as a certificate of participation. However, if it does borrow against such proceeds and/or against the special fund, the proceeds of such debt or financing transaction shall be used exclusively to fund (i) the uses set forth in Section 25.142 of this subchapter, (ii) incidental expenses associated with the debt or financing transaction, such as fees or discounts charged by an underwriter, bond counsel, municipal advisor, trustee, fiscal agent, rating agency, credit enhancer, credit insurer, printer, or other professional or entity that provides services to the city in connection with the issuance of such debt or financing transaction, and (iii) the funding of a reserve fund or similar fund backing the bond or other financing and pledged to its repayment. Proceeds of the dedicated parcel tax and balances of the special fund may be used to pay debt service on such a bond or other financing transaction as well as incidental costs to the administration of such bond or other financing transaction.

Section 35.154 ANNUAL ACCOUNTABILITY REPORTS AND AUDITS.

The Director of Finance & Administrative Services shall, at least once per year, file an accountability report with the City Council stating (i) the amount of dedicated parcel tax revenues collected and expended by the city, (ii) the status of any project or work authorized to be funded by the proceeds of this tax, and (iii) the balance of the special fund established by this subchapter that carries over to the next reporting period. The Director shall annually arrange for an independent audit of the accounting for, and expenditure of, the proceeds of the dedicated parcel tax. Each accountability report filed pursuant to this section and any report of the independent audit required by this section shall be made available to the public without charge. Any accountability report may be produced as a part of the city's Annual Comprehensive Financial Report any and audit required by this section may be a part of the city's annual independent audit of the city's finances.

Section 35.155 CITIZENS' OVERSIGHT COMMITTEE.

- A. The City Council shall establish a Citizens' Oversight Committee in connection with the dedicated parcel tax.
- B. The terms, composition, and specific duties of the Citizens' Oversight Committee shall be established by resolution of the City Council; however the Citizens' Oversight Committee shall be composed of five members. All members of the Citizens' Oversight Committee shall be appointed by the City Council. Two of the members must be residents of the city. The other three must be owners (or representatives of owners) of property subject to the dedicated parcel tax or owners (or representatives of owners) of businesses located on such parcels. The City Council shall consider the recommendation

of the Santa Fe Springs Chamber of Commerce when appointing the three “owner” members, if such recommendations are provided to the City at or prior to the meeting of the City Council at which such appointments are made.

- C. The Citizens’ Oversight Committee shall meet at least twice per year, and the chair of the Citizens’ Oversight Committee may call additional meetings as the chair finds advisable.
- D. The Citizens’ Oversight Committee shall review the annual report required by Section 35.153 of this subchapter and may make such recommendations to the City Council as it deems necessary or useful.
- E. Upon request of the Citizens’ Oversight Committee, the Director of Finance and Administrative Services and the Director of Public Works shall make reasonable efforts to meet with the Citizens’ Oversight Committee and to discuss prioritization of the work to be funded from proceeds of the dedicated special tax.
- F. The Citizens’ Oversight Committee may, by a majority vote of its membership, choose to publish a report, in which event such report, if approved by a majority of the members, shall be published on the city’s internet page.
- G. In the event the City Council, the Citizens’ Oversight Committee, the city, any employee of the city, or any member of the City Council or the Citizens’ Oversight Committee fails to take an action required by this section, any court of competent jurisdiction may order that the action be taken. However, such failure to act shall not (i) invalidate the levy of any tax or the city’s authority to levy any tax, (ii) in any way affect the ongoing collection of any tax, (iii) invalidate any expenditure of funds made pursuant to this subchapter, or (iv) affect any contractual obligation assumed by the city.

Section 35.156 ADMINISTRATION.

The tax administrator shall have charge of the enforcement and interpretation of this subchapter, and may issue such administrative rules and regulations, not inconsistent with this subchapter or any regulation adopted by resolution of the City Council, as the tax administrator finds useful or necessary.

Section 35.157 PRESUMPTIONS.

- A. The tax administrator may rebuttably rely upon parcel data maintained by the Los Angeles County Assessor’s Office for the classification and square footage of a parcel that is subject to the dedicated parcel tax. Where parcel data obtained from the County uses a term other than “industrial”, “commercial”, “residential” or “vacant” to describe a parcel, the tax administrator may assign

that parcel to the one of these uses that is most appropriate for the actual use of the parcel,

- B. Except with respect to parcels that are entirely exempt from the dedicated parcel tax, the tax administrator shall rebuttably presume that the entire square footage of the surface of the parcel is subject to taxation.

Section 35.158 ADJUSTMENT OF CLASSIFICATION AND SQUARE FOOTAGE.

- A. The owner of a parcel of property in the city may apply to the tax administrator for a recalculation of the tax upon that parcel for a tax year.
- B. Such application may be submitted before the beginning of the tax year or at any time during the tax year.
- C. The tax administrator may create a form for such application, in which case an application shall only be considered if it is submitted on such form.
- D. Any application must (i) state the number of square feet that the owner believes should be subject to the dedicated parcel tax, (ii) state which portion of those square feet should be taxable at which tax rate, (iii) explain how this square footage and classification is consistent with the provisions of this subchapter and applicable law, and (iv) provide evidence regarding the square footage, improvement and use of the parcel.
- E. In making a determination on the application, the tax administrator shall consider the contents of the application and any other information the tax administrator finds relevant.
- F. The tax administrator shall, upon written request of the property owner, provide a written determination to the property owner within 45 days of the receipt of such written request. If the administrator does not then timely provide a written determination, the application shall be deemed denied.
- G. The written determination or denial of an application may be appealed in writing to the City Manager within 30 days of the issuance of the determination or of the date on which the application is deemed denied. The City Manager shall, in considering the appeal, consider all information filed with the tax administrator as part of the application, all information provided in the written appeal, and such other information the City Manager finds relevant. If the City Manager does not provide a written response to the appeal, the appeal shall be deemed denied. The decision of the City Manager is final.
- H. If, after review of the application by the tax administrator or a review of an appeal by the City Manager, an adjustment of the taxable square footage or

classification of such square footage is deemed to be warranted, the tax administrator shall recalculate the tax due and then shall either (i) submit such adjusted tax to the county for collection as part of the usual submission of taxes to the county, (ii) request that the appropriate county official reduce the amount of the tax that has been entered onto the tax roll, or (iii) refund the amount paid by the taxpayer to the county in excess of the adjusted tax.

Section 35.159 SAVINGS CLAUSE.

No section, clause, part, or provision of this subchapter shall be construed as requiring the payment of any tax that would be in violation of the Constitution or laws of the United States or of the Constitution or laws of the State of California.

Section 35.160 AMENDMENT OF ORDINANCE.

The City Council may, without a vote of the people, amend this subchapter. However, the City Council may not, without a vote of the people, increase the rate of the dedicated parcel tax or extend the duration of the dedicated parcel tax beyond the 2049-50 tax year.

SECTION 3. This Ordinance shall become effective upon adoption by the People.

SECTION 4. If any word, phrase, sentence, part, section, subsection, or other portion of this Ordinance, or any application thereof to any person or circumstance is declared void, unconstitutional, or invalid for any reason, then such word, phrase, sentence, part, section, subsection, or other portion, or the prescribed application thereof, shall be severable, and the remaining provisions of this title, and all applications thereof, not having been declared void, unconstitutional or invalid, shall remain in full force and effect. The People hereby declares that they would have passed this Ordinance, and each section, subsection, sentence, clause, and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases had been declared invalid or unconstitutional.

Certified as adopted by the People of the City of Santa Fe Springs at the Municipal General Election held on November 5, 2024.

Mayor

ATTEST:

City Clerk

Date: