



**SOUTH GATE CITY COUNCIL
CONTINUED REGULAR CITY COUNCIL AGENDA**

Tuesday, June 23, 2026 at 6:31 p.m.

**SOUTH GATE COUNCIL CHAMBERS
8650 CALIFORNIA AVE
SOUTH GATE, CA 90280**

**DIAL-IN NUMBER 1 (213) 338-8477
MEETING ID: 821 0595 8091**

**VIEW MEETING LIVE ONLINE AT:
[HTTPS://YOUTUBE.COM/@SOUTHGATECA90280](https://youtube.com/@southgateca90280)**

City Officials

MAYOR , Joshua Barron	CITY CLERK , Yodit Glaze
VICE MAYOR , Al Rios	CITY TREASURER , Jose De La Paz
COUNCIL MEMBER , Maria del Pilar Avalos	CITY MANAGER , Rob Houston
COUNCIL MEMBER , Maria Davila	CITY ATTORNEY , Raúl F. Salinas
COUNCIL MEMBER , Gil Hurtado	

1. VIEW THE MEETING LIVE ONLINE VIA YouTube: [South Gate, CA - YouTube](#)

Please allow up to 24 hours after the meeting for the archive to be available.

2. LISTEN TO THE MEETING ONLINE VIA

ZOOM: <https://us06web.zoom.us/j/82105958091>

To address the City Council press *9 to raise your hand and *6 to unmute yourself when instructed.

3. PARTICIPATE BEFORE THE MEETING by emailing the City Clerk at: yglaze@sogate.org no later than 4:00 p.m. on the day of the meeting. Please write "Public Comment" in the subject line.

4. ATTEND THE MEETING IN PERSON

***The disruption in service of any alternative method does not prelude the City Council or other legislative body from taking further action and moving forward on the agenda.**

Meeting Schedule

The regular meetings of the City Council are held on the second and fourth Tuesday of each month, closed session business will usually commence at 5:30 p.m., when scheduled, and general business session will commence at 6:30 p.m.

Brown Act

Agendas are drafted to accurately state what the legislative body is being asked to consider. The legislative body can take action on "all items" listed on the agenda and be in compliance with the open meeting laws. Under the Brown Act, no action may be taken on a matter unless it is listed on the agenda, or unless certain emergency or special circumstances exist. The governing body may direct staff to investigate and/or schedule certain matters for consideration at a future meeting.

City's Vision Statement

We envision a thriving, safe and inclusive community where everyone has the opportunity to access exceptional services, education and support to be resilient and live full, vibrant lives.

Public Communications

Public Comments on agenda items are limited to three (3) minutes. All comments are to be addressed directly to the Agency Members not to the members of the public.

Emails for public comment received prior to 4:00 pm on the day of the Council Meeting will be summarized by the City Clerk, not read in its entirety. A copy of the email will be provided to the City Council and will also be available at the City Clerk's Office for public review. A copy of each email will be recorded for public record and noted on the official minutes of tonight's meeting.

Call to Order/Roll Call

CALL TO ORDER: Joshua Barron, Mayor

INVOCATION:

PLEDGE OF ALLEGIANCE:

ROLL CALL: Yodit Glaze, City Clerk

Public Hearings - None

Reports and Presentations

(Continued From 6/9/26 Meeting)

3. Potential Language Change of UUT Measure

The City Council will consider: (CM)

- a. Selecting a Utility Users Tax rate of 8% or 9%, in place of the 7% rate reflected in the documents presented on April 14, 2026;
- b. Adopting the Amended and Restated Resolution, submitting the revised ballot measure to the voters at the November 3, 2026 General Municipal Election, by the required two-thirds vote of the full Council under California Government Code section 53724(b);
- c. Approving the revised proposed Ordinance for submission to the voters; and
- d. Directing staff to transmit the adopted documents to the Los Angeles County Registrar-Recorder/County Clerk before the August 7, 2026 filing deadline.

Documents:

[Item 3 Report 06092026 - Continuous.pdf](#)

Comments From The Audience

During this time, members of the public may address the City Council regarding any items not listed on the agenda and within the subject matter jurisdiction of the City Council and not on this agenda. Comments from the audience will be limited to three (3) minutes per speaker; unless authorized by the Mayor, the time limit may not be extended by utilizing another member's time. There will be no debate or action on items not listed on the agenda unless authorized by law. The collective initial period of time for comments from the audience shall be limited to 45 minutes. Any speaker that did not get a chance to speak during this segment due to the 45-minute limitations will be able to speak at the end of the meeting prior to adjournment.

Note: The City Council desires to provide all members of the public with the opportunity to address the Council. Nevertheless, obscene language, comments intended to disrupt/interfere, other actions which disrupt the progress of the meeting or slanderous comments will not be tolerated and may result in ejection and/or may constitute a violation of South Gate Municipal Code Section 1.04.110.

Consent Calendar Items - None

Recommendations and Requests - None

Adjournment

I, Yodit Glaze, City Clerk, certify that a true and correct copy of the foregoing Meeting Agenda was posted on June 18, 2026, at 2:40 p.m., as required by law.

Yodit Glaze
City Clerk

GENERAL NOTICE TO THE PUBLIC

The City Council adopted new rules relating to the conduct of the public meetings, proceedings, and business in the City of South Gate on July 12, 2022, (Resolution 2022-38-CC) and go into effect on August 1, 2022. Resolution #2022-38-CC is available at the City Clerk's Office.

MEETING SCHEDULE

Regular meetings of the City Council are held on the second and fourth Tuesday of each month, closed session meetings will commence at 5:30 p.m. unless posted otherwise on its agenda. The regular City Council meetings will commence at 6:30 p.m. Agendas are available at the following locations: City Clerk Office, Public Notice Boards at City Hall, and on the City's web page at <https://www.cityofsouthgate.org>

The Public can sign up to receive automatic notices of postings of agendas for the City Council or any other Commission or Board of the City of South Gate. Visit the City webpage and click on the Agenda & Minutes icon. That will take you the page where an individual can enter their email in the "Email Updates" box to register.

PUBLIC COMMENT/PARTICIPATION

Any person may request to address a legislative body during a public meeting. The Presiding Officer will call upon those present in the Council Chambers first. After all speakers in the Chambers have spoken, the Presiding Officer will call upon those participating via zoom or teleconference.

Speakers are limited to three (3) minutes on any item listed on the agenda, including public hearings. Under Comments from the Audience portion, speakers are also limited to a single three (3) minutes time limit. Comments from the Audience is initially limited to 45 minutes at each meeting. Any speaker still wishing to speak, that did not speak, will have an addition Comments from the Audience opportunity after the last business item is finished. The Presiding Officer may extend the time limit as long as there is no objection from the City Council as a body.

To ensure that the public is able to participate, the City provides the opportunity to submit their comments in person, virtually, email, phone call, mail and any other method which may become available. Methods of participation may be subject to change during other such times when a State of Emergency, Health Order or State Executive Order limits in-person participation.

CURFEW

In absence of a motion duly adopted by majority vote of the City Council, the Presiding Officer may adjourn the City Council meetings at 10:30 p.m. The Presiding Officer may ask the City Council if any agenda items listed should be continued or dealt with during the meeting. For those items to be continued, the City Council can direct the item be placed on the next City Council agenda or the current meeting may be adjourned to a time certain at which time the meeting shall be reconvened as an Adjourned Regular Meeting of the City Council and action

upon the published agenda continued.

STAFF REPORTS

As a general rule, staff reports, or other written documentation are prepared/organized with respect to each item of business listed on the agenda. Meeting agendas and staff reports are available at least 72-hours prior to the scheduled regular City Council meeting and a minimum of 24-hours prior to a Special City Council meeting. There are times when the City Council receives written material. revised material after the posting of agendas, these materials are become a public record and will be available for public view within 72-hours after the meeting in which they were received. Those materials and any other public document can be inspected in the City Clerk's Office located at 8650 California Avenue, South Gate.

SERVICES TO FACILITATE ACCESS TO PUBLIC MEETINGS

In compliance with the American with Disabilities Act, if you need special assistance to participate in the City Council Meetings, please contact the Office of the City Clerk. Notification 48 hours prior to the City Council Meeting will enable the City to make reasonable arrangements to assure accessibility. For further information, please contact the Office of the City Clerk at (323) 563-9510 or via email at yglaze@sogate.org.

JUN -4 2026

FILED

5:59pm

Item No. 3

City of South Gate CITY COUNCIL

AGENDA BILL

For the Regular Meeting of: June 9, 2026
Originating Department: City Manager's Office

Department Head: Rob Houston City Manager: Rob Houston
Rob Houston *Rob Houston*

SUBJECT: CONSIDERATION OF UTILITY USERS' TAX RATE OF 8% OR 9% FOR THE NOVEMBER 3, 2026, BALLOT MEASURE, TO ADDRESS RECURRING COSTS THAT CONTINUE TO OUTPACE GENERAL FUND REVENUES

PURPOSE: To ask the City Council to consider setting the proposed Utility Users Tax (UUT) rate at 8% or 9%, in place of the 7% currently written into the draft Ordinance and ballot question, so the measure fully closes the General Fund structural deficit and creates capacity to rebuild reserves and restore reduced services. This report supplements the April 14, 2026, Agenda Bill on the UUT measure and the May 26, 2026, FY 2026-27 Proposed Budget presentation.

RECOMMENDED ACTIONS: The City Council will consider:

- a. Selecting a Utility Users Tax rate of 8% or 9%, in place of the 7% rate reflected in the documents presented on April 14, 2026;
- b. Adopting the Amended and Restated Resolution, submitting the revised ballot measure to the voters at the November 3, 2026, General Municipal Election, by the required two-thirds vote of the full Council under California Government Code section 53724(b);
- c. Approving the revised proposed Ordinance for submission to the voters; and
- d. Directing staff to transmit the adopted documents to the Los Angeles County Registrar-Recorder/County Clerk before the August 7, 2026, filing deadline.

SUMMARY: South Gate's costs continue to grow faster than its revenues. The current proposal places a 7% UUT before voters, generating roughly \$9.0 million a year. Based on the City's latest general fund forecast, that rate brings the General Fund close to balance but leaves residual operating deficits and thin reserves with little cushion for risk.

An 8% rate reaches structural balance by FY 2028-29. A 9% rate produces a structural surplus that would let the City rebuild the Budget Stabilization Reserve and restore part of the service reductions adopted for FY 2025-26 and FY 2026-27. Because the same election, ballot, and senior exemption apply at any of these rates, the choice of rate is the single largest lever the City Council holds over the City's long-term fiscal health. Staff recommends the City Council direct that the measure be set at 8% or 9%.

FISCAL IMPACT: The fiscal effect of this item is the difference in recurring General Fund revenue the measure would raise. Compared with the 7% proposal, an 8% rate raises about \$1.4 million more per year and a 9% rate raises about \$3.0 million more per year, at full annual collection. Higher recurring revenue directly reduces the City's reliance on one-time reserves and lowers the risk of further service cuts in future budget cycles.

ANALYSIS: The City has been able to sustain a high level of community services and retain quality City staff and service providers by actively pursuing and recovering "one-time" revenues to fill the City's growing structural deficit. During this time, revenues within the City's General Fund, sales tax, property tax, and Vehicle License Fees remained static, with some growth in property tax, but with limited or no growth in the other General Fund revenue sources. More recently, emerging national economic conditions, including tariff-related uncertainties and broader market volatility, present additional downside revenue risk for cities across California.

Why costs keep outpacing revenues

The deficit is structural, not a one-time gap. Since FY 2019-20, recurring costs have grown by roughly \$11.5 million a year, with about \$4.1 million of new pressure in FY 2026-27 alone (May 26, 2026 Proposed Budget presentation). The largest drivers are required pension contributions (CalPERS unfunded liability up about 85%, from \$6.0M to \$11.1M), workers' compensation and liability insurance (up about 190%, from \$2.0M to \$5.8M), and health benefits (up about 42%). Less visible costs add to the pressure each year, including contract escalators tied to inflation, energy and fuel, software subscription increases of 5 to 15 percent, and new state and federal mandates.

These pressures recur every year and rise with inflation, while the City's main revenues, property tax (constrained by Proposition 13), sales tax, and vehicle license fees, have grown slowly or remained flat. Emerging tariff-related and market uncertainty adds downside risk to those revenues. That gap between rising recurring costs and slow recurring revenue is what the UUT is meant to close.

What the 7% rate achieves, and where it falls short

The FY 2026-27 budget is technically balanced but not structurally balanced; it relies on a \$2.25 million draw from the Budget Stabilization Reserve, which falls to about \$1.52 million as a result. At 7%, the forecast shows the General Fund near balance but with residual operating deficits and an available fund balance that drops to about \$2.5 million in FY 2027-28 before slowly recovering. That leaves almost no margin to absorb a revenue downturn, a major claim, or a new mandate.

The table below compares the three rates using the City's adopted five-year forecast model. Dollar figures are rounded; "available fund balance" means the discretionary General Fund balance and excludes the policy-protected Emergency Reserve.

Measure	7% (current draft)	8%	9%
Annual UUT revenue, full year (FY 2027-28)	\$9.0M	\$10.4M	\$12.0M
Added recurring revenue vs. 7%	—	+\$1.4M/yr	+\$3.0M/yr
Recurring operating margin, FY 2028-29	+\$1.7M	+\$3.1M	+\$4.8M
Available fund balance — low point (FY 2027-28)	\$2.5M	\$4.2M	\$6.2M
Available fund balance — FY 2030-31	\$9.5M	\$15.6M	\$22.5M
Structural outcome (per forecast)	Near balance; residual deficits persist	Structural balance by FY 2028-29	Structural surplus; restoration capacity

Source: 5-Year General Fund Forecast — UUT 7% / 8% / 9% scenarios; HdL revenue projections.

Effect on residents

The table below uses the same illustrative household figures shown to the public in the UUT community education materials, applied to the 7%, 8%, and 9% options. The low-income senior exemption in the draft Ordinance applies at any rate, so the residents least able to pay remain protected regardless of the rate the City Council selects.

Illustrative household	Monthly utility cost	At 7%	At 8%	At 9%
Sample South Gate household	\$548	\$38.38	\$43.87	\$49.35
Average California household	\$560	\$39.20	\$44.80	\$50.40

Monthly cost on a typical utility bill. Figures are illustrative estimates, consistent with the UUT community education materials. A low-income senior exemption applies at every rate.

Put in dollars, the choice between rates is modest at the household level. For a typical South Gate household, an 8% rate instead of 7% adds about \$5.49 a month, or roughly \$66 a year. A 9% rate adds about \$10.97 a month, or roughly \$132 a year. Each of those additional dollars stays local and goes toward closing the structural deficit and protecting services.

As a further way to ease the transition, Councilmember Rios has suggested offering residents a temporary discount on their water bills, funded by the Water Fund, to partially offset the cost of

the new tax. The Water Fund holds sufficient available balance to support such a program on a short-term basis, and the Council could direct staff to return with a proposed structure and duration.

Capacity to restore services

The FY 2026-27 budget carries about \$9.3 million in cumulative reductions over two years, including frozen police positions, reduced patrol minimums, the crossing guard and crime prevention programs, seasonal park and pool closures, and slower permit and code enforcement response.

The five-year forecast does not assume the City reverses all of those cuts. It is built on a \$7.0 million restoration, phased in over FY 2026-27 and FY 2027-28, which still leaves roughly \$2.3 million in reductions unrestored before any allowance for future cost growth. At 7%, the forecast funds that \$7.0 million restoration but leaves very little room for further restoration and almost no cushion to absorb the cost increases that will keep coming. At 8%, the same \$7.0 million restoration holds, with some added capacity to absorb those increases as they arrive. Only at 9% does the forecast create room to restore services beyond the \$7.0 million already assumed, and even then the result is workable rather than comfortable. No scenario fully reverses the \$9.3 million in cuts; the 9% rate is the only one that moves the City meaningfully back toward that goal while keeping a usable reserve.

Key forecast assumptions

These projections rest on assumptions the Council should keep in view: HdL revenue projections with about 3% annual property tax growth; payoff of the 2005 Police Pension Obligation Bond in FY 2027-28, saving roughly \$2.0 million a year; about \$1.0 million in insurance savings beginning FY 2027-28 if the City changes carriers; 1% annual UUT growth starting FY 2028-29; and an assumed 6% salary turnover savings. These are reasonable planning assumptions, not guarantees. If any move against the City, the higher rate provides the buffer the 7% rate does not.

Procedural Considerations and Timing

Because the 7% rate is written into both the ballot question and the Ordinance, changing it is a substantive amendment to the measure that only the City Council can make, and only by the same two-thirds vote used to place it. Council direction alone does not change the measure; the rate takes effect only when the City Council adopts the resolution that carries it. Staff has prepared Resolutions and Ordinances at both 8% and 9%, so the Council can select a rate and adopt the matching versions at this meeting and still file with the County before the August 7, 2026 deadline.

ATTACHMENTS: A. Amended and Restated Resolution (8% version)
B. Amended and Restated Resolution (9% version)
C. Revised Proposed Ordinance (8% version)
D. Revised Proposed Ordinance (9% version)

RESOLUTION NO. ____

**CITY OF SOUTH GATE
LOS ANGELES COUNTY, CALIFORNIA**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

[The remainder of this page purposely left blank.]

Measure __

"SOUTH GATE FISCAL EMERGENCY STREET MAINTENANCE, YOUTH PROGRAMS, PARKS FUNDING PROTECTION MEASURE. Shall an ordinance preventing cuts to City of South Gate services including maintaining streets and sidewalks; maintaining school crossing guards, parks / recreation programs, police 911 and support services, and other General Fund uses by establishing an 8% utility user tax, exempting low income seniors, annually providing approximately \$10,400,000 until ended by voters; requiring independent audits, public disclosure of all spending, local control, to benefit South Gate residents, be adopted?"	Yes ____ No ____
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The full Ordinance comprising this measure is attached hereto as Exhibit A and is incorporated here by this reference. The Ordinance requires the approval of a simple majority (50% plus one) of those voting on it.

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

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

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

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

SECTION 4. Ballot Arguments.

- A. The City Clerk shall set the deadline for submission of arguments in favor of or against the Ordinance and provide notice of that deadline. The City Clerk may do this in coordination with the County Elections Official, as necessary. In all respects, the process to choose these arguments shall accord with Elections Code sections 9280 et seq. and 9600 et seq.
- B. The City Council hereby authorizes Councilmembers _____ and _____ to prepare and file the written argument in support of the measure on behalf of the City Council. (Elec. Code, § 9282(b).)
- C. Further, the City Council hereby adopts the provisions of Elections Code section 9285(a) authorizing rebuttal argument only as to arguments for the Election. This Subdivision 4(C) is repealed, and the provisions of section 9285(a) shall not apply, thereafter.

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

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

SECTION 6. CEQA. The adoption of this Resolution is exempt from the California Environmental Quality Act (CEQA), Public Resources Code section 21000 et seq. and California Code of Regulations, title 14, section 15000 et seq. (CEQA Guidelines). The calling of a municipal election is not a project within the meaning of CEQA Guidelines section 15378. Further, the general tax proposed by this Resolution is a government funding mechanism that does not involve any commitment to any specific project, which may result in a potentially significant physical impact on the environment, and thus adopting this Resolution is not a project under CEQA Guidelines section 15378(b)(4).

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

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

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

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

PASSED, APPROVED, and ADOPTED this 9th day of **June 2026**.

CITY OF SOUTH GATE:

By: _____
Joshua Barron, Mayor

ATTEST:

By: _____
Yodit Glaze, City Clerk
(SEAL)

APPROVED AS TO FORM:

By: _____
Raúl F. Salinas, City Attorney

DRAFT (initials)

RESOLUTION NO. ____

**CITY OF SOUTH GATE
LOS ANGELES COUNTY, CALIFORNIA**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOUTH GATE,
CALIFORNIA, SUBMITTING BALLOT MEASURE TEXT FOR THE
UTILITY USERS TAX MEASURE TO THE VOTERS AT THE NOVEMBER
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WHEREAS, the City Council requests the services of the Los Angeles County Registrar-Recorder/County Clerk to conduct this election;

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

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

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

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

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

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

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

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

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Measure

"SOUTH GATE FISCAL EMERGENCY STREET MAINTENANCE, YOUTH PROGRAMS, PARKS FUNDING PROTECTION MEASURE. Shall an ordinance preventing cuts to City of South Gate services including maintaining streets and sidewalks; maintaining school crossing guards, parks / recreation programs, police 911 and support services, and other General Fund uses by establishing a 9% utility user tax, exempting low income seniors, annually providing approximately \$12,000,000 until ended by voters; requiring independent audits, public disclosure of all spending, local control, to benefit South Gate residents, be adopted?"	Yes <u> </u> No <u> </u>
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The full Ordinance comprising this measure is attached hereto as Exhibit A and is incorporated here by this reference. The Ordinance requires the approval of a simple majority (50% plus one) of those voting on it.

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

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

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

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

SECTION 4. Ballot Arguments.

- A. The City Clerk shall set the deadline for submission of arguments in favor of or against the Ordinance and provide notice of that deadline. The City Clerk may do this in coordination with the County Elections Official, as necessary. In all respects, the process to choose these arguments shall accord with Elections Code sections 9280 et seq. and 9600 et seq.
- B. The City Council hereby authorizes Councilmembers _____ and _____ to prepare and file the written argument in support of the measure on behalf of the City Council. (Elec. Code, § 9282(b).)
- C. Further, the City Council hereby adopts the provisions of Elections Code section 9285(a) authorizing rebuttal argument only as to arguments for the Election. This Subdivision 4(C) is repealed, and the provisions of section 9285(a) shall not apply, thereafter.

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

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

SECTION 6. CEQA. The adoption of this Resolution is exempt from the California Environmental Quality Act (CEQA), Public Resources Code section 21000 et seq. and California Code of Regulations, title 14, section 15000 et seq. (CEQA Guidelines). The calling of a municipal election is not a project within the meaning of CEQA Guidelines section 15378. Further, the general tax proposed by this Resolution is a government funding mechanism that does not involve any commitment to any specific project, which may result in a potentially significant physical impact on the environment, and thus adopting this Resolution is not a project under CEQA Guidelines section 15378(b)(4).

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

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

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

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

PASSED, APPROVED, and ADOPTED this 14th day of **April 2026**.

CITY OF SOUTH GATE:

By: _____
Joshua Barron, Mayor

ATTEST:

By: _____
Yodit Glaze, City Clerk
(SEAL)

APPROVED AS TO FORM:

By: _____
Raúl F. Salinas, City Attorney

DRAFT YG

ORDINANCE NO. ____

**CITY OF SOUTH GATE
LOS ANGELES COUNTY, CALIFORNIA**

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

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

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

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

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

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

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

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

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

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

Section 2.79.010 Definitions

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

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

1. “Conference bridging service” means an ancillary service that links two or more participants of an audio or video conference call and may include the provision of a telephone number. Conference bridging service does not include the telecommunication services used to reach the conference bridge.
2. “Detailed telecommunication billing service” means an ancillary service of separately stated information pertaining to individual calls on a customer’s billing statement.
3. “Directory assistance” means an ancillary service of providing telephone number information, and/or address information.
4. “Vertical service” means an ancillary service that is offered in connection with one or more telecommunication services, which offers advanced calling features that allow customers to identify callers and to manage multiple calls and call connections, including conference bridging services.
5. “Voice mail service” means an ancillary service that enables the customer to store, send or receive recorded messages. Voice mail service does not include any vertical services that the customer may need to use the voice mail service.

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

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

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

“Communication services” means telecommunication services, ancillary telecommunication services, video services, and ancillary video services.

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

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

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

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

"Month" means a calendar month.

"Non-utility service supplier" means:

1. A service supplier, other than a supplier of electric distribution services to all or a significant portion of the city, which generates electricity for sale to others, and shall include, but is not limited to, any publicly owned electric utility, investor-owned utility, cogenerator, distributed generation provider, exempt wholesale generator, municipal utility district, federal power marketing agency, electric rural cooperative, or other supplier or seller of electricity; or
2. A community choice aggregator, electric service provider (ESP), electricity broker, marketer, aggregator, pool operator, or other electricity supplier other than a supplier of electric distribution services to all or a significant portion of the city, which sells or supplies electricity or supplemental services to electricity users within the city; or
3. A gas service supplier, aggregator, marketer, or broker, other than a supplier of gas distribution services to all or a significant portion of the city, which sells or supplies gas or supplemental services to gas users within the city.

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

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

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

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

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

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

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

"Service address" means:

1. The location of the service user's place of primary use, such as his or her residential street address or business street address, or
2. The location of the service user's communication equipment from which the communication originates or terminates, regardless of where the communication is billed or paid, or
3. For prepaid telecommunication service, the location associated with the service number.

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

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

"State" means the state of California.

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

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

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

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

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

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

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

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

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

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

Section 2.79.020 Communications Users Tax

A. Telecommunication Services

1. There is hereby imposed a tax upon every person using telecommunication services in the city. The tax shall be at the rate of 8 percent of all charges made for such services and shall be collected from the service user by the telecommunication services supplier or its billing agent. There is a rebuttable presumption that telecommunication services, which are billed to a billing or service address in the city, are used, in whole or in part, within the city, and such services are subject to taxation under this chapter. If the billing address of the service user is different from the service address, the service address of the service user shall be used to apply the tax. As used in this section, the term "charges" shall include the value of any other services, credits, property of every kind or nature, or other consideration provided by the service user in exchange for the telecommunication services.
2. As used in this section charges for "telecommunication services" shall include, but are not limited to, charges for: connection, reconnection, termination, movement, or change of telecommunication services; late payment fees; detailed billing; central office and custom calling features (including, but not limited to, call waiting, call forwarding, caller identification and three-way calling); voice mail and other messaging services; directory assistance; access and line charges; universal service charges; regulatory, administrative and other cost-recovery charges; local number portability charges; and text and instant messaging. "Telecommunication services" shall not include digital downloads that are not "ancillary telecommunication services," such as music, ringtones, games, and similar digital products.

B. Video Services

1. There is hereby imposed a tax upon every person using video services in the city provided by a video service supplier. The tax shall be at the rate of 8 percent of the charges made for such video services, and shall be collected from the service user by the video service supplier, or its billing agent.
2. As used in this section, "charges" shall include the value of any other services, credits, property of every kind or nature, or other consideration provided by the service user in exchange for video services. Charges for video services shall also include, but are not limited to, charges for the following:

- a. Regulatory fees and surcharges, franchise fees, and access fees (including those to fund public, educational, and government video programming);
 - b. Initial installation of equipment necessary for provision and receipt of video services;
 - c. Late fees, collection fees, bad debt recoveries, and returned-check fees;
 - d. Activation fees, reactivation fees, and reconnection fees;
 - e. Video programming and video services;
 - f. Ancillary video services (e.g., electronic program guide services, recording functions, search functions, or other interactive services or communications that are ancillary, necessary or common to the use or enjoyment of video services);
 - g. Equipment leases (e.g., remote, recording or search devices, converters, remote devices);
 - h. Service calls, service protection plans, name changes, changes of services, and special services;
 - i. Leasing of channel or other access.
- C. Mobile telecommunications service shall be sourced in accordance with the sourcing rules set forth in the Mobile Telecommunications Sourcing Act (4 U.S.C. Section 124). The tax administrator may issue and disseminate to communication service suppliers required to collect a tax under this chapter, sourcing rules for the taxation of other communication services, including, but not limited to, post-paid communication services, prepaid communication services, and private communication services, provided that such rules are based upon custom and common practice that further administrative efficiency and minimize multijurisdictional taxation (e.g., Streamlined Sales and Use Tax Agreement).
- D. The tax administrator, from time to time, may issue and disseminate to communication service suppliers required to collect a tax under this chapter, an administrative ruling identifying those communication services that are subject to the taxes levied by subsections A and B above. Further, the tax administrator, from time to time, may survey communication service suppliers to identify the components of communication services offered to customers within the city, and the charges therefor. The tax administrator, thereafter, may issue and disseminate to such communication service suppliers an administrative ruling identifying components that (1) are necessary for or common to the receipt, use or enjoyment of taxed communication service; or (2) currently are or historically have been included in a bundled rate for taxed communication service. Charges for such components shall be subject to the tax imposed by subsections A and B above.
- E. To prevent actual multijurisdictional taxation of communication services subject to tax under this section, any service user, upon proof to the tax administrator that the service user has previously paid the same tax in another state or city on such communication services,

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

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

Section 2.79.030 Electricity Users Tax

- A. There is hereby imposed a tax upon every person using electricity in the city. The tax imposed by this section shall be at the rate of 8 percent of the charges made for such electricity, and for any supplemental services or other associated activities directly related to and / or necessary for the provision of electricity to the service user, which are provided by a service supplier or non-utility service supplier to a service user.
- B. As used in this section, "charges" includes charges for all services, components, and items that (1) are necessary for or common to the receipt, use, or enjoyment of electric service, or (2) currently are or historically have been included in a single or bundled rate for electric service by a service supplier to retail customers. As used in this section, "charges" shall include the value of any other services, credits, property of every kind or nature, or other consideration provided by a service user in exchange for electricity or services related to the provision of electricity. "Charges" include, but are not limited to, the following:
1. Energy charges;
 2. Distribution or transmission charges;
 3. Metering charges;
 4. Stand-by, reserves, firming, ramping, voltage support, regulation, emergency, or other similar minimum charges for services;
 5. Customer charges, late charges, service establishment or reestablishment charges, demand charges, fuel or other cost adjustments, power exchange charges, independent system operator (ISO) charges, stranded investment or competitive transition charges (CTC), public-purpose-program charges, nuclear decommissioning charges, trust transfer amounts (bond financing charges), franchise fees, franchise surcharges, annual and monthly charges, and other charges, fees or surcharges which are necessary for or common to the receipt, use, or enjoyment of electricity service; and
 6. Charges, fees, or surcharges for electricity services or programs which are mandated by the California Public Utilities Commission or the Federal Energy Regulatory

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

- C. The tax administrator, from time to time, may survey electricity service suppliers to identify the unbundled billing components of electric retail service that they commonly provide to residential and other customers in the city, and the charges therefor, including those items that are mandated by state or federal regulatory agencies as a condition of providing such electricity service. The tax administrator, thereafter, may issue and disseminate to such electricity service suppliers an administrative ruling identifying those components and items which (1) are necessary for or common to the receipt, use or enjoyment of electricity service; or (2) currently are or historically have been included in a single or bundled rate for electricity service by a service supplier to retail customers. Charges for such components and items shall be subject to the tax imposed by subsection A above.
- D. As used in this section, "using electricity" shall not include an electrical corporation's or governmental agency's receiving of electricity for resale.
- E. The tax on electricity provided by self-production or by a non-utility service supplier not required by this chapter to collect the tax shall be collected and remitted as set forth in Section 7.29.045 of this chapter. All other taxes on charges for electricity imposed by this section shall be collected from the service user by the electric service supplier or its billing agent. The amount of tax collected in one month shall be remitted to the tax administrator, and must be received by the tax administrator on or before the 25th day of the following month.

Section 2.79.040 Gas Users Tax

- A. There is hereby imposed a tax upon every person using gas in the city, which is transported and delivered through a pipeline distribution system. The tax imposed by this section shall be at the rate of 8 percent of the charges made for such gas, including all services related to the storage, transportation and delivery of such gas.
- B. There shall be excluded from the base to which the tax imposed by this section is applied:
 - 1. Charges made for gas which is to be resold and delivered through mains or pipes;
 - 2. Charges made for gas to be used in the generation of electrical energy by an electrical corporation; and
 - 3. Charges made by a gas public utility for gas used and consumed in the conduct of the gas public utility's business.
- C. As used in this section, "charges" shall include charges for all services, components and items for gas service that (1) are necessary for or common to the receipt, use, or enjoyment of gas service; or (2) currently are or historically have been included in a single or bundled rate for gas service by a service supplier to retail customers. "Charges" shall include, but is not limited to, the following:

1. The commodity charges for purchased gas, or the cost of gas owned by the service user (including the actual costs attributed to drilling, production, lifting, storage, gathering, trunkline, pipeline, and other operating costs associated with the production, transmission, and delivery of such gas), which is delivered through a gas pipeline distribution system;
 2. Gas transportation charges, including interstate charges to the extent not included in commodity charges;
 3. Storage charges; provided, however, that a service supplier shall not be required to apply the tax to any charges for gas storage services when the service supplier cannot, as a practical matter, determine the jurisdiction in which such stored gas is ultimately used; but it shall be the obligation of the service user to self-collect the amount of tax not applied to any charge for gas storage by the service supplier and to remit the tax to the appropriate jurisdiction;
 4. Capacity or demand charges, late charges, service establishment or reestablishment charges, transition charges, customer charges, minimum charges, annual and monthly charges, and any other charges which are necessary for or common to the receipt, use, or enjoyment of gas service; and,
 5. Charges, fees, or surcharges for gas services or programs mandated by the California Public Utilities Commission or the Federal Energy Regulatory Commission, whether or not such charges, fees, or surcharges appear on a bundled or line-item basis on a customer's bill.
- D. As used in this section, "charges" shall include the value of any other services, credits, property of every kind or nature, or other consideration provided by a service user in exchange for gas or services related to the delivery of gas.
- E. The tax administrator, from time to time, may survey gas service suppliers to identify the unbundled billing components of gas retail service that they commonly provide to residential and other customers in the city, and the charges therefor, including those items that are mandated by state or federal regulatory agencies as a condition of providing such gas service. The tax administrator may issue and disseminate to such gas service suppliers an administrative ruling identifying those components and items which (1) necessary for or common to the receipt, use, or enjoyment of gas service; or (2) currently are or historically have been included in a single or bundled rate for gas service by a gas service supplier to retail customers. Charges for such components and items shall be subject to the tax imposed by subsection A above.
- F. The tax on gas provided by self-production or by a non-utility service supplier not required to collect a tax by this chapter shall be collected and remitted in the manner set forth in Section 7.29.045 of this chapter. All other taxes imposed on charges for gas by this section shall be collected from the service user by the gas service supplier or its billing agent. The amount of tax collected in one month shall be remitted to the tax administrator, and must be received by the tax administrator, on or before the 25th day of the following month.

Section 2.79.045 Collection of Tax from Service Users Making Direct Purchase of Gas or Electricity

- A. Any service user subject to a tax imposed by Section 7.29.030 or by Section 7.29.040 of this chapter, which produces gas or electricity for self-use; which receives gas or electricity, including any related supplemental services, directly from a non-utility service supplier not required to collect a tax imposed by this chapter; or which, for any other reason, does not have the full tax collected and remitted by its service supplier, a non-utility service supplier, or its billing agent on the use of gas or electricity in the city, including any related supplemental services, shall report that fact to the tax administrator and shall remit the tax due directly to the tax administrator within 30 days of such use.
- B. The tax administrator may require such a service user to identify its non-utility service supplier and provide, subject to audit: invoices; books of account; or other satisfactory evidence documenting the quantity of gas or electricity used, including any related supplemental services, and the cost or price thereof. If the service user is unable to provide such satisfactory evidence, or if the tax administrator concludes in his or her reasonable discretion that the cost to calculate the tax is excessive, the tax administrator may determine the tax by applying the tax rate to the equivalent charges the service user would have incurred if the gas or electricity used, including any related supplemental services, had been provided by the primary supplier of gas or electricity within the city. The tax administrator shall make available rate schedules for this purpose.

Section 2.79.050 Water Users Tax

- A. There is hereby imposed a tax upon every person using water in the city which is transported and delivered through a pipeline distribution system. The tax imposed by this section shall be at the rate of 8 percent of the charges made for such water and shall be collected from the service user by the water service supplier or its billing agent.
- B. As used in this section, "charges" shall apply to all services, components and items that
 - (1) are necessary for or common to the receipt, use, or enjoyment of water service; or
 - (2) currently are or historically have been included in a single or bundled rate for water service by a service supplier to retail customers. "Charges" shall include, but is not limited to, the following:
 - 1. Water commodity charges (potable and non-potable),
 - 2. Distribution or transmission charges,
 - 3. Metering charges,
 - 4. Customer charges, late charges, service establishment or reestablishment charges, franchise fees, franchise surcharges, annual and monthly charges, and other charges, fees and surcharges which are necessary for or common to the receipt, use, or enjoyment of water service, and

5. Charges, fees, or surcharges for water services or programs, which are mandated by a water district or a state or federal agency, whether or not such charges, fees, or surcharges appear on a bundled or line-item basis on a customer's bill.
- C. As used in this section, "charges" shall include the value of any other services, credits, property of every kind or nature, or other consideration provided by a service user in exchange for water services.
- D. The tax administrator, from time to time, may survey water service suppliers to identify the unbundled billing components of water retail service that they commonly provide to residential and other customers in the city, and the charges therefor, including those items that are mandated by a wholesale or retail water supplier or a state or federal agency as a condition of providing such water service. The tax administrator, thereafter, may issue and disseminate to such water service suppliers an administrative ruling identifying those components and items which (1) are necessary for or common to the receipt, use, or enjoyment of water service; or (2) currently are or historically have been included in a single or bundled rate for water service by a service supplier to retail customers. Charges for such components and items shall be subject to the tax imposed by subsection A above.
- E. There shall be excluded from the base to which the tax imposed in this section is applied charges for water which is to be resold and delivered through a pipeline distribution system.
- F. The tax on water service imposed by this section shall be collected from a service user by the water service supplier or its billing agent. The amount of tax collected in one month shall be remitted to the tax administrator, and must be received by the tax administrator on or before the 25th day of the following month.

Section 2.79.060 Effect of Comingling Taxable Items with Nontaxable Items

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

Section 2.79.070 Exemptions

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

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

1. Is 65 years of age or older;
2. Resides at the service address as his or her primary place of residence; and
3. Has a combined gross income, including all taxable and non-taxable income of all members of the household in which the person resides, that does not exceed the income threshold established by the Tax Administrator pursuant to subdivision (C) of this section; and
4. Has filed the application described in subdivision (D) of this section.

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

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

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

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

Section 2.79.080 Substantial Nexus and Minimum Contacts

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

Section 2.79.090 Duty to Collect and Remit

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

- A. The taxes shall be collected insofar as practicable at the same time as, and along with, the charges made in accordance with the regular billing practice of a service supplier. If a service user pays a service supplier less than the full amount of the charge and tax accrued for the billing period, a proportionate share of both the charge and the tax shall be deemed to have been paid. If a service user has notified the service supplier of refusal to pay the tax imposed on said charges, Section 7.29.130 of this chapter shall apply.
- B. A service supplier's duty to collect tax from a service user shall commence with the beginning of the first regular billing period applicable to the service user in which all charges normally included in such regular billing are subject to the provisions of this chapter. Where a person receives more than one billing, one or more being for different periods than another, the duty to collect shall arise separately for each billing period.
- C. Each person required by this chapter to remit a tax shall file a return with the tax administrator on or before the due date, on forms approved by the tax administrator. The full amount of the tax owed shall be included with the return. The tax administrator is authorized to require such additional information as he or she deems necessary to determine if the tax is being levied, collected, and remitted in accordance with this chapter. Returns are due immediately upon cessation of business for any reason. The tax administrator, and its agents, shall maintain such returns as confidential information.

Section 7.29.100 Collection Penalties – Service Suppliers or Self-Collectors

- A. Taxes collected from a service user, or self-collected by a service user subject to Section 7.29.045 of this chapter, are delinquent if not received by the tax administrator on or before the due date. Should the due date occur on a weekend or legal holiday, the return must be received by the tax administrator on or before the first regular working day following the weekend or legal holiday. A direct deposit, including electronic fund transfers and other similar methods of electronically exchanging monies between financial accounts, made by a service supplier in satisfaction of its obligations under this subsection shall be considered timely if the transfer is initiated on or before the due date, and the transfer settles into the city's account on or before the following business day.
- B. If a service supplier, or a service user subject to Section 7.29.045 of this chapter, fails to remit any tax collected on or before the due date, said person shall pay a penalty for such delinquencies at the rate of 15% of the total tax that is delinquent in the remittance, and shall pay interest at the rate of three-quarters of one (0.75) percent per month, or any fraction thereof, on the amount of the tax, exclusive of penalties, from the date on which the remittance first became delinquent, until paid.
- C. To discourage fraud and cover anticipated costs the City would incur to identify and remedy fraud, the tax administrator shall have the power to impose additional penalties upon persons required to collect and / or remit taxes pursuant to the provisions of this chapter for fraud or gross negligence in collecting, reporting, or remitting tax at the rate of 25% of the tax due.
- D. For collection purposes only, every penalty imposed and such interest that is accrued under the provisions of this section shall become a part of the tax required to be paid.
- E. Notwithstanding the foregoing, the tax administrator may, in his or her discretion, modify the due dates of this chapter to be consistent with any uniform standards or procedures that are mutually agreed upon by other public agencies imposing a utility users tax, or otherwise legally established, to create a central payment location or mechanism. The tax administrator may also enter into written agreements with a service provider to alter the administrative details of this ordinance as appropriate to facilitate tax collection and remittance without undue expense to the service supplier or the City provided, however that no such agreement may materially alter the amounts due to the City.

Section 7.29.110 Actions to Collect

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

Section 7.29.120 Deficiency Determination and Assessment

- A. The tax administrator shall make a deficiency determination if he or she determines that any person required to collect or self-collect taxes pursuant to this chapter has failed to collect and remit the proper amount of tax, including but not limited to, by improperly applying or failing to apply the tax to one or more taxable services or charges.
- B. The tax administrator shall mail a notice of such deficiency determination to the person required to pay or remit the tax, which notice shall refer briefly to the amount of the taxes owed, plus interest at the rate of three-quarters of one (0.75) percent per month, or any fraction thereof, on the tax due from the date the city should have received the tax. Within 14 calendar days after service of such notice, the person may make written request to the tax administrator for a hearing. If the person fails to request a hearing within that time, the amount of the deficiency determination shall become a final assessment, and shall immediately be due and owing to the city.
- C. If the person requests a hearing, the tax administrator shall cause the matter to be set for hearing not later than 30 days after receipt of the request. The tax administrator shall mail notice of the time and place of the hearing to such person at least 10 calendar days before the hearing, and the notice may designate records that said person must produce at such hearing.
- D. At the time fixed for the hearing, the tax administrator or his or her designee shall hear all relevant testimony and evidence, including that of any other interested parties. At the discretion of the tax administrator, the hearing may be continued from time to time to allow presentation of additional evidence. Within a reasonable time following the conclusion of the hearing, the tax administrator or his or her designee shall issue a final assessment confirming, modifying, or rejecting the original deficiency determination, and shall mail a copy of such final assessment to the person owing the tax. The decision of the tax administrator may be appealed pursuant to Section 7.29.170 of this chapter. A hearing request to the tax administrator and an appeal to the city council pursuant to Section 7.29.170 of this chapter are prerequisites to a suit thereon.
- E. Payment of the final assessment shall become delinquent if not received by the tax administrator on or before the 30th day following service of the notice of final assessment. The penalty for delinquency shall be 15% on the assessment, along with interest at the rate of three-quarters of one (0.75) percent per month, or any fraction thereof, on the amount of the tax, exclusive of penalties, from the date of delinquency, until paid.

Section 7.29.130 Nonpaying Service Users

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

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

- B. In addition to the tax owed, the service user shall pay a delinquency penalty at the rate of 15% of the tax owed, and shall pay interest at the rate of three-quarters of one (0.75) percent per month, or any fraction thereof, on the amount of the tax, exclusive of penalties, from the due date, until paid.
- C. The tax administrator shall notify the non-paying service user that the tax administrator has assumed the responsibility to collect the taxes due for the stated periods and demand payment of such taxes, including penalties and interest. The notice shall be served on the service user by personal delivery or by deposit of the notice in the United States mail, postage prepaid, addressed to the service user at the address to which the person required to collect the tax addressed bills; or, should the service user have a change of address, to his or her last known address.
- D. If the service user fails to remit the tax to the tax administrator within 30 days of service of the notice, the tax administrator may impose an additional penalty of 15% of the tax owed.

Section 7.29.140 Additional Powers and Duties of the Tax Administrator

- A. The tax administrator shall have the power and duty, and is hereby directed, to enforce each and all of the provisions of this chapter.
- B. The tax administrator may adopt administrative rules and regulations not inconsistent with provisions of this chapter to interpret, clarify, carry out and enforce the payment, collection and remittance of the taxes herein imposed. A copy of such administrative rules and regulations shall be available for inspection in the tax administrator's office.
- C. To ensure compliance with this chapter, the tax administrator may audit any person required to collect and / or remit a tax pursuant to this chapter. The tax administrator shall notify said person of such an audit in writing. In the absence of fraud or other intentional misconduct, the audit period of review shall not exceed three years next preceding the date of service of notice of audit. Upon completion of the audit, the tax administrator may make a deficiency determination pursuant to Section 2.79.120 of this chapter for all taxes, penalties and interest owed, as evidenced by information provided by such person to the tax administrator. If said person is unable or unwilling to provide sufficient records to enable the tax administrator to verify compliance with this chapter, the tax administrator may make a reasonable estimate of the deficiency. Said reasonable estimate shall be entitled to a rebuttable presumption of correctness.
- D. Upon receipt of a written request of a taxpayer or tax collector, and for good cause, the tax administrator may extend the time for any filing required by this chapter for a period of not to exceed 45 days, provided that the time for filing has not already passed when the tax administrator receives the request. No penalty or interest for delinquent payment shall accrue by reason of such extension.

2. Upon request of the tax administrator, deliver, or effect the delivery of, any information or record in the possession of such billing agent or billing aggregator that, in the opinion of the tax administrator, is necessary to verify the proper application, calculation, collection and / or remittance of such tax.
- E. If any person required to keep records under this section unreasonably denies the tax administrator, or the tax administrator's designee, access to such records, or fails to produce the information requested in an administrative subpoena within the time specified, the tax administrator may impose a penalty on such person of \$500 for each day following the initial date that the person refuses to provide such access, or following the due date set forth in an administrative subpoena. This penalty shall be in addition to any other penalty imposed under this chapter.

Section 7.29.160 Refunds

- A. Whenever any tax imposed by this chapter has been overpaid, paid more than once, or has been erroneously or illegally collected or received by the tax administrator, it may be refunded as provided in this section.
- B. The tax administrator may refund such tax provided that no refund shall be paid unless the claimant or his or her guardian, conservator, executor or administrator submits a written claim, under penalty of perjury, to the tax administrator within one year of the payment or collection. Such claim must clearly establish claimant's right to the refund by written records. Nothing herein shall permit the filing of a refund claim for a class or group of taxpayers. City council approval shall be required for any individual refund in excess of \$5,000.
- C. The tax administrator, or the city council, as claimed in excess of \$5,000, shall act upon a refund claim within 45 days of its receipt. Said decision shall be final as to the City but subject to judicial review pursuant to Code of Civil Procedure section 1094.5. If the tax administrator or city council fails or refuses to act on a refund claim within the 45-day period, the claim shall be deemed to have been rejected on the 45th day.
- D. The filing of a written claim is a prerequisite to any suit thereon. Any action brought against the city pursuant to this section shall be subject to the provisions of Government Code section 940 et seq.
- E. Notwithstanding other provisions of this section, whenever a service supplier, pursuant to an order of the California Public Utilities Commission, makes a refund to service users of charges for past utility services, the taxes paid pursuant to this chapter on the amount of such refunded charges shall also be refunded to service users, and the service supplier shall be entitled to a credit for such refunded taxes against tax due upon the next monthly return.

Section 7.29.170 Appeals

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

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

- B. Such an aggrieved person may appeal that decision to the city council. Such an appeal must be submitted in writing to the city clerk within 14 days of the date of the deficiency determination, assessment, administrative ruling, or other decision at issue.
- C. The city council shall fix a time and place for hearing such appeal before itself or a hearing officer. The appellant shall be served with notice of the time and place of the hearing, as well as any relevant materials, at least ten calendar days before the hearing. The city council or hearing officer may continue the hearing from time to time. At the time of the hearing, the appealing party, the tax administrator, and any other interested person may present such relevant evidence as he or she may have relating to the determination from which the appeal is taken.
- D. Based upon the submission of evidence and review of the city's files, the hearing officer shall prepare for the city council's consideration, or the city council shall issue a written notice, and order upholding, modifying, or reversing the determination appealed. The city council's decision is final for the city but is subject to judicial review under Code of Civil Procedure Section 1094.6.

Section 7.29.180 Disposition of Funds

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

Section 7.29.190 No Action to Prevent Collection of Tax

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

Section 7.29.200 Remedies Cumulative

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

Section 7.29.210 Notice of Changes to Ordinance

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

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

Section 7.29.220 Future Amendment to Cited Statute

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

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

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

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

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

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

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

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

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

CITY OF SOUTH GATE:

By: _____
Joshua Barron, Mayor

ATTEST:

By: _____
Yodit Glaze, City Clerk
(SEAL)

APPROVED AS TO FORM:

By: _____
Raul F. Salinas, City Attorney

DRAFT (Y)

ORDINANCE NO. ____

**CITY OF SOUTH GATE
LOS ANGELES COUNTY, CALIFORNIA**

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

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

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

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

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

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

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

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

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

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

Section 2.79.010 Definitions

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

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

1. “Conference bridging service” means an ancillary service that links two or more participants of an audio or video conference call and may include the provision of a telephone number. Conference bridging service does not include the telecommunication services used to reach the conference bridge.
2. “Detailed telecommunication billing service” means an ancillary service of separately stated information pertaining to individual calls on a customer’s billing statement.
3. “Directory assistance” means an ancillary service of providing telephone number information, and/or address information.
4. “Vertical service” means an ancillary service that is offered in connection with one or more telecommunication services, which offers advanced calling features that allow customers to identify callers and to manage multiple calls and call connections, including conference bridging services.
5. “Voice mail service” means an ancillary service that enables the customer to store, send or receive recorded messages. Voice mail service does not include any vertical services that the customer may need to use the voice mail service.

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

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

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

“Communication services” means telecommunication services, ancillary telecommunication services, video services, and ancillary video services.

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

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

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

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

"Month" means a calendar month.

"Non-utility service supplier" means:

1. A service supplier, other than a supplier of electric distribution services to all or a significant portion of the city, which generates electricity for sale to others, and shall include, but is not limited to, any publicly owned electric utility, investor-owned utility, cogenerator, distributed generation provider, exempt wholesale generator, municipal utility district, federal power marketing agency, electric rural cooperative, or other supplier or seller of electricity; or
2. A community choice aggregator, electric service provider (ESP), electricity broker, marketer, aggregator, pool operator, or other electricity supplier other than a supplier of electric distribution services to all or a significant portion of the city, which sells or supplies electricity or supplemental services to electricity users within the city; or
3. A gas service supplier, aggregator, marketer, or broker, other than a supplier of gas distribution services to all or a significant portion of the city, which sells or supplies gas or supplemental services to gas users within the city.

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

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

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

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

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

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

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

“Service address” means:

1. The location of the service user’s place of primary use, such as his or her residential street address or business street address, or
2. The location of the service user’s communication equipment from which the communication originates or terminates, regardless of where the communication is billed or paid, or
3. For prepaid telecommunication service, the location associated with the service number.

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

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

“State” means the state of California.

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

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

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

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

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

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

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

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

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

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

Section 2.79.020 Communications Users Tax

A. Telecommunication Services

1. There is hereby imposed a tax upon every person using telecommunication services in the city. The tax shall be at the rate of 9 percent of all charges made for such services and shall be collected from the service user by the telecommunication services supplier or its billing agent. There is a rebuttable presumption that telecommunication services, which are billed to a billing or service address in the city, are used, in whole or in part, within the city, and such services are subject to taxation under this chapter. If the billing address of the service user is different from the service address, the service address of the service user shall be used to apply the tax. As used in this section, the term "charges" shall include the value of any other services, credits, property of every kind or nature, or other consideration provided by the service user in exchange for the telecommunication services.
2. As used in this section charges for "telecommunication services" shall include, but are not limited to, charges for: connection, reconnection, termination, movement, or change of telecommunication services; late payment fees; detailed billing; central office and custom calling features (including, but not limited to, call waiting, call forwarding, caller identification and three-way calling); voice mail and other messaging services; directory assistance; access and line charges; universal service charges; regulatory, administrative and other cost-recovery charges; local number portability charges; and text and instant messaging. "Telecommunication services" shall not include digital downloads that are not "ancillary telecommunication services," such as music, ringtones, games, and similar digital products.

B. Video Services

1. There is hereby imposed a tax upon every person using video services in the city provided by a video service supplier. The tax shall be at the rate of 9 percent of the charges made for such video services, and shall be collected from the service user by the video service supplier, or its billing agent.
2. As used in this section, "charges" shall include the value of any other services, credits, property of every kind or nature, or other consideration provided by the service user in exchange for video services. Charges for video services shall also include, but are not limited to, charges for the following:

- a. Regulatory fees and surcharges, franchise fees, and access fees (including those to fund public, educational, and government video programming);
 - b. Initial installation of equipment necessary for provision and receipt of video services;
 - c. Late fees, collection fees, bad debt recoveries, and returned-check fees;
 - d. Activation fees, reactivation fees, and reconnection fees;
 - e. Video programming and video services;
 - f. Ancillary video services (e.g., electronic program guide services, recording functions, search functions, or other interactive services or communications that are ancillary, necessary or common to the use or enjoyment of video services);
 - g. Equipment leases (e.g., remote, recording or search devices, converters, remote devices);
 - h. Service calls, service protection plans, name changes, changes of services, and special services;
 - i. Leasing of channel or other access.
- C. Mobile telecommunications service shall be sourced in accordance with the sourcing rules set forth in the Mobile Telecommunications Sourcing Act (4 U.S.C. Section 124). The tax administrator may issue and disseminate to communication service suppliers required to collect a tax under this chapter, sourcing rules for the taxation of other communication services, including, but not limited to, post-paid communication services, prepaid communication services, and private communication services, provided that such rules are based upon custom and common practice that further administrative efficiency and minimize multijurisdictional taxation (e.g., Streamlined Sales and Use Tax Agreement).
- D. The tax administrator, from time to time, may issue and disseminate to communication service suppliers required to collect a tax under this chapter, an administrative ruling identifying those communication services that are subject to the taxes levied by subsections A and B above. Further, the tax administrator, from time to time, may survey communication service suppliers to identify the components of communication services offered to customers within the city, and the charges therefor. The tax administrator, thereafter, may issue and disseminate to such communication service suppliers an administrative ruling identifying components that (1) are necessary for or common to the receipt, use or enjoyment of taxed communication service; or (2) currently are or historically have been included in a bundled rate for taxed communication service. Charges for such components shall be subject to the tax imposed by subsections A and B above.
- E. To prevent actual multijurisdictional taxation of communication services subject to tax under this section, any service user, upon proof to the tax administrator that the service user has previously paid the same tax in another state or city on such communication services,

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

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

Section 2.79.030 Electricity Users Tax

- A. There is hereby imposed a tax upon every person using electricity in the city. The tax imposed by this section shall be at the rate of 9 percent of the charges made for such electricity, and for any supplemental services or other associated activities directly related to and / or necessary for the provision of electricity to the service user, which are provided by a service supplier or non-utility service supplier to a service user.
- B. As used in this section, "charges" includes charges for all services, components, and items that (1) are necessary for or common to the receipt, use, or enjoyment of electric service, or (2) currently are or historically have been included in a single or bundled rate for electric service by a service supplier to retail customers. As used in this section, "charges" shall include the value of any other services, credits, property of every kind or nature, or other consideration provided by a service user in exchange for electricity or services related to the provision of electricity. "Charges" include, but are not limited to, the following:
1. Energy charges;
 2. Distribution or transmission charges;
 3. Metering charges;
 4. Stand-by, reserves, firming, ramping, voltage support, regulation, emergency, or other similar minimum charges for services;
 5. Customer charges, late charges, service establishment or reestablishment charges, demand charges, fuel or other cost adjustments, power exchange charges, independent system operator (ISO) charges, stranded investment or competitive transition charges (CTC), public-purpose-program charges, nuclear decommissioning charges, trust transfer amounts (bond financing charges), franchise fees, franchise surcharges, annual and monthly charges, and other charges, fees or surcharges which are necessary for or common to the receipt, use, or enjoyment of electricity service; and
 6. Charges, fees, or surcharges for electricity services or programs which are mandated by the California Public Utilities Commission or the Federal Energy Regulatory

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

- C. The tax administrator, from time to time, may survey electricity service suppliers to identify the unbundled billing components of electric retail service that they commonly provide to residential and other customers in the city, and the charges therefor, including those items that are mandated by state or federal regulatory agencies as a condition of providing such electricity service. The tax administrator, thereafter, may issue and disseminate to such electricity service suppliers an administrative ruling identifying those components and items which (1) are necessary for or common to the receipt, use or enjoyment of electricity service; or (2) currently are or historically have been included in a single or bundled rate for electricity service by a service supplier to retail customers. Charges for such components and items shall be subject to the tax imposed by subsection A above.
- D. As used in this section, "using electricity" shall not include an electrical corporation's or governmental agency's receiving of electricity for resale.
- E. The tax on electricity provided by self-production or by a non-utility service supplier not required by this chapter to collect the tax shall be collected and remitted as set forth in Section 7.29.045 of this chapter. All other taxes on charges for electricity imposed by this section shall be collected from the service user by the electric service supplier or its billing agent. The amount of tax collected in one month shall be remitted to the tax administrator, and must be received by the tax administrator on or before the 25th day of the following month.

Section 2.79.040 Gas Users Tax

- A. There is hereby imposed a tax upon every person using gas in the city, which is transported and delivered through a pipeline distribution system. The tax imposed by this section shall be at the rate of 9 percent of the charges made for such gas, including all services related to the storage, transportation and delivery of such gas.
- B. There shall be excluded from the base to which the tax imposed by this section is applied:
 - 1. Charges made for gas which is to be resold and delivered through mains or pipes;
 - 2. Charges made for gas to be used in the generation of electrical energy by an electrical corporation; and
 - 3. Charges made by a gas public utility for gas used and consumed in the conduct of the gas public utility's business.
- C. As used in this section, "charges" shall include charges for all services, components and items for gas service that (1) are necessary for or common to the receipt, use, or enjoyment of gas service; or (2) currently are or historically have been included in a single or bundled rate for gas service by a service supplier to retail customers. "Charges" shall include, but is not limited to, the following:

1. The commodity charges for purchased gas, or the cost of gas owned by the service user (including the actual costs attributed to drilling, production, lifting, storage, gathering, trunkline, pipeline, and other operating costs associated with the production, transmission, and delivery of such gas), which is delivered through a gas pipeline distribution system;
 2. Gas transportation charges, including interstate charges to the extent not included in commodity charges;
 3. Storage charges; provided, however, that a service supplier shall not be required to apply the tax to any charges for gas storage services when the service supplier cannot, as a practical matter, determine the jurisdiction in which such stored gas is ultimately used; but it shall be the obligation of the service user to self-collect the amount of tax not applied to any charge for gas storage by the service supplier and to remit the tax to the appropriate jurisdiction;
 4. Capacity or demand charges, late charges, service establishment or reestablishment charges, transition charges, customer charges, minimum charges, annual and monthly charges, and any other charges which are necessary for or common to the receipt, use, or enjoyment of gas service; and,
 5. Charges, fees, or surcharges for gas services or programs mandated by the California Public Utilities Commission or the Federal Energy Regulatory Commission, whether or not such charges, fees, or surcharges appear on a bundled or line-item basis on a customer's bill.
- D. As used in this section, "charges" shall include the value of any other services, credits, property of every kind or nature, or other consideration provided by a service user in exchange for gas or services related to the delivery of gas.
- E. The tax administrator, from time to time, may survey gas service suppliers to identify the unbundled billing components of gas retail service that they commonly provide to residential and other customers in the city, and the charges therefor, including those items that are mandated by state or federal regulatory agencies as a condition of providing such gas service. The tax administrator may issue and disseminate to such gas service suppliers an administrative ruling identifying those components and items which (1) necessary for or common to the receipt, use, or enjoyment of gas service; or (2) currently are or historically have been included in a single or bundled rate for gas service by a gas service supplier to retail customers. Charges for such components and items shall be subject to the tax imposed by subsection A above.
- F. The tax on gas provided by self-production or by a non-utility service supplier not required to collect a tax by this chapter shall be collected and remitted in the manner set forth in Section 7.29.045 of this chapter. All other taxes imposed on charges for gas by this section shall be collected from the service user by the gas service supplier or its billing agent. The amount of tax collected in one month shall be remitted to the tax administrator, and must be received by the tax administrator, on or before the 25th day of the following month.

Section 2.79.045 Collection of Tax from Service Users Making Direct Purchase of Gas or Electricity

- A. Any service user subject to a tax imposed by Section 7.29.030 or by Section 7.29.040 of this chapter, which produces gas or electricity for self-use; which receives gas or electricity, including any related supplemental services, directly from a non-utility service supplier not required to collect a tax imposed by this chapter; or which, for any other reason, does not have the full tax collected and remitted by its service supplier, a non-utility service supplier, or its billing agent on the use of gas or electricity in the city, including any related supplemental services, shall report that fact to the tax administrator and shall remit the tax due directly to the tax administrator within 30 days of such use.
- B. The tax administrator may require such a service user to identify its non-utility service supplier and provide, subject to audit: invoices; books of account; or other satisfactory evidence documenting the quantity of gas or electricity used, including any related supplemental services, and the cost or price thereof. If the service user is unable to provide such satisfactory evidence, or if the tax administrator concludes in his or her reasonable discretion that the cost to calculate the tax is excessive, the tax administrator may determine the tax by applying the tax rate to the equivalent charges the service user would have incurred if the gas or electricity used, including any related supplemental services, had been provided by the primary supplier of gas or electricity within the city. The tax administrator shall make available rate schedules for this purpose.

Section 2.79.050 Water Users Tax

- A. There is hereby imposed a tax upon every person using water in the city which is transported and delivered through a pipeline distribution system. The tax imposed by this section shall be at the rate of 9 percent of the charges made for such water and shall be collected from the service user by the water service supplier or its billing agent.
- B. As used in this section, "charges" shall apply to all services, components and items that
 - (1) are necessary for or common to the receipt, use, or enjoyment of water service; or
 - (2) currently are or historically have been included in a single or bundled rate for water service by a service supplier to retail customers. "Charges" shall include, but is not limited to, the following:
 - 1. Water commodity charges (potable and non-potable),
 - 2. Distribution or transmission charges,
 - 3. Metering charges,
 - 4. Customer charges, late charges, service establishment or reestablishment charges, franchise fees, franchise surcharges, annual and monthly charges, and other charges, fees and surcharges which are necessary for or common to the receipt, use, or enjoyment of water service, and

5. Charges, fees, or surcharges for water services or programs, which are mandated by a water district or a state or federal agency, whether or not such charges, fees, or surcharges appear on a bundled or line-item basis on a customer's bill.
- C. As used in this section, "charges" shall include the value of any other services, credits, property of every kind or nature, or other consideration provided by a service user in exchange for water services.
- D. The tax administrator, from time to time, may survey water service suppliers to identify the unbundled billing components of water retail service that they commonly provide to residential and other customers in the city, and the charges therefor, including those items that are mandated by a wholesale or retail water supplier or a state or federal agency as a condition of providing such water service. The tax administrator, thereafter, may issue and disseminate to such water service suppliers an administrative ruling identifying those components and items which (1) are necessary for or common to the receipt, use, or enjoyment of water service; or (2) currently are or historically have been included in a single or bundled rate for water service by a service supplier to retail customers. Charges for such components and items shall be subject to the tax imposed by subsection A above.
- E. There shall be excluded from the base to which the tax imposed in this section is applied charges for water which is to be resold and delivered through a pipeline distribution system.
- F. The tax on water service imposed by this section shall be collected from a service user by the water service supplier or its billing agent. The amount of tax collected in one month shall be remitted to the tax administrator, and must be received by the tax administrator on or before the 25th day of the following month.

Section 2.79.060 Effect of Comingling Taxable Items with Nontaxable Items

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

Section 2.79.070 Exemptions

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

- B. The taxes imposed by this chapter, shall not apply to any person who:
1. Is 65 years of age or older;
 2. Resides at the service address as his or her primary place of residence; and
 3. Has a combined gross income, including all taxable and non-taxable income of all members of the household in which the person resides, that does not exceed the income threshold established by the Tax Administrator pursuant to subdivision (C) of this section; and
 4. Has filed the application described in subdivision (D) of this section.
- C. The Tax Administrator shall establish, by administrative rule, the household income thresholds applicable to the exemption provided in subdivision (B) of this section. In establishing such thresholds, the Tax Administrator shall use the income eligibility standards published by the California Public Utilities Commission for low-income utility assistance programs, as those standards are updated from time to time, with separate thresholds applicable to households of one or two persons and to households of three or more persons. In no event shall the threshold be set below the applicable CPUC standard in effect at the time of determination. The Tax Administrator shall update the applicable thresholds annually, consistent with any revision to the CPUC standards, and shall make the current thresholds publicly available in English and Spanish.
- D. Any person claiming an exemption under subdivision (B) of this section shall apply to the Tax Administrator on a form approved by the Tax Administrator. The application shall include a declaration under penalty of perjury of the facts qualifying the applicant, including proof of age and documentation sufficient to establish the combined gross income of all household members for the prior calendar year. An approved exemption shall remain in effect unless the service user no longer meets the qualifying criteria, at which point the service user shall notify the Tax Administrator in writing within 30 days of any change in qualifying status. The Tax Administrator shall require annual re-verification of eligibility. A service user who fails to timely notify the Tax Administrator of a change in qualifying status shall not be entitled to a refund of taxes collected and remitted during the period of ineligibility.
- E. Upon request of the Tax Administrator, a service supplier or non-utility service supplier, or its billing agent, shall provide a list of the names and addresses of those customers which, according to its billing records, are deemed exempt from the taxes imposed by this chapter.
- F. The decision of the tax administrator may be appealed pursuant to Section 7.29.170 of this chapter. Application to the tax administrator and appeal to the City Council pursuant to Section 7.29.170 of this chapter are prerequisites to a suit thereon.

Section 2.79.080 Substantial Nexus and Minimum Contacts

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

Section 2.79.090 Duty to Collect and Remit

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

- A. The taxes shall be collected insofar as practicable at the same time as, and along with, the charges made in accordance with the regular billing practice of a service supplier. If a service user pays a service supplier less than the full amount of the charge and tax accrued for the billing period, a proportionate share of both the charge and the tax shall be deemed to have been paid. If a service user has notified the service supplier of refusal to pay the tax imposed on said charges, Section 7.29.130 of this chapter shall apply.
- B. A service supplier's duty to collect tax from a service user shall commence with the beginning of the first regular billing period applicable to the service user in which all charges normally included in such regular billing are subject to the provisions of this chapter. Where a person receives more than one billing, one or more being for different periods than another, the duty to collect shall arise separately for each billing period.
- C. Each person required by this chapter to remit a tax shall file a return with the tax administrator on or before the due date, on forms approved by the tax administrator. The full amount of the tax owed shall be included with the return. The tax administrator is authorized to require such additional information as he or she deems necessary to determine if the tax is being levied, collected, and remitted in accordance with this chapter. Returns are due immediately upon cessation of business for any reason. The tax administrator, and its agents, shall maintain such returns as confidential information.

Section 7.29.100 Collection Penalties – Service Suppliers or Self-Collectors

- A. Taxes collected from a service user, or self-collected by a service user subject to Section 7.29.045 of this chapter, are delinquent if not received by the tax administrator on or before the due date. Should the due date occur on a weekend or legal holiday, the return must be received by the tax administrator on or before the first regular working day following the weekend or legal holiday. A direct deposit, including electronic fund transfers and other similar methods of electronically exchanging monies between financial accounts, made by a service supplier in satisfaction of its obligations under this subsection shall be considered timely if the transfer is initiated on or before the due date, and the transfer settles into the city's account on or before the following business day.
- B. If a service supplier, or a service user subject to Section 7.29.045 of this chapter, fails to remit any tax collected on or before the due date, said person shall pay a penalty for such delinquencies at the rate of 15% of the total tax that is delinquent in the remittance, and shall pay interest at the rate of three-quarters of one (0.75) percent per month, or any fraction thereof, on the amount of the tax, exclusive of penalties, from the date on which the remittance first became delinquent, until paid.
- C. To discourage fraud and cover anticipated costs the City would incur to identify and remedy fraud, the tax administrator shall have the power to impose additional penalties upon persons required to collect and / or remit taxes pursuant to the provisions of this chapter for fraud or gross negligence in collecting, reporting, or remitting tax at the rate of 25% of the tax due.
- D. For collection purposes only, every penalty imposed and such interest that is accrued under the provisions of this section shall become a part of the tax required to be paid.
- E. Notwithstanding the foregoing, the tax administrator may, in his or her discretion, modify the due dates of this chapter to be consistent with any uniform standards or procedures that are mutually agreed upon by other public agencies imposing a utility users tax, or otherwise legally established, to create a central payment location or mechanism. The tax administrator may also enter into written agreements with a service provider to alter the administrative details of this ordinance as appropriate to facilitate tax collection and remittance without undue expense to the service supplier or the City provided, however that no such agreement may materially alter the amounts due to the City.

Section 7.29.110 Actions to Collect

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

Section 7.29.120 Deficiency Determination and Assessment

- A. The tax administrator shall make a deficiency determination if he or she determines that any person required to collect or self-collect taxes pursuant to this chapter has failed to collect and remit the proper amount of tax, including but not limited to, by improperly applying or failing to apply the tax to one or more taxable services or charges.
- B. The tax administrator shall mail a notice of such deficiency determination to the person required to pay or remit the tax, which notice shall refer briefly to the amount of the taxes owed, plus interest at the rate of three-quarters of one (0.75) percent per month, or any fraction thereof, on the tax due from the date the city should have received the tax. Within 14 calendar days after service of such notice, the person may make written request to the tax administrator for a hearing. If the person fails to request a hearing within that time, the amount of the deficiency determination shall become a final assessment, and shall immediately be due and owing to the city.
- C. If the person requests a hearing, the tax administrator shall cause the matter to be set for hearing not later than 30 days after receipt of the request. The tax administrator shall mail notice of the time and place of the hearing to such person at least 10 calendar days before the hearing, and the notice may designate records that said person must produce at such hearing.
- D. At the time fixed for the hearing, the tax administrator or his or her designee shall hear all relevant testimony and evidence, including that of any other interested parties. At the discretion of the tax administrator, the hearing may be continued from time to time to allow presentation of additional evidence. Within a reasonable time following the conclusion of the hearing, the tax administrator or his or her designee shall issue a final assessment confirming, modifying, or rejecting the original deficiency determination, and shall mail a copy of such final assessment to the person owing the tax. The decision of the tax administrator may be appealed pursuant to Section 7.29.170 of this chapter. A hearing request to the tax administrator and an appeal to the city council pursuant to Section 7.29.170 of this chapter are prerequisites to a suit thereon.
- E. Payment of the final assessment shall become delinquent if not received by the tax administrator on or before the 30th day following service of the notice of final assessment. The penalty for delinquency shall be 15% on the assessment, along with interest at the rate of three-quarters of one (0.75) percent per month, or any fraction thereof, on the amount of the tax, exclusive of penalties, from the date of delinquency, until paid.

Section 7.29.130 Nonpaying Service Users

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

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

- B. In addition to the tax owed, the service user shall pay a delinquency penalty at the rate of 15% of the tax owed, and shall pay interest at the rate of three-quarters of one (0.75) percent per month, or any fraction thereof, on the amount of the tax, exclusive of penalties, from the due date, until paid.
- C. The tax administrator shall notify the non-paying service user that the tax administrator has assumed the responsibility to collect the taxes due for the stated periods and demand payment of such taxes, including penalties and interest. The notice shall be served on the service user by personal delivery or by deposit of the notice in the United States mail, postage prepaid, addressed to the service user at the address to which the person required to collect the tax addressed bills; or, should the service user have a change of address, to his or her last known address.
- D. If the service user fails to remit the tax to the tax administrator within 30 days of service of the notice, the tax administrator may impose an additional penalty of 15% of the tax owed.

Section 7.29.140 Additional Powers and Duties of the Tax Administrator

- A. The tax administrator shall have the power and duty, and is hereby directed, to enforce each and all of the provisions of this chapter.
- B. The tax administrator may adopt administrative rules and regulations not inconsistent with provisions of this chapter to interpret, clarify, carry out and enforce the payment, collection and remittance of the taxes herein imposed. A copy of such administrative rules and regulations shall be available for inspection in the tax administrator's office.
- C. To ensure compliance with this chapter, the tax administrator may audit any person required to collect and / or remit a tax pursuant to this chapter. The tax administrator shall notify said person of such an audit in writing. In the absence of fraud or other intentional misconduct, the audit period of review shall not exceed three years next preceding the date of service of notice of audit. Upon completion of the audit, the tax administrator may make a deficiency determination pursuant to Section 2.79.120 of this chapter for all taxes, penalties and interest owed, as evidenced by information provided by such person to the tax administrator. If said person is unable or unwilling to provide sufficient records to enable the tax administrator to verify compliance with this chapter, the tax administrator may make a reasonable estimate of the deficiency. Said reasonable estimate shall be entitled to a rebuttable presumption of correctness.
- D. Upon receipt of a written request of a taxpayer or tax collector, and for good cause, the tax administrator may extend the time for any filing required by this chapter for a period of not to exceed 45 days, provided that the time for filing has not already passed when the tax administrator receives the request. No penalty or interest for delinquent payment shall accrue by reason of such extension.

- E. The tax administrator shall determine the eligibility of any person who asserts a right to exemption from, or a refund of, the tax imposed by this chapter.
- F. The tax administrator may compromise a claim pursuant to this chapter where the portion of the claim proposed to be released is less than \$5,000. With the approval of the city council, the tax administrator may compromise larger claims.
- G. Notwithstanding any provision in this chapter to the contrary, the tax administrator may waive any penalty or interest imposed upon a person required to collect and / or remit tax for failure to do so if the non-collection occurred in good faith and with reasonable diligence. In determining whether the non-collection was in good faith and reasonable diligence, the tax administrator shall consider, but need not be bound by, industry practice or other precedent.

Section 7.29.150 Records

- A. It shall be the duty of every person required to collect and / or remit any tax imposed by this chapter to keep and preserve, for a period of at least three years, all records as may be necessary to determine the tax such person may have been liable to collect and remit, which records the tax administrator shall have the right to inspect at all reasonable times.
- B. The tax administrator may issue an administrative subpoena to compel a person to deliver, to the tax administrator, copies of all records deemed necessary by the tax administrator to establish compliance with this chapter, including the delivery of records in a common electronic format on readily available media if the person keeps such records electronically in the ordinary course of business. As an alternative to delivering the subpoenaed records to the tax administrator on or before the due date provided in the administrative subpoena, such person may provide access to such records outside the city on or before the due date, provided that such person shall reimburse the city for all reasonable travel expenses incurred by the city to inspect those records, including travel, lodging, meals, and other similar expenses, but excluding the normal salary or hourly wages of those who make the inspection.
- C. The tax administrator is authorized to execute a non-disclosure agreement approved by the city attorney to protect the confidentiality of customer information. The tax administrator may request from a person providing transportation or distribution services of gas or electricity to service users within the city, a list of the names, billing and service addresses, quantities of gas or electricity delivered, and other pertinent information, pursuant to Section 6354(e) of the California Public Utilities Code.
- D. If a service supplier uses a billing agent or billing aggregator to bill, collect, and/or remit the tax, the service supplier shall:
 - 1. Provide to the tax administrator the name, address and telephone number of each billing agent and billing aggregator currently authorized by the service supplier to bill, collect, and / or remit the tax; and

2. Upon request of the tax administrator, deliver, or effect the delivery of, any information or record in the possession of such billing agent or billing aggregator that, in the opinion of the tax administrator, is necessary to verify the proper application, calculation, collection and / or remittance of such tax.
- E. If any person required to keep records under this section unreasonably denies the tax administrator, or the tax administrator's designee, access to such records, or fails to produce the information requested in an administrative subpoena within the time specified, the tax administrator may impose a penalty on such person of \$500 for each day following the initial date that the person refuses to provide such access, or following the due date set forth in an administrative subpoena. This penalty shall be in addition to any other penalty imposed under this chapter.

Section 7.29.160 Refunds

- A. Whenever any tax imposed by this chapter has been overpaid, paid more than once, or has been erroneously or illegally collected or received by the tax administrator, it may be refunded as provided in this section.
- B. The tax administrator may refund such tax provided that no refund shall be paid unless the claimant or his or her guardian, conservator, executor or administrator submits a written claim, under penalty of perjury, to the tax administrator within one year of the payment or collection. Such claim must clearly establish claimant's right to the refund by written records. Nothing herein shall permit the filing of a refund claim for a class or group of taxpayers. City council approval shall be required for any individual refund in excess of \$5,000.
- C. The tax administrator, or the city council, as claimed in excess of \$5,000, shall act upon a refund claim within 45 days of its receipt. Said decision shall be final as to the City but subject to judicial review pursuant to Code of Civil Procedure section 1094.5. If the tax administrator or city council fails or refuses to act on a refund claim within the 45-day period, the claim shall be deemed to have been rejected on the 45th day.
- D. The filing of a written claim is a prerequisite to any suit thereon. Any action brought against the city pursuant to this section shall be subject to the provisions of Government Code section 940 et seq.
- E. Notwithstanding other provisions of this section, whenever a service supplier, pursuant to an order of the California Public Utilities Commission, makes a refund to service users of charges for past utility services, the taxes paid pursuant to this chapter on the amount of such refunded charges shall also be refunded to service users, and the service supplier shall be entitled to a credit for such refunded taxes against tax due upon the next monthly return.

Section 7.29.170 Appeals

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

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

- B. Such an aggrieved person may appeal that decision to the city council. Such an appeal must be submitted in writing to the city clerk within 14 days of the date of the deficiency determination, assessment, administrative ruling, or other decision at issue.
- C. The city council shall fix a time and place for hearing such appeal before itself or a hearing officer. The appellant shall be served with notice of the time and place of the hearing, as well as any relevant materials, at least ten calendar days before the hearing. The city council or hearing officer may continue the hearing from time to time. At the time of the hearing, the appealing party, the tax administrator, and any other interested person may present such relevant evidence as he or she may have relating to the determination from which the appeal is taken.
- D. Based upon the submission of evidence and review of the city's files, the hearing officer shall prepare for the city council's consideration, or the city council shall issue a written notice, and order upholding, modifying, or reversing the determination appealed. The city council's decision is final for the city but is subject to judicial review under Code of Civil Procedure Section 1094.6.

Section 7.29.180 Disposition of Funds

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

Section 7.29.190 No Action to Prevent Collection of Tax

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

Section 7.29.200 Remedies Cumulative

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

Section 7.29.210 Notice of Changes to Ordinance

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

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

Section 7.29.220 Future Amendment to Cited Statute

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

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

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

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

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

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

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

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

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

CITY OF SOUTH GATE:

By: _____
Joshua Barron, Mayor

ATTEST:

By: _____
Yodit Glaze, City Clerk
(SEAL)

APPROVED AS TO FORM:

By: **DRAFT** _____
Raul F. Salinas, City Attorney