
MEASURE S

AUBURN CITY MEASURE

Shall the measure to increase funding for general fund purposes in the City of Auburn such as increased fire, police, and code enforcement services, with all funds staying local and all expenditures subject to an annual audit and oversight by a Citizens' Oversight Committee, levying a 1 percent sales tax and raising approximately \$2,560,000 annually, which will automatically expire in seven years unless extended by voters, be adopted?

YES _____

NO _____

IMPARTIAL ANALYSIS BY THE AUBURN CITY ATTORNEY

The City Council placed Measure S on the ballot. Measure S would adopt a general transactions and use tax in the City of Auburn at the rate of one cent for every dollar spent (1%). This kind of tax is often called a "sales" tax. It would only apply to purchases subject to sales taxes. For example, purchases of prescription drugs and most food would not be taxed.

The money from this tax would go into the City's general fund and could be used for any lawful City purpose, including but not limited to increased fire, police and code enforcement services.

All revenues raised by Measure S will belong to the City of Auburn and will stay local. The tax would expire in seven years, and voters could extend, reduce or repeal the tax at any election.

Measure S would require an annual independent audit of City receipts from the tax and how they are spent each year. The City Council would discuss the results of the audit during an open meeting of the City Council and post the audit report on the City's website. Measure S would also require oversight by a Citizens' Oversight Committee, which will make recommendations to the City Council regarding those expenditures. Minutes of the Citizens' Oversight Committee meetings would be placed on the next available regular meeting agenda of the City Council for public inspection and discussion.

A "yes" vote supports imposing the tax; a "no" vote opposes the tax. A simple majority of votes (50% plus 1) will pass or defeat the measure.

Gary B. Bell
Auburn City Attorney

The above statement is an impartial analysis of Measure S. If you desire a copy of the proposed measure, please call the Auburn City Clerk at (530) 823-4211, ext. 112 and a copy will be mailed to you at no cost to you.

ARGUMENT IN FAVOR OF MEASURE S

Auburn Fire and Police Need Your Help! Vote Yes on Measure S!

Auburn's #1 risk to our neighborhoods and businesses is a catastrophic fire, similar to what the Town of Paradise experienced in 2018 with the deadly Camp Fire.

Auburn Police and Fire Departments have been underfunded since 2008. Furthermore, the fire department operates on unstable short-term grants. It's extremely difficult to retain trained firefighters and police officers because we cannot pay to keep them.

Fire, Police, and Public Works play a critical role mitigating fire risks, emergency response, code enforcement, and protecting our community from crime.

The City is at the point where it requires a local source of funding that cannot be raided by the county, state or federal government to maintain and improve the essential services that keep Auburn safe.

Measure S will cost the average Auburn family only a few dollars a month and ensures out of town visitors also contribute to our protection. At 8.25%, the City's sales tax will be in line with other Foothill communities at

similar risk of catastrophic fire such as Grass Valley and Nevada City.

Strong taxpayer safeguards are in place including public audits and a Citizens' Oversight Committee to ensure funds are spent the way voters intend - on fire, police and public works. The sales tax takes effect April 2021 and automatically ends in seven years, April 2028, unless voters decide to renew.

Measure S restores funding for essential services Auburn desperately needs.

Keep Auburn Safe. Protect your family, home, and business.

Vote Yes on Measure S!

For more information go to safety4auburn.com

Daniel Berlant, Mayor, City of Auburn
Robert Haswell, Executive Director, Placer County Visitor's Bureau
Joanne K. Neft, Arts & Agriculture Advocate
Nina Salarno Besselman, President Old Town Business Assoc., President Crime Victims United
Jimmy Mullenix, The Master Technicians-Ret.

ARGUMENT AGAINST MEASURE S

This is an unnecessary TAX INCREASE that will damage the business climate in Auburn. Sales taxes are inherently regressive and this tax increase will especially hurt Auburn residents who can least afford it. The last thing we need right now is higher taxes and more boarded-up businesses.

The proponents talk about "increased" fire, police, and code enforcement services, but this is deceptive. Read the fine print. This measure was cleverly drafted to allow the City Council to spend the money for anything at all, including their own compensation and benefits. We'll be paying higher taxes long after the proponents have moved on to other things. Don't fall for yet another bait-and-switch tax increase!

Paradoxically, this huge tax increase may actually cause a decline in revenue for Auburn because some customers will take their business elsewhere, particularly for high-dollar items that generate substantial sales tax revenues. Even if this tax increase only encourages a small number of people to conduct business outside Auburn City Limits, it will have a

negative impact on our local economy and it may reduce tax revenues, while forcing businesses to close and jobs to disappear. We should learn from the urban blight that exists in so many of California's high-tax cities where businesses are fleeing. There is absolutely no reason for us to take the first step down that miserable road to ruin!

Taxes are high enough already. The politicians have proven that they will not stop raising taxes on their own. We need to STOP THEM BY VOTING NO on this tax increase. Tell Auburn's tax-loving politicians to learn to live within their means.

Please vote NO on Measure S!

Thomas N. Hudson, President of the California Taxpayer Protection Committee
Mark Wright, Chairman of the Placer County Republican Party
Jean Pagnone, Treasurer of the Placer County Taxpayers Association
Gene Kreps, Auburn resident

REBUTTAL TO THE ARGUMENT AGAINST MEASURE S

Auburn's Fire, Police and Public Works Departments have been significantly underfunded since 2008 when budgets were cut by up to 30%.

Unlike other area cities, Auburn does not have any bonds dedicated to fire operations - **Auburn faces a real risk of a catastrophic fire that would devastate our neighborhoods and businesses.**

Measure S Ensures:

- A local funding source that cannot be raided by the state or federal governments
- Annual public audits
- A Citizens' Oversight Committee to honor voters' intent
- Auburn's local sales tax is comparable to other foothill communities facing the same catastrophic fire risk
- Out of town visitors contribute to funding fire prevention, police and public works programs

No one gets rich funding public safety, but **communities have been decimated by catastrophic fires and experienced increased crime, homeless activity and delayed response times** as a result of not properly funding Fire, Police and Public Works Departments. We can't let that happen in Auburn.

Auburn residents deserve a say in the level of services they want in order to protect themselves and their properties from catastrophic events.

Our police and fire departments have warned us for years about funding needs to reduce our catastrophic fire risk and to hire, retain and train officers. They help us when we need it. Now we must help them.

Vote Yes on Measure S.

www.safety4auburn.com

Nicholas S. Willick, Ret Auburn Police Chief

Stephanie Lee Snyder, Auburn Resident

C. E. Anderson, Col USAF Ret.

Jim Holmes, Placer County Supervisor

Bridget Powers, Former Auburn Mayor/Local Business Owner

REBUTTAL TO THE ARGUMENT IN FAVOR OF MEASURE S

This huge TAX INCREASE is unnecessary and deceptive. The City of Auburn has sufficient revenues to fund the public services we need. Auburn's budget has grown much faster than the combination of population growth and inflation in recent years. We need to force the politicians to live within their means by rejecting this tax increase.

Measure S has nothing to do with "increased" funding for police and fire services. Read the text yourself. Measure S is a general tax increase and the revenues can be used for anything. If you think the politicians aren't spending enough for police and fire services, what makes you think they'll change if we give them even more money?

Sales tax increases hurt poor people the most and this is the worst possible time to kick people while they're down. Many Auburn residents have already lost their jobs and local businesses have been forced to close. Increasing the sales tax will make it more expensive to purchase necessities, which will hurt our most vulnerable citizens.

Some consumers and businesses will certainly avoid Auburn's high taxes by making their purchases outside the city. Thus, Measure S will cause businesses to flee to North Auburn and other places outside the city limits, as many have already done. By reducing the number of retail sales in Auburn, Measure S could lead

to a reduction in city revenues. Who will pay the bill for essential government services when that happens?

Vote NO on Measure S!

Thomas N. Hudson, President of the California Taxpayer Protection Committee

Mark Wright, Chairman of the Placer County Republican Party

Jean Pagnone, Treasurer of the Placer County Taxpayers Association

Ed Rowen, President of the Placer County Republican Assembly

Eugene Kreps, Auburn resident

PROPOSED ORDINANCE

ORDINANCE NO. _____

AN ORDINANCE OF THE PEOPLE OF THE CITY OF
AUBURN, CALIFORNIA IMPOSING A GENERAL
TRANSACTIONS AND USE TAX UPON APPROVAL
BY VOTERS, TO BE ADMINISTERED BY THE
CALIFORNIA DEPARTMENT OF TAX AND FEE
ADMINISTRATION

The people of the City of Auburn, California do hereby
ordain as follows:

Section One: Code Adoption. Sections 33.225
through 33.239 ("Transactions and Use Tax") are hereby
added to Chapter 33 ("Finance, Licensing and Taxation")
of the Auburn Municipal Code with the following
provisions:

33.225 TITLE.

This subchapter shall be known as the City of
Auburn Transactions and Use Tax Ordinance. The City
of Auburn will hereinafter be called City. This
subchapter shall be applicable in the incorporated
territory of the City.

33.226 OPERATIVE DATE.

"Operative Date" means the first day of the first
calendar quarter commencing more than 110 days after
the adoption of this subchapter, the date of such
adoption being as set forth below.

33.227 PURPOSE.

This subchapter is adopted to achieve the
following, among other purposes, and directs that the
provisions hereof be interpreted in order to accomplish
those purposes:

- A. To impose a retail transactions and use tax
in accordance with the provisions of Part 1.6
(commencing with Section 7251) of Division
2 of the Revenue and Taxation Code and
Section 7285.9 of Part 1.7 of Division 2
which authorizes the City to adopt this tax
ordinance which shall be operative if a
majority of the electors voting on the
measure vote to approve the imposition of
the tax at an election called for that
purpose.
- B. To adopt a retail transactions and use tax
ordinance that incorporates provisions
identical to those of the Sales and Use Tax
Law of the State of California insofar as
those provisions are not inconsistent with
the requirements and limitations contained
in Part 1.6 of Division 2 of the Revenue and
Taxation Code.

C. To adopt a retail transactions and use tax
ordinance that imposes a tax and provides
a measure therefore that can be
administered and collected by the
California Department of Tax and Fee
Administration in a manner that adapts
itself as fully as practicable to, and requires
the least possible deviation from, the
existing statutory and administrative
procedures followed by the State California
Department of Tax and Fee Administration
in administering and collecting the
California State Sales and Use Taxes.

D. To adopt a retail transactions and use tax
ordinance that can be administered in a
manner that will be, to the greatest degree
possible, consistent with the provisions of
Part 1.6 of Division 2 of the Revenue and
Taxation Code, minimize the cost of
collecting the transactions and use taxes,
and at the same time, minimize the burden
of record keeping upon persons subject to
taxation under the provisions of this
subchapter.

33.228 CONTRACT WITH STATE.

Prior to the operative date, the City shall
contract with the California Department of Tax
and Fee Administration to perform all functions
incident to the administration and operation of
this transactions and use tax ordinance;
provided, that if the City shall not have
contracted with the California Department of Tax
and Fee Administration prior to the Operative
Date, it shall nevertheless so contract and in
such a case the Operative Date shall be the first
day of the first calendar quarter following the
execution of such a contract.

33.229 TRANSACTIONS TAX RATE.

For the privilege of selling tangible
personal property at retail, a tax is hereby
imposed upon all retailers in the incorporated
territory of the City at the rate of 1.0% of the
gross receipts of any retailer from the sale of all
tangible personal property sold at retail in said
territory on and after the Operative Date of this
subchapter.

33.230 PLACE OF SALE.

For the purposes of this subchapter, all
retail sales are consummated at the place of
business of the retailer unless the tangible
personal property sold is delivered by the retailer
or his agent to an out-of-state destination or to a
common carrier for delivery to an out-of-state

destination. The gross receipts from such sales shall include delivery charges, when such charges are subject to the state sales and use tax, regardless of the place to which delivery is made. In the event a retailer has no permanent place of business in the State or has more than one place of business, the place or places at which the retail sales are consummated shall be determined under rules and regulations to be prescribed and adopted by the California Department of Tax and Fee Administration.

33.231 USE TAX RATE.

An excise tax is hereby imposed on the storage, use or other consumption in the City of tangible personal property purchased from any retailer on and after the Operative Date of this subchapter for storage, use or other consumption in said territory at the rate of 1.0% of the sales price of the property. The sales price shall include delivery charges when such charges are subject to state sales or use tax regardless of the place to which delivery is made.

33.232 ADOPTION OF PROVISIONS OF STATE LAW.

Except as otherwise provided in this subchapter and except insofar as they are inconsistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, all of the provisions of Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code are hereby adopted and made a part of this subchapter as though fully set forth herein.

33.233 LIMITATIONS ON ADOPTION OF STATE LAW AND COLLECTION OF USE TAXES.

In adopting the provisions of Part 1 of Division 2 of the Revenue and Taxation Code:

- A. Wherever the State of California is named or referred to as the taxing agency, the name of this City shall be substituted therefor. However, the substitution shall not be made when:
 1. The word "State" is used as a part of the title of the State Controller, State Treasurer, State Treasury, or the Constitution of the State of California;
 2. The result of that substitution would require action to be taken by or against this City or any agency, officer, or employee thereof rather than by or against the California Department of Tax and Fee Administration, in performing the functions incident to the

administration or operation of this subchapter.

3. In those sections, including, but not necessarily limited to sections referring to the exterior boundaries of the State of California, where the result of the substitution would be to:

- a. Provide an exemption from this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not otherwise be exempt from this tax while such sales, storage, use or other consumption remain subject to tax by the State under the provisions of Part 1 of Division 2 of the Revenue and Taxation Code, or;

- b. Impose this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not be subject to tax by the state under the said provision of that code.

4. In Sections 6701, 6702 (except in the last sentence thereof), 6711, 6715, 6737, 6797 or 6828 of the Revenue and Taxation Code.

- B. The word "City" shall be substituted for the word "State" in the phrase "retailer engaged in business in this State" in Section 6203 and in the definition of that phrase in Section 6203.
- C. "A retailer engaged in business in the City" shall also include:

Any retailer that, in the preceding calendar year or the current calendar year, has total combined sales of tangible personal property in California or for delivery in California by the retailer and all persons related to the retailer that exceeds five hundred thousand dollars (\$500,000). That retailer shall be required to collect use tax on the sale of tangible personal property delivered to an address in the City. For purposes of this subdivision, a person is related to another person if both persons are related to each other pursuant to Section 267(b) of Title 26 of the United States Code and the regulations thereunder.

33.234 PERMIT NOT REQUIRED.

If a seller's permit has been issued to a retailer under Section 6067 of the Revenue and Taxation Code, an additional transactor's permit shall not be required by this subchapter.

33.235 EXEMPTIONS AND EXCLUSIONS.

A. There shall be excluded from the measure of the transactions tax and the use tax the amount of any sales tax or use tax imposed by the State of California or by any city, city and county, or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or the amount of any state-administered transactions or use tax.

B. There are exempted from the computation of the amount of transactions tax the gross receipts from:

1. Sales of tangible personal property, other than fuel or petroleum products, to operators of aircraft to be used or consumed principally outside the county in which the sale is made and directly and exclusively in the use of such aircraft as common carriers of persons or property under the authority of the laws of this State, the United States, or any foreign government.

2. Sales of property to be used outside the City which is shipped to a point outside the City, pursuant to the contract of sale, by delivery to such point by the retailer or his agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point. For the purposes of this paragraph, delivery to a point outside the City shall be satisfied:

a. With respect to vehicles (other than commercial vehicles) subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, and undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code by registration to an out-

of-City address and by a declaration under penalty of perjury, signed by the buyer, stating that such address is, in fact, his or her principal place of residence; and

b. With respect to commercial vehicles, by registration to a place of business out-of-City and declaration under penalty of perjury, signed by the buyer, that the vehicle will be operated from that address.

3. The sale of tangible personal property if the seller is obligated to furnish the property for a fixed price pursuant to a contract entered into prior to the Operative Date of this subchapter.

4. A lease of tangible personal property which is a continuing sale of such property, for any period of time for which the lessor is obligated to lease the property for an amount fixed by the lease prior to the Operative Date of this subchapter.

5. For the purposes of subparagraphs (3) and (4) of this section, the sale or lease of tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

C. There are exempted from the use tax imposed by this subchapter, the storage, use or other consumption in this City of tangible personal property:

1. The gross receipts from the sale of which have been subject to a transactions tax under any state-administered transactions and use tax ordinance;

2. Other than fuel or petroleum products purchased by operators of aircraft and used or consumed by such operators directly and exclusively in the use of such aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this State, the United States, or any foreign government. This exemption is in

addition to the exemptions provided in sections 6366 and 6366.1 of the Revenue and Taxation Code of the State of California;

3. If the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into prior to the Operative Date of this subchapter;

4. If the possession of, or the exercise of any right or power over, the tangible personal property arises under a lease which is a continuing purchase of such property for any period of time for which the lessee is obligated to lease the property for an amount fixed by a lease prior to the Operative Date of this subchapter.

5. For the purposes of subparagraphs (3) and (4) of this section, storage, use, or other consumption, or possession of, or exercise of any right or power over, tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

6. Except as provided in subparagraph (7), a retailer engaged in business in the City shall not be required to collect use tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the City or participates within the City in making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the City or through any representative, agent, canvasser, solicitor, subsidiary, or person in the City under the authority of the retailer.

7. "A retailer engaged in business in the City" shall include any retailer of any of the following: vehicles subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, or undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code. That retailer shall be required to collect use tax from any purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in the City.

D. Any person subject to use tax under this subchapter may credit against that tax any transactions tax or reimbursement for transactions tax paid to a district imposing, or retailer liable for a transactions tax pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code with respect to the sale to the person of the property the storage, use or other consumption of which is subject to the use tax.

Section Two: Termination Date. The authority to levy the tax imposed by this Ordinance shall expire seven years from the date the taxes imposed by this article are first collected. After said date, the tax imposed by this Ordinance can only be continued or reestablished by a majority vote of the people of the City of Auburn.

Section Three: Amendments. All amendments subsequent to the Effective Date of this Ordinance to Part 1 of Division 2 of the Revenue and Taxation Code relating to sales and use taxes and which are not inconsistent with Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, and all amendments to Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, shall automatically become adopted and part of this Ordinance; provided, however, that no such amendment shall operate so as to affect the rate of tax imposed by this Ordinance.

Section Four: Enjoining Collection Forbidden. No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action or proceeding in any court against the State or the City, or against any officer of the State or the City, to prevent or enjoin the collection under this Ordinance, or Part 1.6 of Division 2 of the Revenue and Taxation Code, of any tax or any amount of tax required to be collected.

Section Five: Effective Date. This Ordinance relates to the levying and collecting of City transactions and use taxes and shall take effect immediately.

Section Six: Severability. If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the Ordinance or the application of such provision to other persons or circumstances shall not be affected thereby.

Section Seven: Citizen's Oversight Committee. A five-member Citizens' Oversight Committee shall be created and shall meet at least once annually to review the expenditure of revenues generated by the tax increase imposed under this Ordinance. The Citizens' Oversight Committee shall make recommendations to the City Council regarding those expenditures. The minutes of the meetings of the Citizens' Oversight Committee shall be provided to the City Council and placed on the next available regular City Council meeting agenda.

Section Eight: Audit and Review. The proceeds of the tax imposed pursuant to this Ordinance, as well as the expenditures thereof, shall be audited annually by an independent accounting firm. The City

Council shall discuss the results of such audit at a meeting of the City Council that is open to the public. The report of such audit shall be posted on the City's website.

Section Nine: Execution. The City Clerk shall certify to the passage and adoption of this Ordinance and shall give notice of its adoption as required by law. Pursuant to Government Code section 36933, a summary of this Ordinance may be published and posted in lieu of publication and posting of the entire text.

Section Ten: Declaration. The proceeds of the taxes imposed by this Ordinance may be used for any lawful purpose of the City, as authorized by ordinance, resolution or action of the City Council. These taxes are not special taxes within the meaning of Article XIII C, section 1 (d), but are general taxes imposed for general governmental purposes.