

**EXHIBIT A**

**ORDINANCE OF THE CITY OF SAUSALITO ADDING CHAPTER 3.06 TO  
TITLE 3 OF THE SAUSALITO MUNICIPAL CODE IMPOSING A  
TRANSACTIONS AND USE TAX TO BE ADMINISTERED BY THE STATE  
BOARD OF EQUALIZATION (NOVEMBER 4, 2014 BALLOT)**

**CITY OF SAUSALITO  
ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE OF THE CITY OF SAUSALITO  
ADDING CHAPTER 3.06 TO TITLE 3 OF THE SAUSALITO MUNICIPAL CODE  
IMPOSING  
A TRANSACTIONS AND USE TAX TO BE  
ADMINISTERED BY THE STATE BOARD OF EQUALIZATION  
(November 4, 2014 Ballot Measure)**

**WHEREAS**, with tens of thousands of tourists coming to Sausalito each year to shop, this measure ensures that out-of-towners pay their fair share for the strain they place on local services including road and sidewalk maintenance, parks, police and other services they use when they visit our city; and

**WHEREAS**, this measure will not be applied to food purchased as groceries or prescription medication, including prescription medications delivered through the mail, limiting its impact on Sausalito residents; and

**WHEREAS**, no reliable sources of revenue exist to address Sausalito's critical infrastructure and service needs and maintain the City's long-term financial viability; and

**WHEREAS**, Sausalito's storm drains are 80 years old and many are completely deteriorated and rusted through, which allows pollutants, garbage and plastics to spill over into the Bay, and the City needs additional funds to make vital storm drain upgrades to protect water quality and avoid expensive fines and harming the environment; and

**WHEREAS**, many of Sausalito's neighborhood streets and roads are not only deteriorating and riddled with cracks, but are also on steep hillsides, and while the city has made major improvements to a number of streets, we need additional funds to address the concrete streets that are in the worst condition and cost up to five times as much to fix so that we eliminate these hazardous road conditions; and

**WHEREAS**, Sacramento money grabs continually threaten funding for local services, impacting our quality of life, and this measure ensures that our City has a guaranteed source of local funding that cannot be taken by Sacramento and requires that our tax dollars are spent locally for Sausalito residents; and

**WHEREAS**, funds from this measure are subject to strict fiscal accountability and transparency provisions, including annual independent audits and publishing of expenditure reports to ensure funds are spent efficiently and effectively.

***NOW THEREFORE, THE PEOPLE OF THE CITY OF SAUSALITO ORDAIN AS FOLLOWS:***

**Section 1. Recitals.** The People of Sausalito find that the above Recitals are true and correct and are incorporated herein by reference.

**Section 2.** Amendment of the Sausalito Municipal Code to Add Chapter 3.06. Title 3 of the Sausalito Municipal Code is hereby amended to add a new Chapter 3.06, which shall read as follows:

**Chapter 3.06 2014 TRANSACTIONS AND USE TAX**

**Sections**

- 3.06.010 Title.**
- 3.06.020. Operative Date.**
- 3.06.030. Purpose.**
- 3.06.040. Contract with State.**
- 3.06.050. Transactions Tax Rate.**
- 3.06.060. Place of Sale.**
- 3.06.070. Use Tax Rate.**
- 3.06.080. Adoption of Provisions of State Law.**
- 3.06.090. Limitations on Adoption of State Law and Collection of Use Taxes.**
- 3.06.100 Permit Not Required.**
- 3.06.110. Exemptions and Exclusions.**
- 3.06.120. Amendments.**
- 3.06.130. Enjoining Collection Forbidden.**
- 3.06.140. Annual Audit.**
- 3.06.150 Severability.**
- 3.06.160. Effective Date.**
- 3.06.170. Termination Date.**
- 3.06.180 Use of Proceeds.**

**3.06.010. TITLE.** This ordinance shall be known as the 2014 Transaction and Use Tax (the "Ordinance"). The City of Sausalito hereinafter shall be referred to as the "City." This Ordinance shall be applicable in the incorporated territory of the City.

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

**3.06.030. PURPOSE.** This Ordinance is adopted to achieve the following, among other purposes, and the provisions hereof should 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 Division 2 which authorizes the City to adopt this 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 State Board of Equalization 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 Board of Equalization 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 Ordinance.

**3.06.040. CONTRACT WITH STATE.** Prior to the Operative Date, the City shall contract with the State Board of Equalization 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 State Board of Equalization 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.

**3.06.050. TRANSACTIONS TAX RATE.** For the privilege of selling tangible personal property at retail, a tax hereby is imposed upon all retailers in the incorporated territory of the City at the rate of .50% (one half of one percent) 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 Ordinance.

**3.06.060. PLACE OF SALE.** For the purposes of this Ordinance, 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 or her 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 State Board of Equalization.

**3.06.070. 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 Ordinance for storage, use, or other consumption in said territory at the rate of .50% (one half of one percent) 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.

**3.06.080. ADOPTION OF PROVISIONS OF STATE LAW.** Except as otherwise provided in this Ordinance and except insofar as they are inconsistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code ("Transactions and Use Taxes"), all of the provisions of Part 1 (commencing with Section 6061) of Division 2 of the Revenue and Taxation Code ("Sales and Use Taxes") are hereby adopted and made a part of this Ordinance as though fully set forth herein.











