OFFICE OF THE CITY ATTORNEY
DAWN MCINTOSH, City Attorney
411 West Ocean Boulevard, 9th Floor
Long Beach, CA 90802

ORDINANCE NO. ORD-24-0027

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LONG BEACH AMENDING CHAPTER 3.62 OF THE LONG BEACH MUNICIPAL CODE SUBSECTIONS 3.62.030.A, 3.62.030.B, 3.62.030.C, 3.62.050.A, 3.62.050.B, 3.62.050.C, 3.62.140.B, 3.62.140.C, AND 3.62.140.D RELATING TO THE CITY'S TRANSACTIONS AND USE TAX TO BE ADMINISTERED BY THE CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION TO EFFECTUATE THE LANGUAGE FROM COUNTY OF LOS ANGELES MEASURE "A;" DECLARING THE URGENCY THEREOF; AND DECLARING THAT THIS ORDINANCE SHALL TAKE EFFECT IMMEDIATELY

WHEREAS, on June 7, 2016, Long Beach voters approved Measure "A" (2016 Measure "A"), establishing a Transactions and Use Tax ("TUT") for a period of ten (10) years on the sale and/or use of all tangible personal property sold at retail in the City, to provide funding for improvements to and maintenance of public safety and municipal infrastructure, among other City services.

WHEREAS, the 2016 Measure "A" tax was initially approved by voters at a rate of one percent (1%) for the first six operative years of the tax (January 1, 2017 – December 31, 2022) and declining to one-half percent (½%) for the remaining four operative years of the tax (January 1, 2023 – December 31, 2026), with the 2016 Measure "A" tax scheduled to sunset on January 1, 2027; and

WHEREAS, on March 7, 2017, Los Angeles County voters approved County Measure "H" (Sales Tax for Homeless Services and Prevention), a countywide sales and use tax assessed at the rate of one-quarter percent (0.25%) for a period of ten (10) years; and

WHEREAS, when County Measure “H” was approved, the City’s overall sales and use tax rate was at the state-mandated cap of ten and one-quarter percent (10.25%). As a result, the City of Long Beach could not be assessed the County Measure “H” tax rate of one-quarter percent (0.25%) until the City’s tax rates were either reduced or the cap was adjusted; and

WHEREAS, on March 3, 2020, Long Beach voters approved Measure “A” (2020 Measure “A”), extending the term of the 2016 Measure “A” transactions and use tax beyond 2027 by eliminating the 10-year sunset date. The 2020 Measure “A” temporarily reduced the City’s then one percent (1%) tax rate to three-quarters of a percent (¾%) in order to accommodate the one-quarter percent (0.25%) assessed from the County Measure “H” tax to fit within the City’s capped total tax rate of ten and one-quarter percent (10.25%) from January 1, 2023, through the sunset of Measure “H” on October 1, 2027; and

WHEREAS, 2020 Measure “A” was structured to increase its tax rate from three-quarters of a percent (¾%) to one percent (1%) upon the sunset of Measure “H” on October 1, 2027; and

WHEREAS, on October 10, 2023, California Revenue and Taxation Code Section 7286.01 became law and authorized Los Angeles County and cities in the County to exceed the previous sales tax cap of ten and one-quarter percent (10.25%) by an additional one-half percent (0.5%) to ten and three-quarter percent (10.75%); and

WHEREAS, on November 5, 2024, Los Angeles County voters approved Los Angeles County Measure "A," (County Measure “A”) which changed the sunset date of County Measure "H" from October 1, 2027 to April 1, 2025. County Measure "A" replaced the one-quarter percent (0.25%) tax from County Measure "H" with a one-half percent (0.5%) tax; and

WHEREAS, in light of the approval of County Measure “A” and the remaining one-quarter percent (0.25%) available under the ten and three-quarters percent (10.75%) cap, the 2020 Measure “A” tax shall return to one percent (1%) when County Measure “H” sunsets on April 1, 2025, as specified in County Measure “A” and contemplated by City’s

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Measure “A.” With the earlier sunset date of County Measure “H,” the City’s tax rate returned to one percent (1%) as provided in 2020 Measure “A;” and

WHEREAS, the proposed amendments to the City’s Transactions and Use Tax Ordinance effectuates the language from County Measure “A” and its corresponding ordinance; and

WHEREAS, if approved by the City Council, the proposed amendments to the City’s Transactions and Use Tax Ordinance will be incorporated into the Long Beach Municipal Code at Chapter 3.62; and

WHEREAS, on November 5, 2024, County of Los Angeles voters approved County Measure “A,” which includes an effective date of April 1, 2025; and

WHEREAS, due to scrivener’s error in the 2020 Ordinance for City’s Measure “A,” the word “cent” was used instead of “percent” in the following sections of the Long Beach Municipal Code: 3.62.030.A, 3.62.030.B, 3.62.030.C, 3.62.050.A, 3.62.050.B, and 3.62.050.C.

The City Council of the City of Long Beach ordains as follows:

Section 1. Subsections 3.62.030.A, 3.62.030.B, and 3.62.030.C of the Long Beach Municipal Code are amended to read as follows:

3.62.030 - Transactions Tax Rate.

A. One percent (1%) 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 Measure "A" (January 1, 2017) through December 31, 2022.

B. To accommodate Los Angeles County Measures “A” and “H,” three-quarters percent (¾%) of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in said territory on or after January 1, 2023 through March 31, 2025.

C. One percent (1%) of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in said territory on or after April 1, 2025 (the sunset date for Los Angeles County Measure “H” per County of Los Angeles Measure “A”).

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Section 2. Subsections 3.62.050.A, 3.62.050.B and 3.62.050.C of the Long Beach Municipal Code are amended to read as follows:

3.62.050 - Use Tax Rate.

A. One percent (1%) of the sales price of the property on and after the operative date of Measure "A" (January 1, 2017) through December 31, 2022.

B. To accommodate Los Angeles County Measures “A” and “H,” three-quarters percent (¾%) of the sales price of the property on or after January 1, 2023 through March 31, 2025.

C. One percent (1%) of the sales price of the property on or after April 1, 2025 (the sunset date for Los Angeles County Measure "H" per County of Los Angeles Measure “A”).

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.

Section 3. Subsection 3.62.140.B of the Long Beach Municipal Code is amended to read as follows:

3.62.140 - Effect of Los Angeles County Measures “A” and “H” and of Future County Transactions and Use Tax Measures on this Ordinance.

B. From January 1, 2023 until April 1, 2025, the City of Long Beach shall levy and collect a three-quarter cent (¾%) Transactions and Use Tax and Los Angeles County may levy and collect the quarter-cent (¼%) Measure "H" tax within the territory of Long Beach until Measure "H" sunsets on April 1, 2025.

Section 4. Subsection 3.62.140.C of the Long Beach Municipal Code is amended to read as follows:

3.62.140 – Effect of Los Angeles County Measure “H” and of Future County Transactions and Use Tax Measures on this Ordinance.

C. When Measure "H" sunsets on April 1, 2025, per County of Los Angeles Measure “A,” Los Angeles County may levy and collect the half-cent (.5%) Measure "A" tax within the territory of Long Beach, and the City of Long Beach shall again

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be authorized to levy and collect the Transactions and Use Tax at the rate of one cent (1%).

Section 5. Subsection 3.62.140.D of the Long Beach Municipal Code is amended to read as follows:

3.62.140 - Effect of Los Angeles County Measures "A" and "H" and of Future County Transactions and Use Tax Measures on this Ordinance.

D. In the event that Los Angeles County voters approve a future measure after the effective date of this ordinance that enacts a new Transactions and Use Tax that, when aggregated with Long Beach's transactions and use taxes under this ordinance, causes the combined rate limit set forth in Revenue and Taxation Code section 7152.1 to be exceeded, such future County measure shall not have any effect on the City's ability to levy and collect Transactions and Use taxes at the rates set forth herein. Unless State law is amended to increase the combined rate limit under Revenue and Taxation Code sections 7251.1 and 7286.01, or this ordinance is later repealed or amended to reduce its tax rates, Los Angeles County shall not levy nor collect any Transactions and Use Taxes within the territory of Long Beach which were approved by Los Angeles County voters after the effective date of this ordinance.

Section 6. Emergency Measure. This is an emergency measure and is urgently required for the reason that pursuant to California *Revenue and Taxation Code* Section 7265 "[n]o ordinance adopted pursuant to this part shall be operative on other than the first day of a calendar quarter, or prior to the first day of the first calendar quarter, commencing more than 110 days after the adoption of the ordinance." Considering the anticipated effective date of County Measure "A" of April 1, 2025, the effective date of this ordinance must be no later than December 12, 2024. Therefore, it is necessary that this ordinance be passed as an emergency measure, to take effect immediately.

Section 7. Severability. If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the Ordinance and the application of such provision to other persons or circumstances shall not be affected

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thereby.

Section 8. Regular Ordinance. This ordinance shall also be adopted by the City Council as a regular ordinance, to the end that in the event of any defect or invalidity in connection with the adoption of this ordinance as an emergency ordinance, the same shall, nevertheless, be and become effective on the thirty-first (31st) day after it is approved by the Mayor. The City Clerk shall certify to the passage of this ordinance by the City Council of the City of Long Beach and shall cause the same to be posted in three (3) conspicuous places in the City of Long Beach.

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I hereby certify that on a separate roll call and vote which was taken by the City Council of the City of Long Beach upon the question of emergency of this ordinance at its meeting of December 12, 2024, the ordinance was declared to be an emergency by the following vote:

Ayes: Councilmembers: Zendejas, Allen, Duggan, Kerr, Saro, Ricks-Oddie.

Noes: Councilmembers: None.

Absent: Councilmembers: Supernaw, Uranga, Austin.

Recusal(s): Councilmembers: None.

I hereby certify that the foregoing ordinance was adopted by the City Council of the City of Long Beach at its meeting of December 12, 2024, by the following vote:

Ayes: Councilmembers: Zendejas, Allen, Duggan, Kerr, Saro, Ricks-Oddie.

Noes: Councilmembers: None.

Absent: Councilmembers: Supernaw, Uranga, Austin.

Recusal(s): Councilmembers: None.

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I further certify that the foregoing ordinance was thereafter adopted on final reading by the City Council of the City of Long Beach at its meeting of December 17, 2024, by the following vote:

Ayes: Councilmembers: Zendejas, Allen, Duggan, Kerr, Saro, Uranga, Thrash-Ntuk, Ricks-Oddie.

Noes: Councilmembers: None.

Absent: Councilmembers: Supernaw.

Recusal(s): Councilmembers: None.

for Monique De La Garza
City Clerk

Approved: 12/12/24

Mayor

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AFFIDAVIT OF POSTING

STATE OF CALIFORNIA) ss
COUNTY OF LOS ANGELES)
CITY OF LONG BEACH)

Alyssa Campos being duly sworn says: That I am employed in the Department of the City Clerk of the City of Long Beach; that on the 13th day of December 2024, I posted three true and correct copies of Emergency Ordinance No. ORD-24-0027 in three conspicuous places in the City of Long Beach, to wit: One of said copies in the lobby of City Hall in front of the Civic Chambers; one of said copies in the Billie Jean King Main Library; and one of said copies on the front counter of the City Clerk Department.

Alyssa Campos

Subscribed and sworn to before me
This 13th day of December 2024.

for Monique DeLaGarza
CITY CLERK

AFFIDAVIT OF POSTING

STATE OF CALIFORNIA) ss
COUNTY OF LOS ANGELES)
CITY OF LONG BEACH)

Alyssa Campos being duly sworn says: That I am employed in the Department of the City Clerk of the City of Long Beach; that on the 19th day of December 2024, I posted three true and correct copies of Final Emergency Ordinance No. ORD-24-0027 in three conspicuous places in the City of Long Beach, to wit: One of said copies in the lobby of City Hall in front of the Civic Chambers; one of said copies in the Billie Jean King Main Library; and one of said copies on the front counter of the City Clerk Department.

Subscribed and sworn to before me
This 19th day of December 2024.

CITY CLERK