Measure T

EL CENTRO PUBLIC SAFETY/CITY SERVICES MEASURE

Shall the measure maintaining 911 response; helping prevent crime; retaining/attracting well-trained firefighters/paramedics/police; repairing streets/potholes; keeping public areas/parks safe/clean; increasing driver/pedestrian safety; addressing homelessness; retaining/attracting local businesses; maintaining youth recreation, senior, library programs, other general city services; establishing a ½¢ sales tax, providing approximately $8,400,000 annually until ended by voters, requiring audits, public spending disclosure, all funds locally controlled, be adopted?

Yes ____ No ____

FULL TEXT OF BALLOT MEASURE T

The full text of the ballot measure to be printed in the election materials begins below the following line. Letter designation of measure shall be assigned and input by County Registrar.

ORDINANCE NO._________

AN ORDINANCE OF THE CITY OF EL CENTRO, CALIFORNIA, ADDING A NEW ARTICLE VII TO CHAPTER 25 OF THE EL CENTRO CITY CODE TO ESTABLISH A NEW TRANSACTIONS AND USE TAX AT THE RATE OF 0.5% TO BE ADMINISTERED BY THE CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION

WHEREAS, the City of El Centro currently has a transactions and use (sales) tax pursuant to Article VI of Chapter 25 of the El Centro City Code, which expires on June 30, 2047; and

WHEREAS, pursuant to Article XIIIC of the California Constitution, Section 53720 et seq. of the California Government Code, the City has the authority to levy a general tax, including, but not limited to, increasing an existing tax; and

WHEREAS, Article XIIIC, Section 2, of the California Constitution requires that the election at which a general tax increase is submitted to the electorate shall be consolidated with a regularly scheduled general election for members of the governing body of the local government, except in cases of emergency declared by a unanimous vote of the governing body; and

WHEREAS, Part 1.6 (commencing with Section 7251) of Division 2 of the California Revenue and Taxation Code, and Section 7285.9 of the California Revenue and Taxation

Code, authorizes a city to adopt a transactions and use 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; and

WHEREAS, Tuesday, November 3, 2026, is the date of the general municipal election, which has been consolidated with the statewide general election occurring on the same date, at which members of the City Council will be elected.

NOW, THEREFORE, the People of the City of El Centro, California, do hereby ordain as follows:

Recitals. The recitals set forth above are incorporated herein by this reference.

New Article VII. A new Article VII, entitled "Transactions and Use Tax of 2026", is hereby added to Chapter 25 of the El Centro City Code as follows:

Article VII. Transactions and Use Tax of 2026

Section 25-114. – Title.

This Article shall be known as the "Transactions and Use Tax of 2026". The City of El Centro hereinafter shall be called "City." This Article shall be applicable in the incorporated territory of the City.

Section 25-115. – Operative Date.

"Operative Date" means the first day of the first calendar quarter commencing more than 110 days after the adoption of this Article. For purposes of Revenue and Taxation Code section 7265, this Article shall be considered adopted on the date of the election in which it is approved by the qualified voters of the City.

Section 25-116 – Purpose.

This Article 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 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 Article.

Section 25-117. – 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.

Section 25-118. – 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 0.5% 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 Article.

Section 25-119. – Place of Sale.
For the purposes of this Article, 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.

Section 25-120. – 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 Article for storage, use or other consumption in said territory at the rate of 0.5% 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.

Section 25-121. – Adoption of Provisions of State Law.
Except as otherwise provided in this Article 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 Article as though fully set forth herein.

Section 25-122. – 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 Article.

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.

1. “A retailer engaged in business in the District” 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 this state or for delivery in the State by the retailer and all persons related to the retailer that exceeds five hundred thousand dollars ($500,000). For purposes of this section, 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.

Section 25-123. – 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 Article.

Section 25-124. – 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 Article.

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 Article.

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 Article, 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 Article.

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 Article.

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 also 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 Article 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 25-125. – Amendments.

All amendments subsequent to the effective date of this Article 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 a part of this Article, provided however, that no such amendment shall operate so as to affect the rate of tax imposed by this Article.

Section 25-126. – 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 Article, 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 25-127. – Severability.

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

Section 25-128. – Effective Date.
Pursuant to Elections Code Section 9217, this Article shall be considered adopted on the date that the City Council declares that the voters of the City of El Centro have approved Ordinance No. ______ by a vote of no less than a majority of the votes cast by the electors voting at the election held on Tuesday, November 3, 2026, and shall go into effect ten (10) days thereafter.

Section 25-129. – Termination Date.
The taxes imposed by this Article shall remain in effect until repealed by the voters of the City of El Centro.

Section 25-130. – General Tax.
The proceeds from the tax imposed by this Article shall be for unrestricted general revenue purposes of the City and shall be placed into the General Fund of the City.

Section 25-131. – Amendment by City Council.
The City Council has the right and authority to amend this Article, to further its purposes and intent (including but not limited to amendment for more efficient administration as determined by the City Council), in any manner that does not increase a tax rate, or otherwise constitute a tax increase for which voter approval is required by Article XIII C of the California Constitution, pursuant to Section 9217 of the California Elections Code.

Section 25-132. – Annual Audit.
The proceeds resulting from this transactions and use tax shall be deposited into the City's general fund and become subject to the same independent annual audit requirements as other general fund revenue. The independent auditor's report, which shall include an accounting of the revenues received and expenditures made from the transactions and use tax, will be presented annually to the City Council and made available for public review. Further, such independent auditor's report and such presentation thereof to the City Council may be combined with the City's annual financial audit.

Council Authority to Amend. The City Council has the right and authority to amend this Ordinance, to further its purposes and intent (including but not limited to amendment for more efficient administration as determined by the City Council), in any manner that does not increase a tax rate, or otherwise constitute a tax increase for which voter approval is required by Article XIII C of the California Constitution, pursuant to Section 9217 of the California Elections Code.

Environmental Compliance. The City hereby determines that this Ordinance is not in-and-of-itself a "project" pursuant to the California Environmental Quality Act, Public Resources Code section 21000 et seq., including without limitation California Code of Regulations, Title 14, Sections 15378(b)(4) and 15061(b)(3), as it can be seen with certainty that there is no possibility that the adoption of the ordinance itself may have a significant effect on the environment. This Ordinance relates to a transactions and use tax and relates to the creation of City funding mechanisms and City fiscal activities, which does not involve any commitment to any project which may result in a potentially significant physical impact on the environment.

Severability. Should any section, subsection, paragraph, sentence, clause, or phrase of this Ordinance be declared unconstitutional or invalid for any reason, such declaration shall not affect the validity of the remaining portions of this Ordinance.

Date of Adoption; Effective Date. Pursuant to Elections Code Section 9217, this Ordinance shall be considered adopted on the date that the City Council declares that the voters of the City of El Centro have approved this Ordinance by a vote of no less than a majority of the votes cast by the electors voting at the General Municipal Election held on Tuesday, November 3, 2026, and shall go into effect ten (10) days thereafter.

Execution. The Mayor shall sign this Ordinance and the City Clerk shall attest and certify to the passage and adoption of this Ordinance if a majority of the voters voting in the City's general municipal election on November 3, 2026, approve it.

Publication. The City Clerk shall cause this Ordinance to be published in the manner required by law.

PASSED, APPROVED AND ADOPTED BY THE PEOPLE OF THE CITY OF El CENTRO at the General Municipal Election held on November 3, 2026.

IMPARTIAL ANALYSIS

The City Council of El Centro placed Measure T on the ballot for the November 3, 2026, election ("Measure"). The City of El Centro ("City") currently imposes a 0.5% transactions and use tax. This transactions and use tax is a general tax where the tax revenue collected is placed in the City's general fund for general governmental purposes. This Measure, if approved by voters, adds a new Article VII to Chapter 25 of the El Centro City Code, which establishes a new additional 0.5% transactions and use tax so that the total transactions and use tax rate is 1%. This tax will be in effect until ended by voters.

This tax would be assessed on the sale of tangible goods and the storage, use, or other consumption of such goods. This tax would be paid in addition to current sales taxes and would be collected at the same time and in the same manner as existing sales taxes. Both visitors and City residents would pay this tax on retail sales activity in the City of El Centro. Certain purchases, such as groceries or prescription medicine, would be exempt from the tax. The specific transactions and uses subject to the tax would be determined under State law and the regulations of the California Department of Tax and Fee Administration ("CDTFA"). The CDTFA would administer the tax under contract with the City.

If approved, this Measure is a general tax and will generate approximately $8,400,000 annually in additional revenue until ended by voters. Funds generated by the tax would be placed in the City's general fund, are not restricted, and may be used for any City general fund purpose. Further, it would be subject to annual independent auditing.

A "YES" vote is a vote to approve the Measure. A "NO" vote is a vote against the Measure. The Measure would take effect only if it receives a majority "YES" vote at the November 3, 2026, election.

The above statement is an impartial analysis of the Measure. If you desire a copy of the Measure, please call the City of El Centro's City Clerk's Office at 760-337-4564 and a copy will be mailed at no cost to you.

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Joanna Hoff
City Attorney
City of El Centro