

ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY OF LANCASTER
AUTOMATICALLY INCREASING THE TRANSACTIONS AND
USE TAX IF, WHENEVER, AND TO THE EXTENT PERMITTED
BY APPLICABLE LAW**

WHEREAS, on November 3, 2020, voters passed Measure LC, which enacted Chapter 3.14 of the Lancaster Municipal Code and established an additional sales tax of 0.75% within the City of Lancaster (“City”) to fund essential services including street repair, addressing homelessness, emergency response, public safety, maintaining local businesses, protecting water sources, and programs for seniors, veterans, mental health and the community, thereby increasing the total sales tax rate in City from 9.5% to 10.25%; and

WHEREAS, the City is committed to strong community partnerships, safe neighborhoods and parks, quality services to support residents, and respectful and responsive City employees to make the City a strong, caring and safe community for all residents; and

WHEREAS, the City has been proactive in its actions to protect residents during the COVID-19 pandemic, to safely reopen businesses and partner with local employers to ensure a strong economic recovery, serving as a model for other cities in Los Angeles County; and

WHEREAS, the City is committed to maintaining quick 911 emergency response times, youth, veteran and senior services, keeping public spaces safe and clean, addressing homelessness, repairing streets, and maintaining other essential City services; and

WHEREAS, like the rest of the State and the country, the City faces serious fiscal challenges due to the fallout of the COVID-19 pandemic with funding for high-priority services threatened as a result; and

WHEREAS, the City currently expects an alarming decrease in revenues that will severely limit its ability to provide these essential City services; and

WHEREAS, the City has taken cost-saving measures, including implementing hiring and salary freezes for existing employees, reduced operating budgets, capital outlay and a workforce reduction by the elimination of vacant positions; and

WHEREAS, additional locally controlled funding is necessary to protect essential City services and to keep the community strong, healthy and safe into the future; and

WHEREAS, the City Council proposes to submit to City voters an ordinance to automatically increase the City’s Transaction and Use Tax if, whenever, and to the extent permitted by applicable law; and

WHEREAS, the Transaction and Use Tax revenue will remain in the City, overseen by a community oversight committee.

THE PEOPLE OF THE CITY OF LANCASTER DO HEREBY ORDAIN AS FOLLOWS:

Section 1. Recitals. The above recitals are true, correct and constitute a substantive part of this Ordinance.

Section 2. Amendment of Municipal Code. The following sections of Chapter 3.14 (“Transactions and Use Tax”) of the Lancaster Municipal Code are hereby amended to read as follows:

- (a) Section 3.14.050 of the Lancaster Municipal Code is hereby amended in its entirety to read as follows:

3.14.050 Transactions Tax Rate.

A. 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 $\frac{3}{4}$ of a cent per dollar (0.75%) 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 chapter.

B. If, whenever, and to the extent the rate specified in the preceding paragraph may lawfully be increased — whether because another transactions tax expires (e.g., a transactions tax imposed by the County of Los Angeles expires), the Legislature increases the statutory aggregate maximum transactions tax applicable to the City, or otherwise — it shall automatically increase to the maximum extent and rate permitted by law.

- (b) Section 3.14.070 of the Lancaster Municipal Code is hereby amended in its entirety to read as follows:

3.14.070 Use Tax Rate.

A. 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 $\frac{3}{4}$ of a cent per dollar (0.75%) 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.

B. If, when, and to the extent the rate specified in the preceding paragraph may lawfully be increased — whether because another use tax expires (e.g., a use tax imposed by the County of Los Angeles expires), the Legislature increases the statutory aggregate maximum use tax applicable to the City, or

otherwise — it shall automatically increase to the maximum extent and rate permitted by law.

Section 4 Severability. If any section, subsection, subdivision, paragraph, sentence, clause, or phrase added by this Ordinance, or any part thereof, is for any reason held to be unconstitutional or invalid or ineffective by any court of competent jurisdiction, such decision shall not affect the validity of effectiveness of the remaining portions of this ordinance or any part thereof. The people of the City of Lancaster hereby declares that they would have passed each section, subsection, subdivision, paragraph, sentence, clause, or phrase thereof irrespective of the fact that any one or more subsections, subdivisions, paragraphs, sentences, clauses, or phrases are declared unconstitutional, invalid or ineffective.

Section 5. Election Required. This Ordinance shall not become effective unless and a until it is approved by a majority of City voters at the General Municipal Election to be held November 5, 2024.

Section 6. Further Acts. Upon approval by the voters, the City Clerk shall certify to the adoption of this Ordinance and shall cause this ordinance to be published or posted as required by law.

PASSED, APPROVED and ADOPTED by the voters of the City of Lancaster, State of California, at a municipal election held on November 5, 2024.

ATTEST:

APPROVED:

ANDREA ALEXANDER
City Clerk
City of Lancaster

R. REX PARRIS
Mayor
City of Lancaster