

ORDINANCE NO. 2025-__

AN ORDINANCE OF THE CITY OF CULVER CITY, STATE OF CALIFORNIA, AMENDING CHAPTER 3.08 OF THE CULVER CITY MUNICIPAL CODE TO IMPOSE A TRANSACTIONS AND USE TAX FOR NEIGHBORHOOD SAFETY AND CITY SERVICES PROTECTION TO BE ADMINISTERED BY THE CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION

The People of the City of Culver City, California, **DO HEREBY ORDAIN** as follows:

Section 1. Chapter 3.08 of the Culver City Municipal Code, is hereby amended by adding subchapter 3.08.1000 to read as follows:

NEIGHBORHOOD SERVICES AND COMMUNITY SAFETY

TRANSACTIONS AND USE TAX

§ 3.08.1000 TITLE.

§ 3.08.1005 OPERATIVE DATE.

§ 3.08.1010 PURPOSE.

§ 3.08.1015 CONTRACT WITH STATE.

§ 3.08.1020 TRANSACTIONS TAX RATE.

§ 3.08.1025 PLACE OF SALE.

§ 3.08.1030 USE TAX RATE.

§ 3.08.1035 ADOPTION OF PROVISIONS OF STATE LAW.

§ 3.08.1040 LIMITATIONS ON ADOPTION OF STATE LAW AND
COLLECTION OF USE TAXES.

§ 3.08.1045 PERMIT NOT REQUIRED.

§ 3.08.1050 EXEMPTIONS AND EXCLUSIONS.

§ 3.08.1055 AMENDMENTS.

§ 3.08.1060 ENJOINING COLLECTION FORBIDDEN.

1 § 3.08.1065 SEVERABILITY.

2 § 3.08.1070 EFFECTIVE DATE.

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4 **§ 3.08.1000 TITLE.**

5 This Subchapter shall be known as the City of Culver City
6 Neighborhood Services And Community Safety Transactions and Use Tax
7 Ordinance. The City of Culver City hereinafter shall be called "City." This
8 Subchapter shall be applicable in the incorporated territory of the City.

9 **§ 3.08.1005 OPERATIVE DATE.**

10 The operative date of this Subchapter shall be the first day of the
11 first calendar quarter commencing more than 110 days after the adoption
12 of this Subchapter by the voters, the date of such adoption being as set
13 forth below.

14 **§ 3.08.1010 PURPOSE.**

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

18 A. To enhance the City of Culver City's ability to offset rising
19 costs for providing services and protecting essential City services to the
20 residents of Culver City, such as: maintaining 911 emergency response
21 times by retaining firefighters, police officers, paramedics; fully staffing
22 neighborhood fire stations; fixing potholes/streets; continuing senior
23 services and after school programs; maintaining parks and other
24 unrestricted general fund City services.

25 B. To impose a retail transactions and use tax in accordance
26 with the provisions of Part 1.6 (commencing with § 7251) of Div. 2 of the
27 Cal. Rev. and Tax. Code and § 7285.9 of Part 1.7 of Div. 2 which
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1 authorizes the City to adopt this tax Subchapter which shall be operative if
2 a majority of the electors voting on the measure vote to approve the
3 imposition of the tax at an election called for that purpose.

4 C. To adopt a retail transactions and use tax ordinance that
5 incorporates provisions identical to those of the Sales and Use Tax Law of
6 the State of California insofar as those provisions are not inconsistent with
7 the requirements and limitations contained in Part 1.6 of Div. 2 of the Cal.
8 Rev. and Tax. Code.

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

17 E. To adopt a retail transactions and use tax ordinance that can
18 be administered in a manner that will be, to the greatest degree possible,
19 consistent with the provisions of Part 1.6 of Div. 2 of the Cal. Rev. and
20 Tax. Code, minimize the cost of collecting the transactions and use taxes,
21 and at the same time, minimize the burden of record keeping upon
22 persons subject to taxation under the provisions of this Subchapter.

23 **§ 3.08.1015 CONTRACT WITH STATE.**

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

5 **§ 3.08.1020 TRANSACTIONS TAX RATE.**

6 For the privilege of selling tangible personal property at retail, a
7 tax is hereby imposed upon all retailers in the incorporated territory of the
8 City at the rate of one quarter of one percent (0.25%) of the gross receipts
9 of any retailer from the sale of all tangible personal property sold at retail
10 in said territory on and after the operative date of this Subchapter. The tax
11 imposed herein is in addition to any other transactions tax imposed by the
12 City, the County of Los Angeles, or the State of California.

13 **§ 3.08.1025 PLACE OF SALE.**

14 For the purposes of this Subchapter, all retail sales are
15 consummated at the place of business of the retailer unless the tangible
16 personal property sold is delivered by the retailer or its agent to an out-of-
17 state destination or to a common carrier for delivery to an out-of-state
18 destination. The gross receipts from such sales shall include delivery
19 charges, when such charges are subject to the state sales and use tax,
20 regardless of the place to which delivery is made. In the event a retailer
21 has no permanent place of business in the State or has more than one
22 place of business, the place or places at which the retail sales are
23 consummated shall be determined under rules and regulations to be
24 prescribed and adopted by the California Department of Tax and Fee
25 Administration.

1 **§ 3.08.1030 USE TAX RATE.**

2 An excise tax is hereby imposed on the storage, use or other
3 consumption in the City of tangible personal property purchased from any
4 retailer on and after the operative date of this Subchapter for storage, use
5 or other consumption in said territory at the rate of one-quarter of one
6 percent (0.25%) of the sales price of the property. The sales price shall
7 include delivery charges when such charges are subject to state sales or
8 use tax regardless of the place to which delivery is made. The tax
9 imposed herein is in addition to any other transactions tax imposed by the
10 City, the County of Los Angeles, or the State of California.

11 **§ 3.08.1035 ADOPTION OF PROVISIONS OF STATE LAW.**

12 Except as otherwise provided in this Subchapter and except
13 insofar as they are inconsistent with the provisions of Part 1.6 of Div. 2 of
14 the Cal. Rev. and Tax. Code, all of the provisions of Part 1 (commencing
15 with § 6001) of Div. 2 of the Cal. Rev. and Tax. Code are hereby adopted
16 and made a part of this Subchapter as though fully set forth herein.

17 **§ 3.08.1040 LIMITATIONS ON ADOPTION OF STATE LAW AND**
18 **COLLECTION OF USE TAXES.**

19 In adopting the provisions of Part 1 of Div. 2 of the Cal. Rev. and
20 Tax. Code:

21 A. Wherever the State of California is named or referred to as
22 the taxing agency, the name of this City shall be substituted therefor.
23 However, the substitution shall not be made when:

24 1. The word "State" is used as a part of the title of the State
25 Controller, State Treasurer, State Treasury, or the Constitution of the
26 State of California;

1 2. The result of that substitution would require action to be
2 taken by or against this City or any agency, officer, or employee thereof
3 rather than by or against the California Department of Tax and Fee
4 Administration, in performing the functions incident to the administration or
5 operation of this Subchapter.

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

9 a. Provide an exemption from this tax with respect to certain
10 sales, storage, use or other consumption of tangible personal property
11 which would not otherwise be exempt from this tax while such sales,
12 storage, use or other consumption remain subject to tax by the State
13 under the provisions of Part 1 of Div. 2 of the Cal. Rev. and Tax. Code, or;

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

17 4. In §§ 6701, 6702 (except in the last sentence thereof),
18 6711, 6715, 6737, 6797 or 6828 of the Cal. Rev. and Tax. Code.

19 B. The word "City" shall be substituted for the word "State" in the
20 phrase "retailer engaged in business in this State" in § 6203 and in the
21 definition of that phrase in § 6203. A "retailer engaged in business" under
22 that section shall also include any retailer that, in the preceding calendar
23 year or the current calendar year, has total combined sales of tangible
24 personal property in this state or for delivery in the state by the retailer and
25 all persons related to the retailer that exceeds five hundred thousand
26 dollars (\$500,000). For purposes of this section, a person is related to
27 another person if both persons are related to each other pursuant to
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1 Section 267(b) of Title 26 of the United States Code and the regulations
2 thereunder.

3 **§ 3.08.1045 PERMIT NOT REQUIRED.**

4 If a seller's permit has been issued to a retailer under § 6067 of
5 the Cal. Rev. and Tax. Code, an additional transactor's permit shall not be
6 required by this Subchapter.

7 **§ 3.08.1050 EXEMPTIONS AND EXCLUSIONS.**

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

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

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

21 2. Sales of property to be used outside the City which is
22 shipped to a point outside the City, pursuant to the contract of sale, by
23 delivery to such point by the retailer or its agent, or by delivery by the
24 retailer to a carrier for shipment to a consignee at such point. For the
25 purposes of this Paragraph, delivery to a point outside the City shall be
26 satisfied:

1 a. With respect to vehicles (other than commercial vehicles)
2 subject to registration pursuant to Chapter 1 (commencing with § 4000) of
3 Div. 3 of the Cal. Vehicle Code, aircraft licensed in compliance with §
4 21411 of the Cal. Pub. Util. Code, and undocumented vessels registered
5 under Div. 3.5 (commencing with § 9840) of the Cal. Vehicle Code by
6 registration to an out-of-City address and by a declaration under penalty of
7 perjury, signed by the buyer, stating that such address is, in fact, his or her
8 principal place of residence; and

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

12 3. The sale of tangible personal property if the seller is
13 obligated to furnish the property for a fixed price pursuant to a contract
14 entered into prior to the operative date of this Subchapter.

15 4. A lease of tangible personal property which is a continuing
16 sale of such property, for any period of time for which the lessor is
17 obligated to lease the property for an amount fixed by the lease prior to
18 the operative date of this Subchapter.

19 5. For the purposes of Subparagraphs 3. and 4. of this
20 Section, the sale or lease of tangible personal property shall be deemed
21 not to be obligated pursuant to a contract or lease for any period of time
22 for which any party to the contract or lease has the unconditional right to
23 terminate the contract or lease upon notice, whether or not such right is
24 exercised.

25 C. There are exempted from the use tax imposed by this
26 Subchapter, the storage, use or other consumption in this City of tangible
27 personal property:
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1 1. The gross receipts from the sale of which have been subject
2 to a transactions tax under any State-administered transactions and use
3 tax ordinance.

4 2. Other than fuel or petroleum products purchased by
5 operators of aircraft and used or consumed by such operators directly and
6 exclusively in the use of such aircraft as common carriers of persons or
7 property for hire or compensation under a certificate of public convenience
8 and necessity issued pursuant to the laws of this State, the United States,
9 or any foreign government. This exemption is in addition to the
10 exemptions provided in §§ 6366 and 6366.1 of the Cal. Rev. and Tax.
11 Code of the State of California.

12 3. If the purchaser is obligated to purchase the property for a
13 fixed price pursuant to a contract entered into prior to the operative date of
14 this Subchapter.

15 4. If the possession of, or the exercise of any right or power
16 over, the tangible personal property arises under a lease which is a
17 continuing purchase of such property for any period of time for which the
18 lessee is obligated to lease the property for an amount fixed by a lease
19 prior to the operative date of this Subchapter.

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

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

7 7. "A retailer engaged in business in the City" shall also
8 include any retailer of any of the following: vehicles subject to registration
9 pursuant to Chapter 1 (commencing with § 4000) of Div. 3 of the Cal.
10 Vehicle Code, aircraft licensed in compliance with § 21411 of the Cal.
11 Pub. Util. Code, or undocumented vessels registered under Div. 3.5
12 (commencing with § 9840) of the Cal. Vehicle Code. That retailer shall be
13 required to collect use tax from any purchaser who registers or licenses
14 the vehicle, vessel, or aircraft at an address in the City.

15 D. Any person subject to use tax under this Subchapter may
16 credit against that tax any transactions tax or reimbursement for
17 transactions tax paid to a district imposing, or retailer liable for a
18 transactions tax pursuant to Part 1.6 of Div. 2 of the Cal. Rev. and Tax.
19 Code with respect to the sale to the person of the property the storage,
20 use or other consumption of which is subject to the use tax.

21 **§ 3.08.1055 AMENDMENTS.**

22 All amendments subsequent to the effective date of this
23 Subchapter to Part 1 of Div. 2 of the Cal. Rev. and Tax. Code relating to
24 sales and use taxes and which are not inconsistent with Part 1.6 and Part
25 1.7 of Div. 2 of the Cal. Rev. and Tax. Code, and all amendments to Part
26 1.6 and Part 1.7 of Div. 2 of the Cal. Rev. and Tax. Code, shall
27 automatically become a part of this Subchapter, provided however, that no
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1 such amendment shall operate so as to affect the rate of tax imposed by
2 this Subchapter.

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4 **§ 3.08.1060 ENJOINING COLLECTION FORBIDDEN.**

5 No injunction or writ of mandate or other legal or equitable
6 process shall issue in any suit, action or proceeding in any court against
7 the State or the City, or against any officer of the State or the City, to
8 prevent or enjoin the collection under this Subchapter, or Part 1.6 of Div. 2
9 of the Cal. Rev. and Tax. Code, of any tax or any amount of tax required
10 to be collected.

11 **§ 3.08.1065 SEVERABILITY.**

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

16 **§ 3.08.1070 EFFECTIVE DATE.**

17 This Subchapter relates to the levying and collecting of the City
18 transactions and use taxes and shall take effect immediately upon its
19 adoption by a majority vote of the qualified electors of the City voting in an
20 election on the subject.

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22 **Section 2.** Approval by the City Council. Pursuant to California Government Code
23 section 53724 and Revenue and Taxation Code section 7285.9, this Ordinance was duly
24 approved for placement on the ballot by a minimum two-thirds (2/3) supermajority of all
25 members of the City Council on April 14, 2025.
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Section 3. Approval by the Voters. Pursuant to California Elections Code section 9217, this Ordinance shall be deemed adopted and take effect only if approved by a majority of the eligible voters of the City of Culver City voting at the Special Municipal Election of August 26, 2025. It shall be deemed adopted when the City Council has certified the results of that election by resolution and shall take effect ten (10) days thereafter.

Section 4. Audits. The proceeds of the tax imposed by this ordinance, as well as the expenditure 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 5. 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 thereby.

I hereby certify that the foregoing Ordinance was PASSED, APPROVED and ADOPTED by the People of the City of Culver City voting on the 26th day of August, 2025.

DAN O'BRIEN, Mayor
City of Culver City, California

ATTEST:

APPROVED AS TO FORM:

Wm. W. Baker

Jeremy Bocchino
City Clerk

Heather Baker
City Attorney