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1 SECTION 1. The Real Property Transfer Tax Rules and Procedures
2 established pursuant to CCMC section 3.08.400.D, attached hereto as Exhibit A,
3 and incorporated herein as though fully set forth, are determined to be necessary
4 and desirable for the implementation of CCMC section 3.08.400, and are hereby
5 approved and adopted by the City Council.

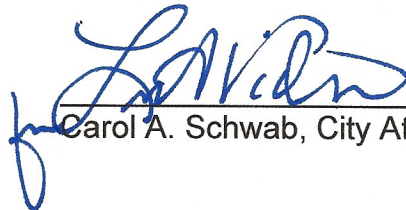
6 This Resolution shall take effect as of the date of its adoption. Approved
7 and adopted this ___ day of March, 2021.

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10 _____
Alex Fisch, Mayor

11
12 ATTEST:

13 APPROVED AS TO FORM:

14 _____
15 Jeremy Green, City Clerk

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17 _____
18 Carol A. Schwab, City Attorney
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Onyx Jones
Finance Director

EXHIBIT A

CITY OF CULVER CITY

9770 Culver Boulevard, Culver City, California 90232

310 253-5865
finance.dept@culvercity.org

REAL PROPERTY TRANSFER TAX (ORDINANCE NO. 2020-016) RULES AND PROCEDURES

Pursuant to the authority granted under Culver City Municipal Code ("CCMC") Section 3.08.400.D, the City Council has established via Resolution 2021-R____ these Rules and Procedures that are necessary and desirable for implementation of CCMC Section 3.08.400, Real Property Transfer Tax, Tax Imposed.

Authority: Section 3.08.400.D of the Culver City Municipal Code provides:

The City Council is authorized to establish such rules and procedures that are necessary and desirable for implementation of this Section 3.08.400 and may amend any aspect of this Subchapter 3.08.400 et seq. as long as the amendment does not result in an increase in the authorized tax rate.

Background and Summary: On November 3, 2020 Culver City voters approved Measure RE, an ordinance of the People of the City of Culver City, amending Section 3.08.400 of the Culver City Municipal Code to increase the real property transfer tax rates on transfers or sales of \$1,500,000 or greater, with exceptions for affordable housing and first transfer of certain newly constructed multi-family dwelling units.

These rules and procedures allow buyers and sellers to understand the amount of tax they owe, to prevent underpayment or overpayment; allow buyers and sellers to understand before paying the tax whether their property transfer qualifies for a lower tax rate; provides for the City to audit taxes paid to ensure the correct amount of tax has been remitted; and describes methods by which the City will attempt to collect any unpaid tax due.

Rules and Procedures: CCMC Section 3.08.400 will be implemented by the City as follows:

1. When calculating the amount of tax owed, the taxpayer may round down to the nearest dollar the consideration or value of the interest or property conveyed, including the value of any lien or encumbrances remaining therein at the time of sale.
2. If the consideration or value of the interest or property conveyed, including the value of any lien or encumbrances remaining therein at the time of sale, rounded down to the nearest dollar is \$100.00, the property will be considered

exempt from the Real Property Transfer Tax because the property will be considered to not be valued at more than \$100.00.

3. The calculation of the amount of tax owed shall be as follows, based on the full consideration or value of the interest or property conveyed, including the value of any lien or encumbrances remaining therein at the time of sale, rounded down to the nearest dollar:
 - Value of \$1,499,999 or less: $0.0045 \times \text{Value}$
 - Value from \$1,500,000 to \$2,999,999: $\$6,750 + 0.015 \times (\text{Value} - \$1,500,000)$
 - Value from \$3,000,000 to \$9,999,999: $\$29,249.99 + 0.03 \times (\text{Value} - \$3,000,000)$
 - Value from \$10,000,000 and over: $\$239,249.96 + 0.04 \times (\text{Value} - \$10,000,000)$
4. The amount of tax due may be rounded down to the nearest penny (\$0.01) if the calculated amount of tax includes any fractional amounts less than \$0.01.
5. Unless a taxpayer establishes to the satisfaction of the City Chief Financial Officer at the time the tax is due that the taxpayer or a particular transfer is exempt from the tax or entitled to a reduced tax rate under section 3.08.400(C), the full amount of tax provided under section 3.08.400(A) shall be due. A taxpayer who is entitled to an exemption or reduction of tax under section 3.08.400(C) or other law may claim a refund pursuant to section 3.08.465.
6. The City Chief Financial Officer or their designee may audit tax payments to ensure the correct amount of tax has been paid.
7. The City Chief Financial Officer and the City Attorney or their designee may take all necessary steps to collect any unpaid tax, including use of a collection agency, filing a civil suit to enforce delinquencies, reducing the obligation to judgment, and filing an abstract of judgment with the County Recorder in order to lien property.
8. The City Manager or their designee is authorized to administer and enforce subchapter 3.08.400 of the Culver City Municipal Code, which may include promulgating guidelines, procedures, and rules consistent with the provisions of the subchapter.