

**ORDINANCE 2024-769**

**AN ORDINANCE OF THE CITY OF FORTUNA  
TO INCREASE THE EXISTING CITY OF FORTUNA TRANSACTIONS AND USE TAX TO BE  
ADMINISTERED BY THE CALIFORNIA DEPARTMENT OF TAX AND FEE  
ADMINISTRATION, SUBJECT TO APPROVAL OF A MAJORITY OF THE ELECTORS  
VOTING ON THE TAX MEASURE AT THE GENERAL MUNICIPAL ELECTION TO BE  
HELD ON TUESDAY, NOVEMBER 5, 2024**

**WHEREAS**, pursuant to California Revenue and Taxation Code § 7285.9, the City of Fortuna ("City") has the authority to levy a local transactions and use tax for general purposes ("TUT"); and

**WHEREAS**, at the General Municipal Election on Tuesday, November 8, 2016, the qualified voters of the City of Fortuna approved Measure E, which imposed a three-quarters cent TUT for an eight (8) year period through and including March 31, 2025, to ensure a reliable, locally-controlled source of funds to address, plan, and prepare for community priorities including increasing police protection services; maintaining 9-1-1 response; nuisance abatement; repairing and maintaining streets, sidewalks, and drainage; maintaining parks; maintaining programs for youth and seniors; and maintaining other essential services; and

**WHEREAS**, at the General Municipal Election on Tuesday, November 3, 2020, the qualified voters of the City of Fortuna approved Measure G, which extended the sales tax through March 31, 2033; and

**WHEREAS**, the revenues derived from Measure E are essential to maintain and continue to improve essential city services; however, due to rising costs and inflationary pressures, the revenues derived from Measure E are insufficient to continue to maintain the programs and services funded by Measure E; and

**WHEREAS**, the City Council desires to propose to the qualified voters of the City of Fortuna an ordinance to increase the TUT with all revenues continuing to be subject to an independent audit and overseen by a community oversight committee.

**NOW, THEREFORE, the People of the City of Fortuna do ordain as follows:**

**SECTION 1. APPROVAL OF TAX INCREASE.** The qualified votes of the City of Fortuna hereby approve and adopt an ordinance increasing the currently imposed transaction and use tax rate, as codified in Chapter 3.13 of Title 3 of the Fortuna Municipal Code, from three quarters of one percent per dollar to a rate not to exceed one-and one-half percent per dollar, effective April 1, 2025, through March 31, 2033, unless sooner repealed by the voters or rescinded by four-fifths vote of the City Council.

**SECTION 2. AMENDMENT TO THE MUNICIPAL CODE.** Section 3.13.050 of Chapter 3.13 of Title 3 of the Fortuna Municipal Code is hereby deleted and replaced in its entirety as follows:

**3.13.050 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 0.75 percent per dollar 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. Effective April 1, 2025, and continuing thereafter through March 31, 2033, unless sooner repealed by the voters or rescinded by the City Council, the rate of .75 percent per dollar of the gross receipts set forth above in subdivision A of this Section 3.13.050 shall be increased to a rate of 1.5 percent per dollar of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in said territory or a lesser rate (in one-eight increments) as approved by resolution of the City Council. The increased transaction tax rate of 1.5 percent shall be authorized and effective through March 31, 2033, unless sooner terminated in accordance with this Chapter.

**SECTION 3. AMENDMENT TO THE MUNICIPAL CODE.** Section 3.13.070 of Chapter 3.13 of Title 3 of the Fortuna Municipal Code is hereby deleted and replaced in its entirety as follows:

**3.13.070 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 chapter for storage, use or other consumption in said territory at the rate of 0.75 percent per dollar 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. Effective April 1, 2025, and continuing thereafter through March 31, 2033, unless sooner repealed by the voters or rescinded by the City Council, the rate of 0.75 percent per dollar of the sales price set forth in subdivision A of this Section 3.13.070 shall be increased to 1.5 percent per dollar of the sales price of the property or a lesser rate (in one-eight increments) as approved by resolution of the City Council. The increased use tax rate of 1.5 percent shall be authorized and effective through March 31, 2033, unless sooner terminated in accordance with this Chapter.

**SECTION 4. EFFECTIVE DATE.** This ordinance relates to the levying and collecting of the City transactions and use taxes and shall take effect only if approved by a majority of the voters voting on the measure at the November 5, 2024 General Municipal Election and shall become effective ten (10) days after the City Council declares and certifies by resolution the results of the election and that the measure was approved by a majority of the voters voting thereon.

**SECTION 6. CERTIFICATION AND PUBLICATION.** Upon approval by the voters, the City Clerk shall certify to the passage and adoption of this ordinance and shall cause it to be published according to law and transmitted to the Board of Equalization.

**SECTION 7. COMPLIANCE WITH THE CALIFORNIA ENVIRONMENTAL QUALITY ACT.** The approval of this Ordinance is exempt from the California Environmental Quality Act (Public Resources Code §§ 21000 et seq., “CEQA,” and 14 Cal. Code Reg. §§ 15000 et seq., “CEQA Guidelines”). The transactions and use tax enacted by this Ordinance is a general tax that can be used for any legitimate governmental purpose; it is not a commitment to any particular action. As such, under CEQA Guidelines section 15378(b)(4), the tax is not a project within the meaning of CEQA because it creates a government funding mechanism that does not involve any commitment to any specific project that may result in a potentially significant physical impact on the

environment. If revenue from the tax were used for a purpose that would have either such effect, the city would undertake the required CEQA review for that particular project. Therefore, pursuant to CEQA Guidelines section 15060 CEQA analysis is not required.

**PASSED AND ADOPTED** by the City Council of the City of Fortuna on the \_\_\_ day of June, 2024, by at least a two-thirds vote of the City Council, as follows:

- AYES:
- NAYS:
- ABSENT:
- ABSTAIN:

\_\_\_\_\_  
Tami Trent, Mayor

ATTEST:

\_\_\_\_\_  
Siana Emmons, City Clerk

DRAFT

Approved As To Form:

\_\_\_\_\_  
Ryan T. Plotz, City Attorney