

RESOLUTION NO. NS-28,265

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA CRUZ APPROVING \$100
MONTHLY UTILITY USERS TAX EXEMPTIONS FOR LOW INCOME AND
SENIOR CITIZEN SERVICE USERS

WHEREAS, on August 3, 2010, the City Council adopted Resolution No. NS-28,249 ordering an election and requesting County Elections to place the following ballot measure on the upcoming November 2, 2010, ballot: "To preserve the safety and quality of life of the City of Santa Cruz through City services—including law enforcement, fire protection, emergency medical response, park maintenance and youth programs—and to ensure that all taxpayers are treated fairly, shall the City's existing utility users tax be broadened to include changes in technology and laws, and increased by 1.5%, while including protections for low-income residents and seniors, and ensuring that all funds remain local?

Yes _____ No _____"; and

WHEREAS, section 3.29.030 (c) of the proposed City ordinance amending Chapter 3.29 of Title 3 of the Santa Cruz Municipal Code, concerning Exemptions from the City's utility users tax reads as follows:

"The City Council may, by resolution, establish one or more classes of persons or one or more classes of utility service otherwise subject to payment of a tax imposed by this chapter 3.29 and provide that such classes of persons or service shall be exempt, in whole or in part from such tax for a specified period of time." ; and

WHEREAS, it is in the public interest to provide certain exemptions from the proposed utility users tax to low-income households and to seniors on fixed incomes.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the City Council, upon approval of the proposed ballot measure by the electorate on November 2, 2010, and upon implementation of the related ordinance and utility tax increase by service provider Pacific, Gas, and Electric, hereby grants exemptions from the Electricity Users Tax described in section 3.29.050 of the proposed ordinance and from the Gas Users Tax described in section 3.29.060 of the proposed ordinance as follows:

A. Low Income Exemption.

1) A residential service user shall be exempt from paying electricity users taxes and gas users taxes on the first \$100 in combined monthly charges for electricity services and gas services if he or she is qualified for and enrolled in the Pacific Gas & Electric Company ("PG&E") California Alternate Rates for Energy ("CARE") program. Individuals receiving the exemption granted hereunder must reside at the location receiving the service; the exemption shall not apply to any nonresidential location.

2) Upon a showing of hardship by the service supplier, the Tax Administrator may, as an alternative, implement this exemption by requiring the exempt person to pay the tax and seek a refund under section 3.18.170 of the proposed ordinance. The Tax Administrator shall provide a refund claim form for this purpose.

B. Senior Citizen Exemption.

- 1) A residential service user shall be exempt from paying electricity users taxes and gas users taxes on the first \$100 in combined monthly charges for electricity services and gas services if either: a) he or she resides alone, and is 65 years of age or older; or b) he or she shares his or her residence with a spouse or registered domestic partner, and at least one of them is 65 years of age or older. Individuals receiving the exemption granted hereunder must reside at the location receiving the service; the exemption shall not apply to any nonresidential location.
- 2) Any service user seeking a senior citizen exemption shall file an application with the Tax Administrator for an exemption. Said application shall be made upon a form approved by the Tax Administrator and shall state those facts, declared under penalty of perjury, which qualify the applicant for an exemption, and shall include the name of the gas and electric service supplier serving the service user. A Driver's License or Identification (ID) Card issued by the California Department of Motor Vehicles shall be *prima facie* proof of age. The Tax Administrator shall within sixty (60) days of receipt of an application for exemption determine whether the exemption is granted and, if so, notify the service supplier. The exemption shall apply from the date of the Tax Administrator's determination that the service user qualifies for the exemption.
- 3) The exemption granted to a person shall become effective on the beginning of the second regular billing period which commences after the Tax Administrator has notified the service supplier that a senior citizen exemption has been granted. Upon a showing of hardship by the service supplier, the Tax Administrator may, as an alternative, implement this exemption by requiring the exempt person to pay the tax and seek a refund under section 3.18.170 of the proposed ordinance. The Tax Administrator shall provide a refund claim form for this purpose.
- 4) On one occasion during any five year period, the Tax Administrator in his or her sole discretion may require written verification from the service user of his or her continuing eligibility for the exemption.
- 5) If the Tax Administrator determines that an application for exemption is faulty, that the applicant has failed to truthfully set forth facts, or that the facts do not support the application for exemption, the application shall be denied in writing to the applicant. The applicant shall thereafter have a right to file an amended application, or to appeal the Tax Administrator's decision to the City Manager within a ten-day period after the mailing date of the Tax Administrator's notification. In the case of an appeal, the City Manager shall review the facts in consultation with the City Attorney and shall render a final determination on such appeal.

C. General Provisions Applicable To Both Low Income And Senior Citizen Exemption.

- 1) All City utility customers shall be notified about the low income and senior citizen exemptions initially through an insert in all monthly City utility bills. The insert will also include a senior citizen exemption application form. Additionally, the same insert shall be mailed with City utility bills once a year to all City utility customers.
- 2) The low income and senior citizen exemptions herein provided for shall only apply if the ballot measure hereinabove referenced is adopted by the voters at the November 2, 2010 General

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Municipal Election and thereafter goes into full force and effect. Once effective, the exemptions shall remain in effect for the life of the ordinance adopted by the voters at the November 2, 2010 General Municipal Election.

PASSED AND ADOPTED this 14th day of September, 2010 by the following vote:

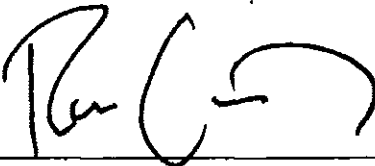
AYES: Councilmembers Lane, Mathews, Beiers, Madrigal, Robinson; Vice Mayor Coonerty.

NOES: None.

ABSENT: Mayor Rotkin.

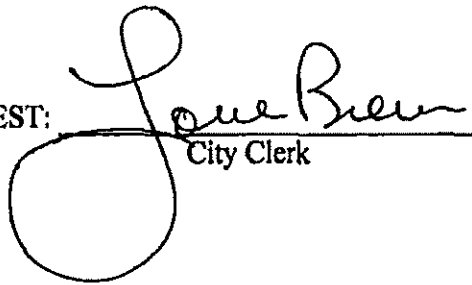
DISQUALIFIED: None.

APPROVED:



Mayor

ATTEST:



City Clerk