RESOLUTION NO. 4104-26

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF WINDSOR (1)APPROVING AN ORDINANCE AND ORDERING THAT A MEASURE BE SUBMITTED TO THE VOTERS OF THE TOWN OF WINDSOR GENERAL MUNICIPAL ELECTION TO BE HELD ON NOVEMBER 3, 2026, TO CONSIDER A 1% TRANSACTIONS AND USE TAX, ALSO REFERRED TO AS ONE CENT PER DOLLAR; (2) DIRECTING THE TOWN ATTORNEY TO PREPARE AN IMPARTIAL ANALYSIS OF THE MEASURE; (3) PROVIDE FOR BALLOT ARGUMENTS AND REBUTTALS, INCLUDING AUTHORIZING TOWN COUNCIL TO DESIGNATE MEMBERS TO PREPARE PRIMARY ARGUMENT AND REBUTTAL

WHEREAS, the Town of Windsor ("Town") is a tight-knit community deeply committed to providing exceptional public safety, infrastructure maintenance, family-friendly events, and essential municipal services that define its unique small-town charm and high quality of life; and

WHEREAS, the Town has long demonstrated strong fiscal responsibility, operating as the only municipality in Sonoma County that has not previously implemented a local transactions and use tax, thereby maintaining the lowest sales tax rate in the region at 9.25%; and

WHEREAS, Windsor families and visitors routinely make purchases in neighboring cities that already impose local sales taxes, meaning local dollars are actively leaving the community and investing in the infrastructure and services of other municipalities instead of Windsor; and

WHEREAS, the Town faces growing long-term structural budget pressures driven by high inflation, rising insurance premiums, stagnant revenue growth, and costly unfunded state mandates, which collectively cause the ongoing costs of essential services to exceed the Town's recurring revenues; and

WHEREAS, to absorb these expanding cost pressures and balance its budget, the Town has already enacted aggressive fiscal stewardship measures, including approximately $6 million in operational reductions over the past two years, reducing three police department positions, holding staff vacancies open, and deferring millions of dollars in road, building, and park maintenance infrastructure; and

WHEREAS, despite these cost-cutting measures, the Town's adopted 2025–27 budget requires the unsustainable depletion of $8 million in one-time reserves to temporarily preserve remaining core service levels; and

WHEREAS, independent fiscal analysis projects that without a new, stable, and ongoing stream of locally controlled revenue, the Town faces an annual General Fund deficit of $4 to $5 million beginning in the Fiscal Year 2027–28 cycle, a path that will exhaust all remaining Town reserves by 2029; and

WHEREAS, the absence of new revenue would compel the Town to consider deeper, severe reductions to operations, risking fewer police officers, slower emergency response times, further

deteriorating road conditions, potential park closures, and the elimination of youth, senior, and community recreation programs; and

WHEREAS, the enactment of a 1% local sales tax is a fiscally responsible solution that would generate an estimated $5.7 million annually in reliable, locally controlled funding; and

WHEREAS, a local sales tax ensures that visitors and commuters who utilize Windsor's streets, public safety resources, and amenities share the financial burden of maintaining them, while essential everyday items such as groceries, prescription medications, utilities, diapers, and baby formula remain strictly exempt from the tax under California law; and

WHEREAS, one hundred percent (100%) of the revenue generated by a 1% local sales tax would remain in Windsor under strict local control to fund public safety staffing, street paving, and community priorities, double the Town's share of sales tax revenue retained from local purchases, and protect the funds from being seized or redirected by the State or County; and

WHEREAS, the Town is dedicated to the highest standards of transparency and fiscal accountability, ensuring that any revenue generated by this measure would be subject to a transparent public budgeting process, regular independent annual audits, and review by a Citizens' Oversight Committee; and

WHEREAS, pursuant to California Elections Code §9222 and 10201, the Town Council may submit a proposed ordinance to the voters at a general municipal election; and

WHEREAS, pursuant to California Revenue and Taxation Code §7285.9 and 7251.1, the Town Council may levy a general Transactions and Use Tax if the ordinance proposing such tax is approved by a majority vote of the electorate; and

WHEREAS, the Town Council desires to submit to the voters at the November 3, 2026 general municipal election a measure proposing adoption of a one percent Transactions and Use Tax, with revenue deposited into the Town's General Fund for general governmental purposes; and

WHEREAS, Elections Code §10400–10403 authorize the Town Council to request that the Sonoma County Board of Supervisors consolidate the Town's election with the statewide general election to be held on November 3, 2026; and

WHEREAS, the Town Council further desires to request that the Sonoma County Registrar of Voters provide all necessary election services in connection with the consolidated election; and

WHEREAS, Elections Code §9280–9285 require the Town Attorney to prepare an impartial analysis of the measure and authorize the Town Council to designate members to prepare primary arguments and rebuttals; and

WHEREAS, Arguments for or against the Measure may be submitted to the Town Clerk in accordance with the California Elections Code. Arguments in favor of or against the Measure shall each not exceed 300 words in length. Each argument shall be filed with the Town Clerk,

signed, and include the printed name(s) and signature(s) of the author(s) submitting it, or if submitted on behalf of an organization, the name of the organization, and the printed name and signature of at least one of its principal officers who is the author of the argument. Arguments may be submitted or changed until and including 4:00 P.M., on **Friday, August 14, 2026**, after which no arguments for or against the Measure may be submitted; and

WHEREAS, Pursuant to the Elections Code of the State of California, when the Town Clerk has selected the arguments for and against the various Town initiated measures which will be printed and distributed to the voters, the Clerk shall send copies of the argument in favor of the measures to the authors of the argument against, and copies of the argument against to the authors of the argument in favor. The authors or persons designated by them may prepare and submit rebuttal arguments not exceeding 250 words. The rebuttal arguments shall be filed with the Town Clerk not later than 4:00 p.m., **Friday, August 21, 2026**. Rebuttal arguments shall be printed in the same manner as the direct arguments. Each rebuttal argument shall immediately follow the direct argument which it seeks to rebut; and

WHEREAS, the Town Council finds it necessary and appropriate to call and give notice of the election and to take related actions to ensure the measure is properly submitted to the voters.

NOW, THEREFORE BE IT RESOLVED that the Town Council of the Town of Windsor does hereby call and give notice of a municipal election to be held on Tuesday, November 3, 2026, for the purpose of submitting to the voters a measure proposing adoption of a one percent (one cent per dollar) general Transactions and Use Tax, as set forth in the ordinance attached hereto as Exhibit A. The Town Council is authorized to submit this measure to the Town's voters pursuant to California Constitution Article XIIIC, Section 2, Government Code Section 53724, and Elections Code Section 9222; and

BE IT FURTHER RESOLVED that the Town Council hereby approves the ordinance attached as Exhibit A, the form thereof, as required by Revenue and Taxation Code section 7285.9, subject to the approval of a majority of the voters voting on the measure at the election called by the adoption of this resolution. The ordinance specifies that the rate of the tax shall be one percent (1.0 %) of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in the Town; it specifies that the total rate of the use tax shall be one percent (1.0%) of the sales price of tangible personal property stored, used or otherwise consumed in the Town, and that the tax shall be in effect until ended by the voters. The California Department of Tax and Fee Administration shall collect the tax from retailers subject to the tax and remit the funds to the Town; and

BE IT FURTHER RESOLVED that the following ballot question is hereby submitted to the voters of the Town of Windsor at the November 3, 2026 general municipal election:

To provide funding for the Town of Windsor to maintain essential local services, such as repairing potholes and maintaining streets; neighborhood police patrols / emergency response / traffic enforcement; preserving parks / community events; disaster preparedness and fire prevention — removing brush / flammable fuels, and for general government use; shall the measure establishing a 1% sales tax, providing approximately $5,700,000 annually until ended by voters, requiring independent audits, citizen oversight, and all funds remaining in Windsor under local control, be adopted?	YES
	NO

The full text of the proposed Measure (which is in the form of an ordinance) to be submitted to the voters is attached as Exhibit A (the "Measure") hereto and shall be made available to the public upon request to the Town Clerk's Office. The Measure shall be completely printed in the voter pamphlet. If a simple majority of the qualified voters voting on the Measure vote in favor therefore, the Ordinance shall be approved and the Measure shall be deemed adopted upon the Town Council's declaration of the results of the election; and

BE IT FURTHER RESOLVED that pursuant to California Elections Code, and as outlined above in this Resolution, Mayor/Councilmembers Rosa Reynoza and Sam Salmon are hereby authorized to submit a written argument in favor of the proposed measure and submit a rebuttal argument on behalf of the Town Council; and

BE IT FURTHER RESOLVED that the Town Council requests that the Sonoma County Board of Supervisors consolidate the Town's election with the statewide general election to be held on November 3, 2026, pursuant to Elections Code § 10400–10403. The Town of Windsor acknowledges that the consolidated election will be held and conducted in the manner prescribed in Elections Code Section 10418; and

BE IT FURTHER RESOLVED that the Town Council requests that the Sonoma County Registrar of Voters provide all necessary election services, including but not limited to ballot preparation, printing, mailing, tabulation, and canvass, and that the Town shall reimburse the County for its proportional share of election costs; and

BE IT FURTHER RESOLVED that the Town Clerk is directed to transmit the ordinance, ballot question, impartial analysis, and arguments to the Sonoma County Registrar of Voters in accordance with all statutory deadlines; and

BE IT FURTHER RESOLVED that the jurisdictional boundaries of the Town of Windsor have not changed since the last general municipal election; and

BE IT FURTHER RESOLVED that the Town Manager, Town Attorney, and Town Clerk are authorized and directed to take all actions necessary to implement this resolution and to ensure the measure is properly placed on the November 3, 2026 ballot; and

BE IT FURTHER RESOLVED that approval of this resolution 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 to be submitted to the voters is a general tax that can be used for any legitimate governmental purpose; it is not a commitment to any particular action. Accordingly, 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 such effect, the City would undertake the required CEQA review for that particular project at the earliest feasible time prior to approval of the project. Therefore, pursuant to CEQA Guidelines section 15060, CEQA analysis is not required.

PASSED, APPROVED AND ADOPTED this 15th day of July 2026, by the following vote:

AYES:	**COUNCILMEMBER LEEP, SALMON, VICE MAYOR POTTER AND MAYOR REYNOZA**
NOES:	**COUNCILMEMBER WALL**
ABSTAIN:	**NONE**
ABSENT:	**NONE**

ROSA REYNOZA, MAYOR

ATTEST:

IRENE CAMACHO-WERBY, TOWN CLERK

Attachment:

- **Exhibit A** – Ordinance

ORDINANCE NO.

AN ORDINANCE OF THE TOWN OF WINDSOR ADDING CHAPTER 6 TO TITLE II OF THE WINDSOR MUNICIPAL CODE, ESTABLISHING A ONE PERCENT (1%) GENERAL TRANSACTIONS AND USE TAX, TO BE ADMINISTERED BY THE CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION, SUBJECT TO APPROVAL BY THE VOTERS AT THE NOVEMBER 3, 2026 ELECTION

WHEREAS, the Town of Windsor ("Town") is a tight-knit community deeply committed to providing exceptional public safety, infrastructure maintenance, family-friendly events, and essential municipal services that define its unique small-town charm and high quality of life; and

WHEREAS, the Town has long demonstrated strong fiscal responsibility, operating as the only municipality in Sonoma County that has not previously implemented a local transactions and use tax, thereby maintaining the lowest sales tax rate in the region at 9.25%; and

WHEREAS, Windsor families and visitors routinely make purchases in neighboring cities that already impose local sales taxes, meaning local dollars are actively leaving the community and investing in the infrastructure and services of other municipalities instead of Windsor; and

WHEREAS, the Town faces growing long-term structural budget pressures driven by high inflation, rising insurance premiums, stagnant revenue growth, and costly unfunded state mandates, which collectively cause the ongoing costs of essential services to exceed the Town's recurring revenues; and

WHEREAS, to absorb these expanding cost pressures and balance its budget, the Town has already enacted aggressive fiscal stewardship measures, including approximately $6 million in operational reductions over the past two years, reducing three police department positions, holding staff vacancies open, and deferring millions of dollars in road, building, and park maintenance infrastructure; and

WHEREAS, despite these cost-cutting measures, the Town's adopted 2025–27 budget requires the unsustainable depletion of $8 million in one-time reserves to temporarily preserve remaining core service levels; and

WHEREAS, independent fiscal analysis projects that without a new, stable, and ongoing stream of locally controlled revenue, the Town faces an annual General Fund deficit of $4 to $5 million beginning in the Fiscal Year 2027–28 cycle, a path that will exhaust all remaining Town reserves by 2029; and

WHEREAS, the absence of new revenue would compel the Town to consider deeper, severe reductions to operations, risking fewer police officers, slower emergency response times, further deteriorating road conditions, potential park closures, and the elimination of youth, senior, and community recreation programs; and

WHEREAS, the enactment of a 1% local sales tax is a fiscally responsible solution that would

generate an estimated $5.7 million annually in reliable, locally controlled funding; and

WHEREAS, a local sales tax ensures that visitors and commuters who utilize Windsor's streets, public safety resources, and amenities share the financial burden of maintaining them, while essential everyday items such as groceries, prescription medications, utilities, diapers, and baby formula remain strictly exempt from the tax under California law; and

WHEREAS, one hundred percent (100%) of the revenue generated by a 1% local tax would remain in Windsor under strict local control to fund public safety staffing, street paving, and community priorities, double the Town's share of sales tax revenue retained from local purchases, and protect the funds from being seized or redirected by the State or County; and

WHEREAS, the Town is dedicated to the highest standards of transparency and fiscal accountability, ensuring that any revenue generated by this measure would be subject to a transparent public budgeting process, regular independent annual audits, and review by a Citizens' Oversight Committee; and

WHEREAS, the Town is authorized to levy a Transactions and Use Tax ("Sales Tax") for general purposes pursuant to California Revenue and Taxation Code sections 7285.9 and 7251.1, subject to approval by a majority vote of the electorate pursuant to Article XIIIC, section 2 of the California Constitution; and

WHEREAS, California Constitution, Article XIIIC, section 2(b) requires that all general taxes which are imposed, extended or increased must be submitted to the electorate, consolidated with a regularly scheduled general election for members of the governing body of the local government, and approved by a majority vote of the qualified electors voting in the election; and

WHEREAS, pursuant to California Government Code section 53724 and Revenue and Taxation Code sections 7285.9, this Ordinance was duly approved for placement on the ballot by a minimum two-thirds (2/3) supermajority of all members of the Town Council on July 15, 2026; and

WHEREAS, the People of the Town desire add Title II, Chapter 6, "2026 Transactions and Use Tax", to the Windsor Municipal Code establishing an additional one (1) cent Sales Tax until ended by voters.

NOW, THEREFORE, THE PEOPLE OF THE TOWN OF WINDSOR DO HEREBY ORDAIN AS FOLLOWS:

Section 1. Recitals. The above Recitals are true and correct and are incorporated herein by reference.

Section 2. Addition of Title II, Chapter 6. Chapter 2-6, 2026 Transactions and Use Tax, is hereby added to the Windsor Municipal Code to read as set forth in Attachment "1", attached hereto and incorporated herein by reference.

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 Town of Windsor voting on the measure to enact this Ordinance at the General Municipal Election of November 3, 2026.

Section 4. Authorization for Sales Tax. This Ordinance adopts 1% Transactions and Use Tax ("Sales Tax"). The Town is authorized to enact a 1% Sales Tax pursuant to Revenue and Taxation Code sections 7251.1 and 7285.9.

Section 5. Adjustment of Appropriations Limit. Pursuant to Article XIIIB of the Constitution of the State of California and applicable laws, the appropriations limit for the Town is hereby increased by the aggregate sum authorized to be levied by this tax for fiscal year 2026-27 and each year thereafter.

Section 6. 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.

Section 7. Effective date. This ordinance relates to the levying and collecting of the Town transactions and use taxes and shall take effect immediately.

Section 8. 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 authorized 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. Accordingly, 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 a the earliest feasible time.

I HEREBY CERTIFY that the foregoing ordinance was adopted by a two-thirds vote of all members of the Town Council of the Town of Windsor, subject to voter approval, at the meeting of the Town Council held on _____.

I, the undersigned, hereby certify that the foregoing Ordinance was duly adopted by Town of Windsor Town Council following a roll call vote.

AYES:
NOES:
ABSTAIN:
ABSENT:

ROSA REYNOZA, MAYOR

ATTEST:

IRENE CAMACHO-WERBY, TOWN CLERK

Attachment:

- **Attachment 1 - 2026 Transactions and Use Tax**

Attachment 1

Chapter. 2-6 2026 Transactions and Use Tax

2-6-100 Title

2-6-110 Operative Date

2-6-120 Purpose

2-6-130 Contract with State

2-6-140 Transactions Tax Rate

2-6-150 Place of Sale

2-6-160 Use Tax Rate

2-6-170 Adoption of Provisions of State Law

2-6-180 Limitations on Adoption of State Law and Collections of Use Taxes

2-6-190 Permit Not Required

2-6-200 Exemptions and Exclusions

2-6-210 Amendments

2-6-220 Enjoining Collection Forbidden

2-6-230 Amendments by Town Council

2-6-240. Citizens' Oversight Committee

2-6-250 Annual Independent Audit

2-6-260 Severability

2-6-270 Effective Date

2-6-280 Termination Date

2-6-100 TITLE. This ordinance shall be known as the Town of Windsor 2026 Transactions and Use Tax Ordinance. The Town of Windsor hereinafter shall be called "Town." This ordinance shall be applicable in the incorporated territory of the Town.

2-6-110 OPERATIVE DATE. "Operative Date" means the first day of the first calendar quarter commencing more than 110 days after the adoption of this ordinance. For purposes of Revenue and Taxation Code section 7265, this ordinance shall be considered adopted on the date of the election in which it is approved by the qualified voters of the Town.

2-6-120 PURPOSE. This ordinance is adopted to achieve the following, among other purposes, and directs that the provisions hereof be interpreted in order to accomplish those purposes:

A. To impose a retail transactions and use tax in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Section 7285.9 of Part 1.7 of Division 2 which authorizes the Town to adopt this tax ordinance which shall be operative if a majority of the electors voting on the measure vote to approve the imposition of the tax at an election called for that purpose.

B. To adopt a retail transactions and use tax ordinance that incorporates provisions identical to those of the Sales and Use Tax Law of the State of California insofar as those provisions are not inconsistent with the requirements and limitations contained in Part 1.6 of Division 2 of the Revenue and Taxation Code.

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

D. To adopt a retail transactions and use tax ordinance that can be administered in a manner that will be, to the greatest degree possible, consistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, minimize the cost of collecting the transactions and use taxes, and at the same time, minimize the burden of record keeping upon persons subject to taxation under the provisions of this ordinance.

2-6-130 CONTRACT WITH STATE. Prior to the operative date, the Town shall contract with the California Department of Tax and Fee Administration to perform all functions incident to the administration and operation of this transactions and use tax ordinance; provided, that if the Town shall not have contracted with the California Department of Tax and Fee Administration prior to the operative date, it shall nevertheless so contract and in such a case the operative date shall be the first day of the first calendar quarter following the execution of such a contract.

2-6-140 TRANSACTIONS TAX RATE. For the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all retailers in the incorporated territory of the Town at the rate of 1% 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 ordinance.

2-6-150 PLACE OF SALE. For the purposes of this ordinance, all retail sales are consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or his agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. The gross receipts from such sales shall include delivery charges, when such charges are subject to the state sales and use tax, regardless of the place to which delivery is made. In the event a retailer has no permanent place of business in the State or has more than one place of business, the place or places at which the retail sales are consummated shall be determined under rules and regulations to be prescribed and adopted by the California Department of Tax and Fee Administration.

2-6-160 USE TAX RATE. An excise tax is hereby imposed on the storage, use or other consumption in the Town 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 1% 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.

2-6-170 ADOPTION OF PROVISIONS OF STATE LAW. Except as otherwise provided in this ordinance and except insofar as they are inconsistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, all of the provisions of Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code are hereby adopted and made a part of this ordinance as though fully set forth herein.

2-6-180 LIMITATIONS ON ADOPTION OF STATE LAW AND COLLECTION OF USE TAXES. In adopting the provisions of Part 1 of Division 2 of the Revenue and Taxation Code:

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

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

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

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

a. Provide an exemption from this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not otherwise be

exempt from this tax while such sales, storage, use or other consumption remain subject to tax by the State under the provisions of Part 1 of Division 2 of the Revenue and Taxation Code, or;

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

4. In Sections 6701, 6702 (except in the last sentence thereof), 6711, 6715, 6737, 6797 or 6828 of the Revenue and Taxation Code.

B. The word "Town" shall be substituted for the word "State" in the phrase "retailer engaged in business in this State" in Section 6203 and in the definition of that phrase in Section 6203.

1. "A retailer engaged in business in the District" shall also include any retailer that, in the preceding calendar year or the current calendar year, has total combined sales of tangible personal property in this state or for delivery in the State by the retailer and all persons related to the retailer that exceeds five hundred thousand dollars ($500,000). For purposes of this section, a person is related to another person if both persons are related to each other pursuant to Section 267(b) of Title 26 of the United States Code and the regulations thereunder.

2-6-190 PERMIT NOT REQUIRED. If a seller's permit has been issued to a retailer under Section 6067 of the Revenue and Taxation Code, an additional transactor's permit shall not be required by this ordinance.

2-6-200 EXEMPTIONS AND EXCLUSIONS.

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

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

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

2. Sales of property to be used outside the Town which is shipped to a point outside the Town, pursuant to the contract of sale, by delivery to such point by the retailer

or his agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point. For the purposes of this paragraph, delivery to a point outside the City shall be satisfied:

a. With respect to vehicles (other than commercial vehicles) subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, and undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code by registration to an out-of-Town address and by a declaration under penalty of perjury, signed by the buyer, stating that such address is, in fact, his or her principal place of residence; and

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

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

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

5. For the purposes of subparagraphs (3) and (4) of this section, the sale or lease of tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

C. There are exempted from the use tax imposed by this ordinance, the storage, use or other consumption in this Town of tangible personal property:

1. The gross receipts from the sale of which have been subject to a transactions tax under any state-administered transactions and use tax ordinance.

2. Other than fuel or petroleum products purchased by operators of aircraft and used or consumed by such operators directly and exclusively in the use of such aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this State, the United States, or any foreign government. This exemption is in addition to the exemptions provided in Sections 6366 and 6366.1 of the Revenue and Taxation Code of the State of California.

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

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

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

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

7. "A retailer engaged in business in the Town" shall also include any retailer of any of the following: vehicles subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, or undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code. That retailer shall be required to collect use tax from any purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in the Town.

D. Any person subject to use tax under this ordinance may credit against that tax any transactions tax or reimbursement for transactions tax paid to a district imposing, or retailer liable for a transactions tax pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code with respect to the sale to the person of the property the storage, use or other consumption of which is subject to the use tax.

2-6-210 AMENDMENTS. All amendments subsequent to the effective date of this ordinance to Part 1 of Division 2 of the Revenue and Taxation Code relating to sales and use taxes and which are not inconsistent with Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, and all amendments to Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, shall automatically become a part of this ordinance, provided however, that no such amendment shall operate so as to affect the rate of tax imposed by this ordinance.

2-6-220 ENJOINING COLLECTION FORBIDDEN. No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action or proceeding in any court against the State or the Town, or against any officer of the State or the Town, to prevent or

enjoin the collection under this ordinance, or Part 1.6 of Division 2 of the Revenue and Taxation Code, of any tax or any amount of tax required to be collected.

2-6-230 AMENDMENTS BY TOWN COUNCIL. Chapter 2-6 of the Windsor Municipal Code may be repealed or amended by the City Council without a vote of the People. However, as required by Article XIII C of the California Constitution, voter approval is required for any amendment of any provision that would increase the tax rate, revise the methodology for calculating the tax such that a tax increase would result, or impose the tax on transactions and uses not previously subject to the tax (unless such amendment occurs automatically by operation of California law). The People of the Town of Windsor affirm that the following actions shall not constitute an increase of the rate of a tax:

A. The restoration of the rate of the tax to a rate that is no higher than that set by this Ordinance if the City Council has acted to reduce the rate of the tax; and

B. The collection of the tax imposed by this Ordinance, even if the City had for some period of time failed to collect the tax.

2-6-240 CITIZENS' OVERSIGHT COMMISSION. Prior to the Operative Date of this ordinance, the Town Council shall establish and appoint an independent Citizens' Oversight Commission. The purpose of the Committee shall be to review and report on the revenue and expenditure of funds collected under this ordinance to ensure compliance with the public safety, infrastructure, and local service priorities approved by voters.

2-6-250 ANNUAL INDEPENDENT AUDIT. The Town's independent external auditors shall prepare an annual audit report on the revenues generated by this tax and the expenditures of those funds. This audit report shall be presented publicly to the Town Council and made available to the public in conjunction with the Citizens' Oversight Committee report.

2-6-260 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.

2-6-270 EFFECTIVE DATE. This ordinance relates to the levying and collecting of the Town transactions and use taxes and shall take effect immediately.

2-6-280 TERMINATION DATE. The authority to levy the tax imposed by this ordinance shall continue in effect until ended by the voters of the Town of Windsor.