



CITY OF POMONA COUNCIL REPORT

January 6, 2025

To: Honorable Mayor and Members of the City Council

From: Anita D. Scott, City Manager

Submitted By: Rosalia A. Butler, MMC, City Clerk

SUBJECT: VERIFICATION OF SUFFICIENCY OF SIGNATURES FOR INITIATIVE PETITION TO REPEAL THE CITY'S UTILITY USERS TAX (UUT) ON WATER SERVICE

RECOMMENDATION:

It is recommended that the City Council:

- 1) Receive, file and accept the Certificate of Sufficiency of Initiative Petition; and
- 2) Based upon the sufficiency of the petition, take one of the actions identified below:
 - a. Adopt the initiative measure, without alteration, at this meeting, or within 10 days after; or
 - b. Submit the initiative measure to the voters at the "next regular municipal election" occurring at least 88 days later; or
 - c. Submit the initiative measure to the voters at a special municipal election occurring on a Tuesday that is not on, before or after a State holiday, that is between 88 and 103 days after the City Council calls the election; or
 - d. Direct Staff to prepare an impartial and informational report analyzing the impact of the initiative measure on the City's finances, ability to provide public services, land use and development regulations, and the like.

EXECUTIVE SUMMARY:

Residents of Pomona currently pay a general Utility Users Tax (UUT), at the rate of nine percent (9%) on the charges for using telephone/telecommunications, electricity, gas and water service within the City of Pomona. For Fiscal Year 2023-24, the water UUT generated approximately \$3,379,749.48 in General Fund revenues.

Over the last several months, a Pomona resident has circulated a local initiative measure in the City seeking to repeal the UUT on water service in the City. On October 30, 2024, the proponent timely submitted a signed petition to the City Clerk's Office to qualify the initiative measure for

the ballot. As required by State Elections Code, the City Clerk’s Office has verified that the petition is in proper format and contains the required number of signatures to qualify the measure for the ballot. A Certificate of Sufficiency of Initiative Petition is attached to this report as a receive and file item.

Since the Measure has obtained the required number of signatures, the City Council’s options are to either adopt the measure, without alternation, at this meeting, or within 10 days after, to place the measure on the June 2, 2026 Primary Municipal Election ballot, or on a possible earlier special election date, as outlined in more detail below. The Council can also direct staff to prepare a report on the potential impact of the measure. Staff must present the report to the Council no more than 30 days later. After receiving the report, the Council must select one of the three options above.

At this time, staff is requesting Council direction as to which option it wishes to pursue. If the City Council wishes to place the Measure on the June 2, 2026 Primary Municipal Election ballot, three resolutions are attached to this staff report for Council action.

FISCAL IMPACT: The estimated cost of holding an election for this measure on June 2, 2026 or a special election for this same measure is currently unknown. However, the cost of the March 5, 2024 Primary Municipal Election was approximately budgeted for \$600,000. The Los Angeles County Registrar-Recorder/County Clerk will invoice the City of Pomona for Election Services after the election.

PREVIOUS RELATED ACTION:
None.

BACKGROUND:

Residents of Pomona currently pay a local excise tax called the Utility Users Tax (UUT), at the rate of nine percent (9%) on the charges for using telephone/telecommunications, electricity, gas, and water service within the City of Pomona. The UUT is a general tax, meaning that UUT revenues are paid into the City’s General Fund. General Fund revenues are budgeted by the City Council annually for general city services, such as police and public safety response, parks, library services, and recreational programs. For Fiscal Year 2023-24, the UUT on water service generated approximately \$3,379,749.48 in General Fund revenues.

On April 22, 2024, the City received a Notice of Intent to Circulate a Petition and proposed initiative measure (“Measure”) from Pomona resident John Mendoza, the proponent of the Measure. If approved, the Measure would repeal the current UUT on water service. UUT on telephone/telecommunications, electricity, and gas service are unaffected by this Measure.

Section 904 of the City’s Charter provides that local initiative measures shall follow the procedures set forth in the California Elections Code, except where in conflict with the Charter or Municipal Code. There are no conflicting provisions of the Charter or Code, and, therefore, the Elections Code governs the City’s initiative procedure. In accordance with the Elections Code, the City Attorney’s office timely prepared and sent a ballot title and summary of the Measure to the

proponent on May 2, 2024. The proponent then had 6 months from receipt of the ballot title and summary to gather enough signatures to qualify the Measure for the ballot. On October 30, 2024, the proponent timely submitted a signed petition to the City Clerk’s Office. The City Clerk’s Office verified the validity of the petition signatures with the assistance of the Los Angeles County Registrar of Voters database.

On December 16, 2024, after verification of voter signatures was completed, the City Clerk’s Office notified the proponent that the petition contained 1,411 valid signatures. For most local initiative measures, Elections Code section 9215 requires the valid signatures of at least 10 percent of the City’s registered voters to qualify a local measure.

However, there is a special rule that makes it much easier to qualify local tax initiative measures. California Proposition 218, a provision of the State Constitution (Calif. Const. Art. XIII C, Sec. 3), provides that a local initiative measure that repeals, reduces or otherwise affects a local tax may qualify for the ballot if a petition contains the signatures of at least five percent (5%) of the number of the City’s registered voters who voted for any candidate for Governor at the last Statewide election (November, 2022). This significantly reduces the minimum signature requirement to 1,136 voters. Therefore, the Measure has qualified for the ballot.

DISCUSSION:

The Certificate of Sufficiency of Initiative Petition (Attachment No. 1) is attached to this report and it is recommended that the City Council receive, file, and accept the Certificate as valid in all respects.

Since the Measure has obtained the required number of signatures, the City Council’s options under Elections Code sections 1405 and 9215 are as follows:

- a) Adopt the Measure, without alteration, at this meeting, or within 10 days after. Under this scenario there would be no election.
- b) Submit the Measure to the voters at the “next regular municipal election” occurring at least 88 days later. Under Elections Code section 348, a “[R]egular election is an election, the specific time for the holding of which is prescribed by law.” Under the recently amended City Charter, the City’s next regular election will be its Primary Municipal Election which will coincide with the Statewide Primary Election on June 2, 2026.
- c) Submit the Measure to the voters at a special municipal election occurring on a Tuesday that is not on, before or after a State holiday, that is between 88 and 103 days after the City Council calls the election. If the Council were to call a special election tonight, the date options would be either Tuesday, April 8 or April 15, 2025 – unusual dates for an election; or
- d) Direct Staff to prepare an impartial and informational report analyzing the impact of the Measure on the City’s finances, ability to provide public services, land use and development regulations, and the like. Staff must present the report not later than 30 days

after the City Clerk certifies to the Council that the petition is sufficient (by February 5, 2025). After receiving the report, the Council must select one of the three options above.

At this time, staff is requesting Council direction as to which option it wishes to pursue. If the City Council wishes to place the Measure on the next regular municipal election occurring on June 2, 2026, three resolutions are attached to this staff report for Council action.

ATTACHMENTS:

Attachment No. 1 – Certificate of Sufficiency of Initiative Petition

Attachment No. 2 – Resolution No. 2025-10 – Calling Primary Municipal Election on Measure

Attachment No. 3 – Resolution No. 2025-11 – Requesting Consolidation of Primary Municipal Election

Attachment No. 4 – Resolution No. 2025-12 – Setting Argument/Rebuttal Rules and Deadlines for Election