

**Ordinance 2024-10**  
**City of Hanford Sales and Use Tax Accountability Measures**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HANFORD  
AMENDING HANFORD MUNICIPAL CODE TITLE 3  
TO ADD SALES AND USE TAX ACCOUNTABILITY MEASURES**

**WHEREAS**, the City of Hanford voters have identified that citizen oversight is an essential element to have in place for a revenue measure; and

**WHEREAS**, the City of Hanford needs dependable and local sources of revenue to fund and to support essential, necessary and appropriate general City services; and

**WHEREAS**, a local funding measure would provide a protected, local revenue source to limit or prevent additional cuts to essential, necessary and appropriate general City services; and

**WHEREAS**, the City Council has submitted a measure to the voters of the City of Hanford that would establish a sales tax on transactions within the City of Hanford; and

**WHEREAS**, if adopted by the voters, the City Council intends that the funds collected pursuant to such measure be subject to certain accountability measures, including planning, oversight, and audit provisions, and therefore desires to establish such accountability measures by adoption of this Ordinance.

**NOW, THEREFORE, the City Council of the City of Hanford does ordain as follows:**

Section 1. Hanford Municipal Code Title 3 is hereby amended to add Chapter 3.60 as follows:

**Chapter 3.60  
SALES AND USE TAX ACCOUNTABILITY MEASURES**

Sections:

3.60.010 Title.

3.60.020 Applicability.

3.60.030 Initial and subsequent expenditure plans.

3.60.040 Sales Tax Oversight Board.

3.60.050 Annual audit.

**3.60.010 Title.**

This chapter shall be known as the City of Hanford Sales Tax Accountability Ordinance.

**3.60.020 Applicability.**

The provisions of this Chapter shall apply to the proceeds of any sales and use tax that is made specifically subject to this Chapter by the ordinance that enacts such sales and use tax.

**3.60.030 Initial and subsequent expenditure plans.**

A. The City Council shall, prior to the imposition of a transactions and use (sales) tax that is subject to the provisions of this Chapter, adopt, by resolution approved by a majority of the Council, an initial spending plan specifying the uses of the proceeds of the transactions and use (sales) tax. The initial expenditure plan (budget) shall cover the period between implementation of the sales and use tax and the end of the subsequent fiscal year.

B. Prior to expiration of the initial expenditure plan and as part of adoption of an annual city general fund budget, the City Council shall adopt an annual expenditure plan specifying the uses of the proceeds of the sales or use tax that is subject to the provisions of this chapter, applicable to the coming fiscal year.

C. Adoption of the initial expenditure plan, subsequent annual expenditure plans, and amendments to such plans, shall occur by resolution adopted by a majority of the Council, following:

1) submission for comment and recommendation to the Sales Tax Oversight Board as established pursuant to Section 3.60.040, and

2) public hearing occurring at a regularly scheduled and appropriately noticed meeting of the City Council.

D. Following adoption, the city shall make the initial expenditure plan, any subsequent annual expenditure plan (budget), and any amended expenditure plan (budget) publicly available.

E. The initial expenditure plan shall dedicate fifteen percent (15%) of budgeted revenues for the initial year of the plan to establish an economic uncertainty fund, which may only be accessed in times of fiscal emergencies, defined as a deficit in expected revenues such that the other features of the plan are not able to be funded as planned. The Council may direct that the economic uncertainty fund be accessed in order to fund the remainder of the plan in the case of a fiscal emergency, as determined by four-fifths (4/5ths) vote of the City Council as a whole. Annual expenditure plans shall provide for the dedication of such budgeted funds as are necessary to maintain the economic uncertainty fund at fifteen percent (15%) of budgeted revenues and to replenish any amounts used in the event of a fiscal emergency in the prior year.

F. Each expenditure plan shall fund department activities as may be recommended from time to time by the Board and approved by the City Council within the parameters approved by the voters.

**3.60.040 Sales Tax Oversight Board.**

A. The Council shall appoint a standing oversight committee to constitute the Sales Tax Oversight Board (the “Board”).

B. The members of the Board shall serve terms, be selected, and appointed pursuant to a process to be adopted by Council Resolution.

C. Vacancies shall be noticed in a manner consistent with Municipal Code Section 2.20.030. Appointment shall made at the earliest possible date for mid-term vacancies. Vacancies shall be advertised so that any interested city resident may apply.

D. City residency shall be required for all Board members and shall be confirmed by each applicant and each Board member under penalty of perjury. The city may require a Board member to confirm his or her residence throughout the member's term.

E. Board members serve at the pleasure of the city council and may be removed for cause or no-cause. Members may be removed for cause for various reasons, including, without limitation, three (3) consecutive Board meeting absences.

F. The Board shall annually elect a chairperson and vice-chairperson from amongst its members.

G. In accordance with the public meeting laws of the state of California: (i) all meetings of the Board shall be open to the public and noticed; and (ii) minutes of Board meetings shall be kept.

H. Board members shall serve without compensation.

**3.60.050 Annual audit.**

The city shall provide for an annual independent audit of transactions and use tax measure funds to account for the tax revenues received and expenditures made in relation to the tax that is subject to this chapter, and to ensure consistency with the expenditure plan required by Section 3.60.030. Such audits will be provided to the Sales Tax Oversight Board and publicly available as established by Section 3.60.040.

Section 2. This Ordinance shall take effect thirty (30) days after its adoption and shall be published once in the Hanford Sentinel within fifteen (15) days after its passage or a summary of this ordinance shall be published in the Hanford Sentinel in a manner consistent with the requirements of the California Government Code.

PASSED AND ADOPTED by the \_\_\_\_\_,  
State of California, on \_\_\_\_\_, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

APPROVED:

TRAVIS PADEN, MAYOR

ATTEST:

NATALIE CORRAL, CITY CLERK

APPROVED BY CITY ATTORNEY

STATE OF CALIFORNIA    )  
COUNTY OF KINGS        ) ss.  
CITY OF HANFORD        )

I NATALIE CORRAL, City Clerk of the City of Hanford, do hereby certify the foregoing ordinance was duly introduced at a regular meeting of the City Council of the City of Hanford on the \_\_\_\_\_ day of \_\_\_\_\_, 202\_\_\_\_, and it was duly passed and adopted at a regular meeting of the City Council of the City of Hanford held on the \_\_\_\_\_ day of \_\_\_\_\_, 202\_\_\_\_.

Dated:

NATALIE CORRAL, CITY CLERK