

**CITY OF CARMEL-BY THE SEA
CITY COUNCIL**

RESOLUTION NO. 2026-043

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA ORDERING THE SUBMISSION TO THE QUALIFIED ELECTORS OF THE CITY OF CARMEL-BY-THE-SEA AT THE GENERAL MUNICIPAL ELECTION TO BE HELD ON NOVEMBER 3, 2026, A MEASURE INCREASING THE CITY'S CURRENT TRANSACTIONS AND USE TAX RATE FROM 1.5% TO 1.875%, EXTENDING THE DURATION OF SUCH TRANSACTIONS AND USE TAX SO THAT IT REMAINS IN EFFECT UNTIL ENDED BY VOTERS OF THE CITY OF CARMEL-BY-THE-SEA, AND APPROVING THE ORDINANCE TO BE SUBMITTED TO THE VOTERS PURSUANT TO REVENUE AND TAXATION CODE SECTION 7285.9; REQUESTING THE MONTEREY COUNTY ELECTIONS DEPARTMENT TO CONDUCT THE ELECTION AND REQUESTING CONSOLIDATION OF THE GENERAL MUNICIPAL ELECTION WITH THE STATEWIDE GENERAL ELECTION TO BE HELD ON NOVEMBER 3, 2026; DIRECTING THE CITY ATTORNEY TO PREPARE AN IMPARTIAL ANALYSIS CONCERNING SUCH MEASURE; AUTHORIZING THE DRAFTING OF PRIMARY ARGUMENTS AND REBUTTALS CONCERNING SUCH MEASURE

WHEREAS, pursuant to Resolution No.2026-040 the City Council has called a general municipal election on Tuesday, November 3, 2026, for the purpose of electing council members as provided therein ("General Municipal Election") and requested that the Monterey County Board of Supervisors consent to the consolidation of the General Municipal Election with the Statewide General Election to be held on the same date; and

WHEREAS, pursuant to Article XIIC of the California Constitution, Section 53720 et seq. of the California Government Code, the City has the authority to levy a general tax, including, but not limited to, increasing an existing tax; and

WHEREAS, Article XIIC, Section 2, of the California Constitution requires that the election at which a general tax increase is submitted to the electorate shall be consolidated with a regularly scheduled general election for members of the governing body of the local government, except in cases of emergency declared by a unanimous vote of the governing body; and

WHEREAS, Part 1.6 (commencing with Section 7251) of Division 2 of the California Revenue and Taxation Code, and Section 7285.9 of the California Revenue and Taxation Code, authorizes a city to adopt a transactions and use 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; and

WHEREAS, Revenue and Taxation Code Section 7285.9 requires that any ballot measure/ordinance establishing a transactions and use tax must be approved by a 2/3 vote of all members of the City Council and by a majority vote of the qualified voters of the City voting on the ballot measure; and

WHEREAS, pursuant to Article IV of Chapter 3.28 of Title 3 of the Carmel-by-the-Sea Municipal Code, the City currently has a general transactions and use tax at the rate of 1.5% which is set to expire in 2040 ("Transactions and Use Tax"); and

WHEREAS, the measure proposed by this Resolution would increase the Transactions and Use Tax rate from 1.5% to 1.875% and extend the duration of the Transactions and Use Tax so that it remains in effect until ended by voters of the City of Carmel-by-the-Sea and the City Council desires to submit such measure to the voters of the City at the November 3, 2026, General Municipal Election which was called pursuant to Resolution No. 2026-040; and

WHEREAS, pursuant to Elections Code Section 10400, whenever two or more elections, including bond elections, of any legislative or congressional district, public district, city, county, or other political subdivision are called to be held on the same day, in the same territory, or in territory that is in part the same, they may be consolidated upon the order of the governing body or bodies or officer or officers calling the elections; and

WHEREAS, pursuant to Elections Code Section 10403, whenever an election called by a district, city or other political subdivision for the submission of any question, proposition, or office to be filled is to be consolidated with a statewide election, and the question, proposition, or office to be filled is to appear upon the same ballot as that provided for that statewide election, the district, city or other political subdivision shall, at least 88 days prior to the date of the election, file with the board of supervisors, and a copy with the elections official, a resolution of its governing board requesting the consolidation, and setting forth the exact form of any question, proposition, or office to be voted upon at the election, as it is to appear on the ballot. Upon such request, the Board of Supervisors may order consolidation. The resolution requesting the consolidation shall be adopted and filed at the same time as the adoption of the ordinance, resolution, or order calling the election; and

WHEREAS, it is desirable that the General Municipal Election to be held on November 3, 2026, be consolidated with the Statewide General Election to be held on the same date and that within the City the precincts, polling places and election officers of the two elections be the same, and that the County of Monterey Election Department canvass the returns of such General Municipal Election and that the election be held in all respects as if there were only one election; and

WHEREAS, The City Council exercises its independent judgment and finds that this adoption of this Resolution and the proposed Measure (as defined below) are not subject to environmental review under the California Environmental Quality Act ("CEQA") because this Resolution and proposed Measure are an activity that is excluded from the definition of a project by Public Resources Code sections 21065 and 21080(b)(8) and California Code of Regulations Sections 15273 and 15378(b) (the "CEQA Guidelines"). This Resolution and proposed Measure includes organizational or administrative activities of government which will not result in direct or indirect physical changes to the environment and are exempt from CEQA under CEQA Guidelines Sections 15060(c)(2) and 15061(b)(3).

NOW THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA DOES HEREBY:

1. Recitals. The recitals set forth above are incorporated herein by this reference.
2. Submission of Measure. Pursuant to the laws of the State of California, including, but not limited to, Elections Code Sections 9222 and 10201, the City Council, pursuant to its right and authority, does hereby order the submission to the voters of the City at the General Municipal Election to be held on November 3, 2026, which was called pursuant to Resolution No.2026-040, a ballot measure that, if approved, increases the City's current transactions and use tax rate from

1.5% to 1.875% and extends the duration of such transactions and use tax so that it remains in effect until ended by voters of the City of Carmel-by-the-Sea with the 0.375% providing approximately \$1,800,000 annually and the 1.875% providing approximately \$9,400,000 annually in total ("Measure"). As required by Elections Code Section 13247, the abbreviated form of the Measure to appear on the ballot is specified below in Section 3.

3. **Question.** Accordingly, the City Council hereby orders the following question to be submitted to the voters at the General Municipal Election:

To upgrade streets/sidewalks, address beach erosion, enhance wildfire preparedness, maintain City trees, and fund other general government purposes in City of Carmel-by-the-Sea, shall the measure increasing the transactions and use tax (also known as sales tax) by 0.375%, from 1.50% to 1.875%, providing approximately \$1,800,000 annually in additional revenue and approximately \$9,400,000 annually in total revenue, and extending the total 1.875% tax until ended by voters, with independent audits and all funds benefitting Carmel-by-the-Sea, be adopted?	YES	
	NO	

4. **Proposed Measure.** The proposed complete text of the Measure with the proposed Ordinance No. 2026-003 to be submitted to the voters is attached to this Resolution as Exhibit A and incorporated herein by this reference. Further, pursuant to Revenue and Taxation Code Section 7285.9, the City Council hereby approves the proposed complete text of the Measure with the proposed Ordinance No.2026-003 in the form as provided in Exhibit A and the submission thereof to the voters of the City.

5. **Voter Approval Requirement.** The vote requirement for this Measure to pass shall be a majority of those casting ballots on the Measure (50% plus 1).

6. **Publication of Measure.** The City Clerk is directed to publish a synopsis of the Measure in a newspaper of general circulation in the City of Carmel-by-the-Sea as required by applicable law.

7. **Coordination.** The City Clerk is authorized, instructed, and directed to coordinate with the Monterey County Elections Department to procure and furnish and all official ballots, notices, printed matter, and all supplies, equipment, and paraphernalia that may be necessary in order to properly and lawfully conduct the election.

8. **Request for Consolidation.**

a. Pursuant to the requirements of Elections Code Section 10403, the Board of Supervisors of the County of Monterey is hereby requested to consent and agree to the consolidation of the General Municipal Election with the Statewide General Election on Tuesday, November 3, 2026, for the purpose of submitting to the voters the abovementioned Measure.

b. The Monterey County Elections Department is authorized to canvass the returns of the General Municipal Election. The election shall be held in all respects as if there were only one election, and only one form of ballot shall be used. The election will be held and conducted in accordance with the provisions of law regulating the statewide elections, including, but not limited to, Elections Code Section 10418.

c. The Board of Supervisors of the County of Monterey is requested to issue instructions to the Monterey County Elections Department to take any and all steps necessary for conducting and holding the consolidated election.

d. The City of Carmel-by-the-Sea recognizes that additional costs will be incurred by the County of Monterey by reason of this consolidation and agrees to reimburse the County of Monterey for any costs.

9. Filing with County. The City Clerk shall file a certified copy of this Resolution with the Monterey County Board of Supervisors and Monterey County Elections Department.

10. Arguments and Impartial Analysis.

The City Clerk is authorized to set dates for the submission of Primary Arguments, City Attorney Impartial Analysis and Rebuttal Arguments in advance of the dates set by the County in order for the City Clerk time for review and submit these filings to the County of Monterey.

a. Primary Arguments.

i. Pursuant to Elections Code Section 9282, the City Council authorizes the Mayor and City Councilmembers to author and submit the primary argument in favor of the Measure not exceeding 300 words, accompanied by the printed name(s) and signature(s) of the author(s) submitting it, in accordance with Article 4, Chapter 3, Division 9 of the Elections Code, and authorizes the Mayor and City Councilmembers, to submit a rebuttal argument to the argument against the Measure pursuant to Section 10(c).

ii. A primary argument in favor or against the Measure shall not exceed 300 words in length and shall be accompanied by the printed name(s) and signature(s) of the author(s) submitting it, or, if 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, in accordance with Article 4, Chapter 3, Division 9 of the Elections Code. Primary arguments shall be accompanied by the Form of Statement to Be Filed By Author(s) of Argument. Submittals of primary arguments are to be delivered to the City Clerk no later than 5:00 p.m. on August 7, 2026, and may be changed or withdrawn up and until such date and time.

iii. In the event that more than one argument in favor or against the foregoing Measure is timely submitted, then consistent with Elections Code Section 9287, the City Clerk shall select the argument to be included with the ballot materials, giving preference and priority first, to arguments submitted by member(s) of the City Council, and second, to individual voters, or bona fide associations of citizens, or a combination thereof, in the order set forth in Elections Code Section 9287.

b. City Attorney Impartial Analysis. The City Council directs the City Clerk to transmit a copy of the Measure to the City Attorney. Pursuant to Elections Code Section 9280, the City Attorney shall prepare an impartial analysis of the Measure not exceeding 500 words showing the effect of the Measure on existing law and the operation of the Measure. The analysis shall include a statement indicating whether the Measure was placed on the ballot by a petition signed by the requisite number of voters or by the City Council. In the event the entire text of the Measure is not printed on the ballot, nor in the voter information portion of the voter information guide, there shall be printed immediately below the impartial analysis, in no less than 10-point type, the following: "The above statement is an impartial analysis of Ordinance or Measure

_____. If you desire a copy of the ordinance or measure, please call the election official's office at 831-620-2000 and a copy will be mailed at no cost to you." The City Attorney impartial analysis shall be delivered to the City Clerk by 5:00 p.m. on August 7, 2026.

c. Rebuttal Arguments.

i. Pursuant to Section 9285 of the Elections Code of the State of California, rebuttal arguments shall be permitted for the Measure.

ii. When the City Clerk has selected the primary arguments for and against the Measure (not exceeding 300 words each), which will be printed and distributed to the voters, the City Clerk shall send a copy of an argument in favor of the Measure to the authors of any argument against the Measure and a copy of an argument against the Measure to the authors of any argument in favor of the Measure immediately upon receiving the arguments.

iii. The author or a majority of the authors of an argument relating to a city measure may prepare and submit a rebuttal argument not exceeding 250 words or may authorize in writing any other person or persons to prepare, submit, or sign the rebuttal argument. A rebuttal argument may not be signed by more than five authors.

iv. The rebuttal arguments shall be filed with the City Clerk, signed, with 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, by 5:00 p.m. on August 17, 2026. The rebuttal arguments shall be accompanied by the Form of Statement to Be Filed By Author(s) of Argument. 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.

v. The provisions of Section 10(c) shall apply only to the election to be held on November 3, 2026, and shall then be repealed.

d. Printing. The City Clerk shall cause the City Attorney's impartial analysis, and duly selected arguments, to be printed and distributed to voters in accordance with State law regarding the same.

11. Notice of Election. Notice of the time and place of holding the election is given and the City Clerk is authorized, instructed and directed to give further or additional notice of the election, in time, form and manner as required by law.

12. Conduct of Election as Provided by Law. In all particulars not recited in this Resolution, the General Municipal Election shall be held and conducted as provided by law for holding municipal elections.

13. Implementation. The City Clerk and City Administrator are authorized to take all actions as necessary to effectuate the purposes of this Resolution and the election. The City Administrator is authorized to execute all documents and to perform all other necessary City acts to enter into a service agreement for the provision of election services with Monterey County Elections Department. The City Administrator is authorized to make any typographical, clerical, and non-substantive corrections and such other revisions as may be required by the California Department of Fee and Tax Administration to this Resolution and its exhibits/attachments.

14. Printing of Measure. The City Council of the City of Carmel-by-the-Sea hereby requests that the Monterey County Elections Department print the attached full Measure text as provided in Exhibit A exactly as filed or indicated on the filed document in the voter information guide for the November 3, 2026 Statewide General Election.

15. Environmental Compliance. The City finds that the adoption of this Resolution and the proposed Measure are not subject to environmental review under the California Environmental Quality Act ("CEQA") because this Resolution and proposed Measure are an activity that is excluded from the definition of a project by Public Resources Code sections 21065 and 21080(b)(8) and California Code of Regulations Sections 15273 and 15378(b) (the "CEQA Guidelines"). This Resolution and proposed Measure includes organizational or administrative activities of government which will not result in direct or indirect physical changes to the environment and are exempt from CEQA under CEQA Guidelines Sections 15060(c)(2) and 15061(b)(3).

16. Effective Date. This Resolution shall take effect immediately following passage and adoption by the Carmel-by-the-Sea City Council.

17. Severability. The City declares that, should any provision, section; paragraph, sentence or word of this Resolution be rendered or declared invalid by any final court action in a court of competent jurisdiction, or by reason of any preemptive legislation, the remaining provisions, sections, paragraphs, sentences and words of this Resolution shall remain in full force and effect.

**PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CARMEL-BY-THE-SEA
this 2nd day of June, 2026, by the following roll call vote:**


AYES: Councilmembers Baron, Buder, Delves, and Mayor Byrne
NOES: Councilmember Dramov
ABSENT: None
ABSTAIN: None

APPROVED:



Dale Byrne, Mayor

ATTEST:



Nova Romero, MMC, City Clerk




EXHIBIT A

ORDINANCE NO. 2026-003

AN ORDINANCE OF THE CITY OF CARMEL-BY-THE SEA, CALIFORNIA, INCREASING THE CITY'S CURRENT TRANSACTIONS AND USE TAX RATE FROM 1.5% TO 1.875% AND EXTENDING THE DURATION OF SUCH TRANSACTIONS AND USE TAX SO THAT IT REMAINS IN EFFECT UNTIL ENDED BY VOTERS

WHEREAS, pursuant to Article XIIC of the California Constitution, Section 53720 et seq. of the California Government Code, the City has the authority to levy a general tax; and

WHEREAS, Article XIIC, Section 2, of the California Constitution requires that the election at which a general tax increase is submitted to the electorate shall be consolidated with a regularly scheduled general election for members of the governing body of the local government, except in cases of emergency declared by a unanimous vote of the governing body; and

WHEREAS, Part 1.6 (commencing with Section 7251) of Division 2 of the California Revenue and Taxation Code, and Section 7285.9 of the California Revenue and Taxation Code, authorizes a city to adopt a transactions and use 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; and

WHEREAS, pursuant to Article IV of Chapter 3.28 of Title 3 of the Carmel-by-the-Sea Municipal Code, the City currently has a general transactions and use tax at the rate of 1.5% which is set to expire in 2040 ("Transactions and Use Tax"); and

WHEREAS, this Ordinance would increase the Transactions and Use Tax rate from 1.5% to 1.875% and extend the duration of the Transactions and Use Tax so that it remains in effect until ended by voters; and

WHEREAS, by Resolution No. 2026-043, the City Council of the City of Carmel-by-the-Sea submitted this Ordinance to the voters at the General Municipal Election to be held in the City of Carmel-by-the-Sea on November 3, 2026 ("General Municipal Election"); and

WHEREAS, by Resolution No. 2026-043, the City Council has approved this Ordinance pursuant to Section 7285.9 of the California Revenue and Taxation Code; and

WHEREAS, the General Municipal Election was also a regularly scheduled general election for members of the Carmel-by-the-Sea City Council.

NOW THEREFORE, ON THE BASIS OF THE FOREGOING, THE PEOPLE OF THE CITY OF CARMEL-BY-THE-SEA, DO HEREBY ORDAIN AS FOLLOWS:

SECTION 1. AMENDMENT TO SECTION 3.28.170: Section 3.28.170 (entitled "Imposition") of Article IV of Chapter 3.28 of Title 3 of the Carmel-by-the-Sea Municipal Code is hereby amended in its entirety as follows:

"A transactions and use tax is hereby imposed as a general tax on the gross receipts of any retailer from the sale of all tangible personal property sold at retail

in the City, and upon the sales price of tangible personal property stored, used or otherwise consumed in the City as further set forth below. The revenue from the Transactions and Use Tax shall be subject to the City's annual independent financial audit."

SECTION 2. AMENDMENT TO SECTION 3.28.210: Section 3.28.210 (entitled "Transactions Tax Rate") of Article IV of Chapter 3.28 of Title 3 of the Carmel-by-the-Sea Municipal Code is hereby amended in its entirety as follows:

"For the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all retailers in the incorporated area of the City at the rate of 1.875% of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in the City on and after the operative date of the ordinance codified in this article and remaining in effect until repealed by the voters of the City of Carmel-by-the-Sea."

SECTION 3. AMENDMENT TO SECTION 3.28.230: Section 3.28.230 (entitled "Use Tax Rate") of Article IV of Chapter 3.28 of Title 3 of the Carmel-by-the-Sea Municipal Code is hereby amended in its entirety as follows:

"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 the ordinance codified in this article for storage, use or other consumption in the City at the rate of 1.875% of the sales price of the property and remaining in effect until repealed by the voters of the City of Carmel-by-the-Sea. The sales price shall include delivery charges when such charges are subject to sales or use tax regardless of the place to which delivery is made."

SECTION 4. AMENDMENT TO SECTION 3.28.310: Section 3.28.310 (entitled "Termination Date") of Article IV of Chapter 3.28 of Title 3 of the Carmel-by-the-Sea Municipal Code is hereby amended in its entirety as follows:

"The authority to levy the taxes imposed by this article shall remain in effect until repealed by the voters of the City of Carmel-by-the-Sea."

SECTION 5. Council Authority To Amend: The City Council has the right and authority to amend this Ordinance, to further its purposes and intent (including but not limited to amendment for more efficient administration as determined by the City Council), in any manner that does not increase a tax rate, or otherwise constitute a tax increase for which voter approval is required by Article XIII C of the California Constitution, pursuant to Section 9217 of the California Elections Code.

SECTION 6. Severability: Should any section, subsection, paragraph, sentence, clause, or phrase of this ordinance be declared unconstitutional or invalid for any reason, such declaration shall not affect the validity of the remaining portions of this ordinance.

SECTION 7. Date of Adoption and Effective Date: Pursuant to Elections Code Section 9217, this Ordinance shall be considered adopted on the date that the City Council declares that the voters of the City of Carmel-by-the-Sea have approved the Ordinance by a vote of no less than a majority of the votes cast by the electors voting at the General Municipal Election held on Tuesday, November 3, 2026, and shall go into effect ten (10) days thereafter. Following a declaration by the City Council that this Ordinance was approved by a majority of the voters, as

set forth in Elections Code Section 9217, the Mayor is hereby authorized to approve that this Ordinance was adopted on the date that the City Council declared that the voters of the City of Carmel-by-the-Sea approved the Ordinance, by signing where indicated below.

SECTION 8. **Approval of Ordinance:** The City Council hereby approves this Ordinance pursuant to Section 7285.9 of the California Revenue and Taxation Code and authorizes the Mayor to sign as to the City Council's approval thereof.

SECTION 9. **Publication:** The Clerk shall cause this ordinance to be published in the manner required by law.

SECTION 10. **Environmental Review:** The City finds that this Ordinance is not subject to environmental review under the California Environmental Quality Act ("CEQA") because the Ordinance is an activity that is excluded from the definition of a project by Public Resources Code sections 21065 and 21080(b)(8) and California Code of Regulations Sections 15273 and 15378(b) (the "CEQA Guidelines"). The proposed Ordinance includes organizational or administrative activities of government which will not result in direct or indirect physical changes to the environment and are exempt from CEQA under CEQA Guidelines Sections 15060(c)(2) and 15061(b)(3).

PASSED AND ADOPTED BY THE VOTERS OF THE CITY OF CARMEL-BY-THE-SEA this
_____ day of _____, 2026

APPROVED:

DALE BYRNE, MAYOR
City of Carmel-by-the-Sea

ATTEST:

Nova Romero, MMC, City Clerk