

Inglewood Fair Share Admissions Tax Tier Reform and Cap Removal Initiative

(Additions are **underlined** and deleted text is shown as **~~strikethrough~~**.)

The People of the City of Inglewood do ordain as follows:

Section 1. Title.

This Ordinance shall be known and may be cited as the “Inglewood Fair Share Admissions Tax Tier Reform and Cap Removal Initiative.”

Section 2. Findings and Declarations.

The People of the City of Inglewood hereby find and declare:

- (1) Large sports and entertainment venues generate substantial recurring demands on City infrastructure and municipal services, including police, fire, emergency medical response, traffic control, street maintenance, sanitation and trash collection.
- (2) Chapter 9, Article 2 of the Municipal Code (“Admissions Tax) imposes a tax on admission to events at large sports and entertainment venues in order to help fund general municipal services.
- (3) Venue seating capacity is a reasonable proxy for event-related impacts on City services and infrastructure.
- (4) The People intend to establish a tiered admissions tax rate based on venue seating capacity so that venues that generate greater impacts contribute an appropriate share to Citywide municipal services and infrastructure demands associated with event activity.
- (5) The proceeds of the admissions tax are City revenues and may be used for any lawful municipal purpose.
- (6) This Measure is intended to apply prospectively and to be administered consistent with existing law and constitutional limits, including limitations on impairment of contracts and takings.

Section 3. Amendment to Municipal Code.

Chapter 9, Article 2 is amended to read as follows:

Section 9-6 Admissions Tax. Levy and Assessment.

There is hereby levied and assessed and shall be collected and paid a tax:

- (1) In the sum of forty-five cents (\$0.45) upon each admission to any horse racing meeting or harness horse racing meeting held or conducted within the City.

(2) In the sum of fifty-six cents (\$0.56) upon each admission for which a charge is made to any enclosure, auditorium or place when such admission is for the purpose of attending a live sporting, athletic, theatrical, contest or presentation or any other live entertainment type exhibition, spectacle or participation of any kind; provided that effective on July 1st of each year, the rate will be adjusted upward by the percentage of annual change in the Los Angeles/Long Beach Consumer Price Index (CPI) as identified each June 1st. Should the June 1st change in the CPI be a decrease over the prior year, the tax will remain the same.

(3) If a reduction in the charge for admission to any event designated in subsection (1) or (2) of this Section is made to permit attendance to only a portion of such meeting, contest, presentation or event and such reduced charge is in the sum of one dollar (\$1.00) or less, then the tax on such reduced admission shall be in the sum of twenty cents (\$0.20).

(4) The admissions tax imposed by this Article shall not be applicable to any venue with a crowd capacity of one thousand persons or less.

~~(5) With regard only to venues with a seating capacity in excess of twenty-two thousand persons, the admissions tax imposed herein shall be equivalent to ten percent of the per person admission price for each event conducted in said venue; provided, however, that the aggregate amount of admissions tax collected by said venue and paid pursuant to this Article in any given tax year shall not exceed fifteen million dollars (\$15,000,000.00), adjusted annually by the Consumer Price Index for Los Angeles, California (urban wage earners) most recently published by the U.S. Bureau of Labor Statistics, and thereafter this admissions tax shall not apply to said venue for the remainder of the given tax year.~~

(5) Tiered rates for large venues.

(a) Applicability. Notwithstanding any other provision of this Article, the admissions tax rate for each event conducted in a venue with a seating capacity of ten thousand (10,000) persons or more shall be determined under this subsection.

(b) Venues with seating capacity of twenty thousand (20,000) persons or more. The admissions tax imposed herein shall be equivalent to ten percent (10%) of the per person admission price for each event conducted in said venue.

(c) Venues with seating capacity of ten thousand (10,000) persons or more but less than twenty thousand (20,000) persons. The admissions tax imposed herein shall be equivalent to two and one-half percent (2.5%) of the per person admission price for each event conducted in said venue.

Section 9-6.5 Definitions of "Live."

The following definitions apply to this Article:

(1) "Live" The term "live," as used in Section 9-6(2), shall be construed to include means not only participants who appear in person but also any closed circuit television exhibition of the

type of contest or exhibition designated in Section 9-6(2) which is held, performed or conducted by the participants in a place other than the place in the City of Inglewood at which an admission fee is charged and which is relayed immediately or within a few moments by means of closed circuit television or similar type facilities to the said place within the City at which an admission fee is charged.

(2) “Event Conducted” means any event for which a charge or other consideration is required for entry, whether by ticket, pass, credential, or otherwise.

(3) “Seating Capacity” means the maximum seating capacity authorized for the venue by the most recent certificate of occupancy, fire code occupant load, building permit, conditional use permit, or other written City approval that authorizes maximum occupancy or seating. If multiple authorizations exist or conflict, the highest authorized maximum applies. The Finance Director may require production of such official records and may make a determination based on those records if the venue operator fails to provide them.

(4) “Per Person Admission Price” means any mandatory charge required for entry to the event, however characterized, but excludes optional charges not required for entry.

(5) “Venue” means the facility in which the event is conducted, including any attached or contiguous seating areas operated as part of the same event.

Section 9-7 Exceptions.

The tax imposed by this Article shall not apply to admissions which are made pursuant to passes issued to:

- (1) Bona fide employees of the management;
- (2) Municipal officers on official business;
- (3) Members of the press in the performance of their duties;
- (4) Persons regularly engaged in work or business transacted at the place whether their duties require admission to the place or not and whether on duty at the time admitted or not; and
- (5) Other persons whose admission to the place is required for the performance of some duty to, or work for, the proprietor.

Section 9-8 Collection and Payment.

The tax levied and assessed pursuant to this Article is hereby imposed upon the person paying for such admission and shall be paid at the time when and the place at which such admission charge is paid. Such tax shall be collected by the person charging for such admission.

Section 9-9 Accounting and Delivery to the City.

On or before the tenth day of each calendar month, the person collecting the tax levied and imposed by this Article shall render (in duplicate) an accounting or statement to the City of all (except as hereinafter provided) such taxable admissions to any such enclosure or place during the calendar month preceding such accounting or statement. Such accounting or statement shall be filed with the Finance Director at the office of said Director in the City Hall, and at the time of such filing the person collecting such tax shall then and there pay to said Finance Director all amounts so collected as taxes hereunder, as shown in such accounting or statement. The correctness of such statements shall be subject to audit by the Finance Director or his or her properly authorized representative, who are hereby authorized and empowered to inspect and audit the books and records of any and all persons subject to the provisions of this Article. ~~Notwithstanding anything to the contrary contained herein, if admissions tax does not apply to a given venue for the remainder of a given tax year in accordance with Section 9-6(5), then the person collecting the tax levied and imposed by this Article shall have no further reporting obligations pursuant to this Section for the remainder of the given tax year.~~

Section 9-10 Form of Return.

The forms of return to be executed and filed pursuant to the requirements of this Article shall be such as may be prescribed by or acceptable to the Finance Director.

Section 9-11 Pass Book Admissions.

With reference to taxable admissions to any such enclosure or place, which are made upon season or other pass books entitling the holder thereof to admission on all or any of the days during which any meeting is held, such accounting and statement shall be made as a part of and at the same time that the last monthly accounting for such meet is to be rendered and made, as hereinabove in this Article set forth. This proviso is inserted so that the tax imposed hereby may be determined, computed and paid on the basis of the actual taxable admissions under such season or other passbooks, rather than upon the potential rights of the holder thereof to admissions thereunder.

Section 9-12 Final Accounting Payment.

At the time of rendering the final accounting or statement required under this Article for any meeting, the person making such accounting shall pay to the City all amounts collected during the time during which such meeting was conducted, and which remain unpaid to the City.

Section 9-13 Tax Delinquency. Penalty.

A failure on the part of the person collecting such taxes under this Article to pay the entire amount of taxes due hereunder within the time hereinabove prescribed, shall automatically cause the amount of such taxes then unpaid forthwith to become delinquent and the Finance Director shall thereupon add and collect a penalty of five percent of the taxes so delinquent.

Section 9-14 Taxes a Debt to the City. Actions Thereon.

The amount of any tax and of any penalty imposed by this Article shall be deemed a debt to the City, and any person conducting any such horse racing or harness horse racing meeting or other event to which the admissions tax hereby imposed applies in violation of any of the provisions of this Article shall be liable to an action in the name of the City in any court of competent jurisdiction for the amount of taxes and penalties imposed hereby and an attachment shall issue on a verified complaint without any bond or affidavit given in behalf of plaintiff.

Section 9-15 Exemptions.

The provisions of this Article shall not be construed to require the payment of an admissions tax upon admission to any event conducted as the function of any religious institution, organization or association organized for religious purposes and conducted solely for such purposes, nor for any event conducted as the function of any fraternal, civic, military, Federal, state, county, municipal and school district organization.

Section 9-16 Use of Proceeds.

The proceeds arising from the tax imposed by this Article shall be credited to the General Fund of the City.

Section 9-17. Administration and Anti-Avoidance.

A. The Finance Director may promulgate reasonable administrative forms, procedures, and interpretive regulations consistent with this Article for reporting, collection, audit, and enforcement of the tiered rates established by this Article. Such regulations shall be ministerial and interpretive in nature and shall not create new exemptions or change the rates adopted by this Article.

B. Bundled or packaged charges. Where admission is bundled with other goods or services for a single price, the admissions tax shall be calculated based on the portion of the total charge reasonably attributable to the right of entry. The Finance Director may require a reasonable allocation based on fair market value and may disregard an allocation that is not reasonable in light of the facts.

C. Records. Venue operators shall maintain and, upon request, make available records sufficient to verify seating capacity determinations and the components of the per person admission price for audit and enforcement purposes, consistent with this Article.

Section 9-18. Enforcement.

The City may enforce the admissions tax through audits, administrative citations, penalties, civil actions, and any other remedies authorized by law.

Section 4. Severability.

(1) If any provision of this Measure, or any section, phrase, or word thereof, or the applicability of any provision, section, part, phrase, or word to any person or circumstances, including any exemption to the special tax or defined term, is for any reason held to be invalid or unconstitutional, the remaining provisions, sections, parts, phrases, or words shall not be affected, but shall remain in full force and effect, and to this end the provisions, sections, parts, phrases, and words of this Measure are severable.

(2) The voters hereby declare that this Measure, and each section, provision, part, phrase, and word, including any exemption to the special tax or defined term, would have been adopted irrespective of whether any one or more provisions, sections, parts, phrases, or words are found to be invalid or unconstitutional.

Section 5. Conflicting Measures.

(1) If this Measure and one or more conflicting measures appear the same ballot, the provisions of the measure that receives the greater number of affirmative votes will prevail in its entirety, and the other measure or measures shall be null and void.

(2) If this Measure is approved by the voters but superseded by law by another conflicting measure approved by the voters at the same election, and the conflicting ballot measure is later held to be invalid, this Measure shall be self-executing and will be given full force and effect.

Section 6. Legal Defense.

The People of the City of Inglewood desire that this Measure, if approved by the voters are thereafter challenged in court, be defended by the City. The People, by approving this measure, hereby declare that the proponent(s) of this Measure have a direct and personal stake in defending this Measure from constitutional or statutory challenges to the Measure's validity or implementation. In the event that the City fails to defend this Measure, or the City fails to appeal an adverse judgment against the constitutionality, statutory permissibility, or implementation of this Measure, in whole or in part, in any court of law, the Measure's proponents shall be entitled to assert their direct personal stake by defending the Measure's validity and implementation in any court of law and shall be empowered by the People through this Measure to act as agents of the People. The City shall indemnify the proponents for reasonable expenses and any losses incurred by the proponents, as agents, in defending the validity and/or implementation of the challenged measure. The rate of indemnification shall be no more than the amount it would cost the City to perform the defense itself.

Section 7. Liberal Construction.

This Measure shall be liberally construed to effectuate its purposes.

Section 8. Municipal Affair.

The People of the City of Inglewood hereby declare that charging an admissions tax as outlined in this Measure constitutes a municipal affair. The People hereby further declare there desire for this Measure to coexist with any similar tax measures adopted at the city, county, or state levels.

Section 9. Effective Date.

(1) This Measure shall become effective upon its approval by a simple majority of electors of the City.

(2) This Measure applies prospectively to admissions occurring on and after its effective date.