

RESOLUTION 2026-040

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HIGHLAND, CALIFORNIA, APPROVING AND ORDERING THAT A GENERAL TAX MEASURE BE SUBMITTED TO VOTERS OF THE CITY OF HIGHLAND AT THE NOVEMBER 3, 2026 GENERAL MUNICIPAL ELECTION FOR THE VOTERS OF HIGHLAND TO ESTABLISH A TRANSACTIONS AND USE TAX ("SALES TAX") AT THE RATE OF ONE PERCENT (1%), WITH THE TAX TO BE ADMINISTERED BY THE CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION

WHEREAS, the City of Highland ("City") is authorized to levy a Transactions and Use Tax for general purposes pursuant to California Revenue and Taxation Code Section 7285.9, subject to approval by a majority vote of the electorate; and

WHEREAS, the City Council is authorized to place local measures on the ballot to be considered at a Municipal Election pursuant to California Elections Code Section 9222; and

WHEREAS, Article XIIC of the California Constitution requires that all general taxes which are imposed, extended, or increased must be submitted to the electorate and approved by a majority vote of the qualified voters voting in the election; and

WHEREAS, pursuant to California Revenue and Taxation Code Section 7285.9, a two-thirds (2/3) vote of all members of the City Council is required to approve and place a tax measure on the November 3, 2026 ballot for voter approval; and

WHEREAS, California Revenue and Taxation Code Section 7251.1 sets a combined limit of 2% on the total transactions and use taxes that a county and any city within the county may levy; and

WHEREAS, Measure I, which was approved by San Bernardino County voters in 1989, and later extended in 2004, established a \$0.005 sales tax (one half of a cent tax), which is 0.5% of the 2% statutory limit for local transactions and use taxes, in order to fund countywide transportation and services; and

WHEREAS, the Board of Supervisors of San Bernardino has recently placed a new measure on the November 3, 2026 ballot, which if passed, would merely extend the duration of the existing \$0.005 sales tax (one half of a cent tax); and

WHEREAS, neither the City nor the County has levied the remaining 1.5 percent (one and a half cent (\$0.015)) of the total 2% statutory limit for local sales taxes; and

WHEREAS, the City should maintain a reliable source of local funding and ensure that local taxpayer dollars are spent solely on City programs and services, in order to become more fiscally self-sufficient and better serve the needs of its citizens; and

WHEREAS, the City desires to fund general City services, including police, fire, and emergency services, and the repair of critical infrastructure such as City roads, bridges, interchanges, drainage and other public improvements; and

WHEREAS, the City measure, which is entitled the City of Highland's Transactions and Use Tax Ordinance, would impose a Transactions and Use Tax of only 1% (one cent on each dollar of sales that are subject to transaction and use taxes), in order to fund the vital City services on which the community relies; and

WHEREAS, the one-percent (1%) general tax would generate approximately \$6.35 million in revenue, which will be placed in the City's general fund; and

WHEREAS, based on the recitals contained herein, the City Council intends to submit to the voters of Highland at the November 3, 2026 General Municipal Election, a measure that, commencing the first day of the first calendar quarter more than 110 days after enactment, would establish a locally-controlled general transaction and use tax of one-percent (1%) on the sale, use, or both, of all tangible personal property sold at retail in the City until it is repealed by voters, as more specifically set forth herein and in the attached proposed ordinance that adds Chapter 3.40 to Title 3 of the City's Municipal Code; and

WHEREAS, the Transactions and Use Tax Ordinance to be considered by the voters of the City, and the terms of its approval, collection, and use of the general transaction and use tax, are described and provided for in the ordinance attached hereto as Exhibit "A"; and

WHEREAS, nothing contained herein or in the ordinance attached hereto as Exhibit "A" is intended to, or shall repeal, amend or replace, the existing provisions of Chapter 3.16 (Local Sales and Use Tax), which shall remain in place and in full force and effect and will not be superseded or affected by the passage or defeat of the proposed ballot measure or the ordinance attached as Exhibit "A".

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF HIGHLAND, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. The facts set forth in the recitals of this Resolution are true and correct, and establish the factual basis for the City Council's adoption of this Resolution.

SECTION 2. California Revenue and Taxation Code Section 7285.9 authorizes any city to levy, increase, or extend a transactions and use tax for general purposes at a rate of 0.125 percent, or a multiple thereof, subject to approval by a two-thirds vote of all of the members of the City Council and by a majority of the qualified voters of the City voting in an election on the issue.

SECTION 3. By Resolution CC 2026-041, adopted on June 9, 2026, the City Council has called and given notice of the General Municipal Election to be held in the City on November 3, 2026, and to be consolidated with the Statewide General Election conducted on the same date. Pursuant to California Elections Code Sections 9222 and 10201, the City Council hereby orders the submittal of the City of Highland's Transactions and Use Tax Ordinance to the voters for consideration. The full text of the City of Highland Transactions and Use Tax Ordinance is attached to this Resolution as Exhibit "A" and incorporated herein by reference. The measure to be submitted to the voters shall appear and be printed on the ballot substantially in the following form:

City of Highland Public Safety and Local Control Measure	
To maintain local funding for police, fire, emergency services; and improve critical infrastructure, including maintaining roads, bridges, drainage, 5th Street Corridor Interchange, and other improvement projects; shall the City of Highland enact a 1¢ sales tax, providing approximately \$6.35 million annually, remaining in effect until ended by voters, with funds staying in the City and generated from purchases paid by both visitors and City residents?	YES
	NO

SECTION 4. The City Council, by at least 2/3 vote, hereby approves and submits the Measure to the voters to adopt the proposed Highland Transactions and Use Tax Ordinance, which is attached to this Resolution as Exhibit "A". The City Council approves the proposed Ordinance that will adopt a general tax, as defined in Article XIIC of the California Constitution, to be collected by the California Department of Tax and Fee Administration. As a general tax, the Ordinance shall not take effect unless and until approved by a vote of at least a majority of the qualified voters voting on the question at the November 3, 2026 election and shall remain in effect until repealed by the voters.

SECTION 5. The City Attorney is hereby directed to prepare an impartial analysis of the measure pursuant to California Elections Code Section 9280. The impartial analysis shall not exceed 500 words in length, and shall show the effect and operation of the Measure.

SECTION 6. In all particulars not recited in this Resolution, the election shall be held and conducted as provided by law for holding municipal elections. All persons qualified and registered to vote in the City of Highland as of the date of such election shall be entitled to vote.

SECTION 7. The City Clerk is authorized, instructed, and directed to coordinate with the San Bernardino Registrar of Voters to procure and furnish any 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. The ballots to be used at the election shall be in form and content as required by law.

SECTION 8. Notice of the time and place of holding the election on the Measure is hereby given and the City Clerk is authorized, instructed, and directed to give further or additional notice of the election, in the time, form and manner as required by law, and to publish a synopsis of the measure as required by law.

SECTION 9. The City Council finds and determines that the Measure relates to organizational or administrative activities of government that will not result in the direct or indirect physical changes to the environment, and therefore is not a project within the meaning of the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15378(b)(5).

SECTION 10. The provisions of this Resolution are severable and if any provision of this Resolution is held invalid, that provision shall be severed from the Resolution and the remainder of this Resolution shall continue in full force and effect, and not be affected by such invalidity.

SECTION 11. The City Clerk is hereby directed to submit a complete certified copy of this Resolution to the San Bernardino County Registrar of Voters Office and the Clerk of the San Bernardino County Board of Supervisors forthwith, and no later than the statutory deadline for such filings.

SECTION 12. The Mayor shall sign and the City Clerk shall attest to the adoption of this Resolution.

SECTION 13. This Resolution shall become effective upon its adoption.

PASSED, APPROVED and PASSED this 9th day of June, 2026.

City of Highland, California

Penny Lilburn
Mayor

ATTEST:

Alondra Muñoz, CMC
City Clerk

APPROVED AS TO FORM:

Maricela Marroquin
City Attorney

EXHIBIT A