

NOTICE OF INTENT TO CIRCULATE PETITION 2020 JAN 15 P 4:00

Notice is hereby given by the persons whose names appear hereon of their intention to circulate the petition within the City of Sacramento for the purpose of adopting the Mentally Ill Homeless Gross Receipts Tax Ordinance. A statement of the reasons for the proposed action as contemplated in the petition is as follows:

STATEMENT OF THE REASONS FOR PETITION

We are placing before the voters a proposal designed to treat, and care for, the mentally ill homeless. We are doing so because these individuals are not getting the treatment and care they need and, as a result, continue to wander our streets because they are unable to care for themselves.

In Sacramento County, very few mentally ill homeless individuals are conserved; in other words, they have been placed under the care of the Sacramento County Public Guardian. This appears to be largely due to the lack of locked facilities to treat and care for the mentally ill homeless.

The Lanterman-Petris-Short law – a law that has not been updated for 50 years! – sets out the process for the county to conserve an individual. This is the process that often begins with a peace officer determining that an individual is a danger to themselves or others and, if so, taking the individual into custody so that they can be properly evaluated at a psychiatric hospital.

If the psychiatric hospital determines that the individual is indeed suffering from a severe mental illness, an application to conserve the individual is made to the county public guardian. Unfortunately, due to the closing of the state-run psychiatric hospitals during the 1970s, there are not the number of psychiatric treatment facilities needed. And, as a result, the public guardian is placed in the unenviable position of having to deny applications from psychiatric hospitals seeking to conserve individuals who have been diagnosed by medical professionals to be severely mentally ill.

You have all seen these severely mentally ill people. They sleep near heating vents or live in tents by the side of the road. They walk the streets looking for a handout. You know something is not right in their heads. They did not choose the life to which they have been consigned. Genetics, the environment and, maybe, life's difficulties placed them there. ANYONE – regardless of background or income – could end up in similar circumstances.

California has a severe housing shortage that is undoubtedly a contributor to the rising number of homeless people. Similarly, there are serious mental health issues – including depression, suicide, and self-medicating substance abuse – that should be addressed.

This initiative is not seeking to address either homelessness or mental illness. Instead, this initiative attempts to address the narrow intersection of these two problems: the mentally ill homeless. A recent census of the homeless population in the Sacramento area determined that one in five homeless individuals is severely mentally ill. These are individuals who cannot take care of themselves and need our help.

We need to provide the funding necessary to provide the mentally ill homeless with the psychiatric treatment they require. The Mentally Ill Homeless Gross Receipts Tax Ordinance will fund the involuntary confinement and treatment of the mentally ill homeless in a psychiatric hospital. This initiative does that by placing a tax on the largest companies based on their gross receipts.

It is well past time to help those most in need.

WRITTEN TEXT OF THE INITIATIVE

Be it ordained by the People of the City of Sacramento:

Section 1. Chapter 3.10 is added to Title 3, Revenue and Finance, to read:

Chapter 3.10. MENTALLY ILL HOMELESS GROSS RECEIPTS TAX ORDINANCE

Article 1. General Provisions

3.10.010. SHORT TITLE.

This article shall be known as the "Mentally Ill Homeless Gross Receipts Tax Ordinance," and the tax it imposes shall be known as the "Mentally Ill Homeless Gross Receipts Tax."

3.10.020. FINDINGS AND PURPOSES.

(a) Sacramento is experiencing a mentally ill homeless crisis of historic proportions that has led to a major humanitarian and public health crisis of mentally ill homeless for which the city has insufficient resources to address.

(b) The Mentally Ill Homeless Gross Receipts Tax will fund the "Mentally Ill Homeless Fund." It is the intention of the voters in adopting this article to house mentally ill homeless people and fund intensive mental health and substance abuse services to move the city's most severely impaired individuals off the streets.

(c) For years city residents have witnessed individuals with severe mental illnesses wandering city streets. The purpose of this article is to fund intensive mental health care and substance abuse treatment in confinement facilities to ensure that severely mentally ill people who may also be drug addicted are able to exit homelessness. The intent of the voters in adopting this article is to provide care sufficient to move all those in the city with severe behavioral health issues out of homelessness.

(d) This crisis of the mentally ill homeless affects both mentally ill homeless people and their housed neighbors. City residents should not have to step over homeless people or

walk out their doors and see tents on sidewalks, and homeless people should not be forced to live in these conditions. The intent of voters in adopting this article is to significantly decrease the visible presence of homeless people and tent encampments on city streets by eliminating chronic homelessness for the severely mentally ill.

3.10.030. IMPOSITION OF TAX.

(a) Except as otherwise provided in this article, for the privilege of engaging in business in the city, the city imposes an annual Mentally Ill Homeless Gross Receipts Tax on each person engaged in business in the city that receives or is a member of a combined group that receives, more than \$50,000,000 in total taxable gross receipts.

(b) The Mentally Ill Homeless Gross Receipts Tax shall be calculated by multiplying the person or combined group's taxable gross receipts in excess of \$50,000,000 by .5 percent.

3.10.040. EXEMPTIONS AND EXCLUSIONS.

(a) An organization that is exempt from income taxation by Chapter 4 (commencing with Section 23701) of Part 11 of Division 2 of the California Revenue and Taxation Code or Subchapter F (commencing with Section 501) of Chapter 1 of Subtitle A of the Internal Revenue Code of 1986, as amended, as qualified by Sections 502, 503, 504, and 508 of the Internal Revenue Code of 1986, as amended, shall be exempt from taxation under this article, only so long as those exemptions continue to exist under state or federal law.

(b) For only so long as and to the extent that the city is prohibited from imposing the Mentally Ill Homeless Gross Receipts Tax, any person upon whom the city is prohibited under the constitution or laws of the State of California or the U.S. Constitution or laws of the United States from imposing the Mentally Ill Homeless Gross Receipts Tax shall be exempt from the Mentally Ill Homeless Gross Receipts Tax.

3.10.050. TAX COLLECTOR AUTHORIZED TO DETERMINE GROSS RECEIPTS.

The tax collector may, in his or her reasonable discretion, independently establish a person or combined group's gross receipts within the city and establish or reallocate gross receipts among related entities so as to fairly reflect the gross receipts within the city of all persons and combined groups.

3.10.060. DEPOSIT OF PROCEEDS; EXPENDITURE OF PROCEEDS.

(a) All monies collected under the Mentally Ill Homeless Gross Receipts Tax Ordinance shall be deposited to the credit of the Mentally Ill Homeless Fund. The fund shall be maintained separate and apart from all other city funds and shall be subject to appropriation. Any balance remaining in the fund at the close of any fiscal year shall be carried forward and accumulated in the fund for the purposes described in subsection

(b)(3).

(b) Subject to the budgetary and fiscal provisions of the charter, monies in the Mentally Ill Homeless Fund shall be appropriated on an annual or supplemental basis and used exclusively for the following purposes:

(1) Up to 3% of the proceeds of the Mentally Ill Homeless Gross Receipts Tax distributed in any proportion to the tax collector and other city departments, for

administration of the Homelessness Gross Receipts Tax and administration of the Mentally Ill Homeless Fund for the following purposes:

(A) Payment of the administrative expenses of collecting the Homelessness Gross Receipts Tax;

(B) Payment for city oversight of the expenditures described in this subsection (b); and

(C) Payment for city expenses providing support for the Mentally Ill Homeless Oversight Committee.

(2) Refunds of any overpayments of the Mentally Ill Homeless Gross Receipts Tax, including any related penalties, interests, and fees.

(3) All remaining amount shall be used to construct, equip and staff locked psychiatric facilities for the confinement of homeless individuals who have been conserved under the Lanterman-Petris-Short Act.; which amount shall include the costs of administering these facilities.

(c) Commencing with a report filed no later than February 15, 2022, covering the fiscal year ending on June 30, 2021, the controller shall file annually with the city council, by February 15 of each year, a report containing the amount of monies collected in and expended from the Mentally Ill Homeless Fund during the prior fiscal year, the status of any project required or authorized to be funded by this section, and such other information as the controller, in the controller's sole discretion, shall deem relevant to the operation of this article.

(d) Appropriations May Not Supplant Existing Expenditures. Monies in the Mentally Ill Homeless Fund shall be expended only for eligible programs. Monies in the Mentally Ill Homeless Fund shall not be spent to supplant existing programs funded by the city for mentally ill homeless programs, which shall continue to be funded, at a minimum, at the base amount. All funds unexpended from the Mentally Ill Homeless Fund shall be held in the Mentally Ill Homeless Fund and may be expended on eligible programs in any future fiscal year in which other expenditures from the Mentally Ill Homeless Fund may be made. For purposes of this subsection (d):

(1) "Base Amount" means the controller's calculation of the amount of city appropriations (not including appropriations from the Mentally Ill Homeless Fund and exclusive of expenditures funded by private funding or funded or mandated by state or federal law) for eligible programs for the fiscal year ending June 30, 2020.

(2) "Eligible Programs" means all programs and expenditures described in (b)(3).

(e) For purposes of this section:

(1) "Homeless" means an individual that lacks a fixed, regular, and adequate nighttime residence, and whose primary nighttime residence is one or more of the following: a shelter; a sidewalk or street; outdoors; a vehicle; a structure not certified or fit for human residence, such as an abandoned building; a couch used for sleeping in accommodations that are inadequate or overly crowded; a transitional housing program; or in such other location that is unsafe or unstable.

3.10.070. AMENDMENT OF ORDINANCE.

The city council may amend this article by ordinance by a two-thirds vote but only to further the findings and intent as set for in 3.10.020.

3.10.080. EFFECT OF STATE AND FEDERAL AUTHORIZATION.

To the extent that the city's authorization to impose or to collect any tax imposed under this article is expanded or limited as a result of changes in state or federal statutes, regulations, or other laws, or judicial interpretations of those laws, no amendment or modification of this article shall be required to conform the taxes to those changes, and the taxes are hereby imposed in conformity with those changes, and the tax collector shall collect them to the full extent of the city's authorization up to the full amount and rate of the taxes imposed under this article.

3.10.090. SEVERABILITY.

(a) Except as provided in (b), if any section, subsection, sentence, clause, phrase, or word of this article, or any application thereof to any person or circumstance, is held to be invalid or unconstitutional by an unappealable decision of a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions or applications of this article. The People of the City of Sacramento hereby declare that, except as provided in (b), they would have adopted this article and each and every section, subsection, sentence, clause, phrase, and word not declared invalid or unconstitutional without regard to whether any other portion of this article or application thereof would be subsequently declared invalid or unconstitutional.

(b) If the imposition of the Mentally Ill Homeless Gross Receipts Tax in 3.10.030 is held in its entirety to be facially invalid or unconstitutional in a final unappealable court determination, the remainder of this article shall be void and of no force and effect.

3.10.100. SAVINGS CLAUSE.

No section, clause, part, or provision of this article shall be construed as requiring the payment of any tax that would be in violation of the constitution or laws of the United States or of the constitution or laws of the State of California.

3.10.110. MENTALLY ILL HOMELESS FUND.

(a) Establishment of Fund. The Mentally Ill Homeless Fund ("Fund") is established and shall receive all taxes, penalties, interest, and fees collected from the Mentally Ill Homeless Gross Receipts Tax imposed under this article.

(b) Use of Fund. Subject to the budgetary and fiscal provisions of the charter, monies in the fund shall be used exclusively for the purposes described in 3.10.060 (b).

(c) Administration of Fund. As stated in 3.10.060 (c), commencing with a report filed no later than February 15, 2022, covering the fiscal year ending June 30, 2021, the controller shall file annually with the city council, by February 15 of each year, a report containing the amount of monies collected in and expended from the fund during the prior fiscal year, the status of any project required or authorized to be funded by 3.10.060, and such other information as the controller, in the controller's sole discretion, shall deem relevant to the operation of this article.

Section 2. Effective and Operative Date. The effective date of this ordinance shall be ten days after the date the official vote count is declared by the city council. This ordinance shall become operative on January 1, 2021.

FILING FEE

A check for \$200 to the City of Sacramento is attached.

REQUEST FOR PREPARATION OF BALLOT TITLE AND SUMMARY

The proponents respectfully request preparation of the ballot title and summary for this initiative.

SIGNATURES AND ADDRESSES OF PROPONENTS

[Redacted]

Ronica S. Carlisle

[Redacted]

[Redacted]

Christopher C. Carlisle

[Redacted]