

INITIATIVE MEASURE TO BE SUBMITTED DIRECTLY TO THE VOTERS

The City Attorney of the City of Imperial has prepared the following title and summary of the chief purpose and points of the proposed initiative:

Ballot Initiative 1 Cessation of Community Facilities District No. 2004-2 Improvement Area 1 Special Taxes Upon Full Payment of Outstanding Bond Indebtedness

Summary of the Proposed Initiative:

Proponents within the City of Imperial Community Facilities District No. 2004-2 Improvement Area 1 (“Improvement Area 1”) have proposed an initiative to repeal all special taxes assessed within Improvement Area 1, upon the complete satisfaction of the outstanding bonded indebtedness associated with Improvement Area 1. The initiative includes several sections.

Section 1 of the initiative is the title.

Section 2 of the initiative contains several findings and the proponents’ stated purpose for the initiative.

Section 3 of the initiative would seek to require the legislative body of the City of Imperial Community Facilities District No. 2004-2 to pay the outstanding bonded indebtedness and, upon full payment of the outstanding bonded indebtedness, to adopt a resolution repealing the special tax levy in its entirety.

Section 4 of initiative would seek to require the legislative body of the City of Imperial Community Facilities District No. 2004-2 to retroactively waive already accrued penalties and interest on delinquent special tax payments.

Section 5 of the initiative would seek to require the legislative body of the City of Imperial Community Facilities District No. 2004-2 to take all steps necessary to ensure that the collection of the special tax ceases upon full payment of the outstanding bonded indebtedness.

Section 6 of the initiative includes severability provision, which means that if any provision of the initiative is held to be invalid, the remaining provisions of the initiative shall remain in full force and effect, if the initiative is adopted by the voters.

Section 7 of the initiative states that, if the initiative is adopted by the voters, the initiative shall become effective upon certification of the election results.

TO THE CITY CLERK OF THE CITY OF IMPERIAL:

We, the undersigned registered and qualified voters of the City of Imperial, hereby propose the attached measure entitled “Imperial CFD 2004-2 Mello-Roos Tax Repeal and Redemption Act of 2026” and petition the City Council of the City of Imperial, acting as the legislative body of the City of Imperial Community Facilities District 2004-2, to adopt this measure immediately without alteration, or to submit it to a vote of the people at the next regular municipal election or at a special election called for that purpose. We request that the measure be submitted to the voters in accordance with California Elections Code.

AN INITIATIVE MEASURE TO REPEAL ALL MELLO-ROOS COMMUNITY FACILITIES DISTRICT TAXES WITHIN CITY OF IMPERIAL COMMUNITY FACILITIES DISTRICT NO. 2004-2 IMPROVEMENT AREA 1 UPON SATISFACTION OF OUTSTANDING OBLIGATIONS

SECTION 1. TITLE.

This measure shall be known and may be cited as the **Imperial CFD 2004-2 Mello-Roos Tax Repeal and Redemption Act of 2026**.

SECTION 2. FINDINGS AND PURPOSE.

The People of the City of Imperial within Community Facilities District 2004-2 Improvement Area 1 find and declare:

1. Community Facilities District No. 2004-2 (“CFD 2004-2”) was allegedly established under the Mello-Roos Community Facilities Act of 1982 to finance certain public facilities.
2. However, CFD 2004-2 has not financed the promised public facilities and has confirmed that it will not do so.
3. CFD 2004-2 has engaged in unlawful and discriminatory practices by perpetuating a secret agreement to refrain from assessing any tax on the single entity which allegedly approved the assessments and, instead, has imposed and continues to impose the assessments on those who did not approve the assessments.
4. CFD 2004-2 imposed penalties and interest on individuals not responsible for delinquencies, while exempting those who caused them.
5. CFD 2004-2 imposes special taxes on property owners within the district, creating a financial burden on residents and property owners which is currently planned to continue for the next 12 years.
6. It is the intent of this initiative to repeal all special taxes levied under CFD 2004-2. The current outstanding bond of CFD 2004-2 are projected to be less than all past due assessments for facilities in CFD 2004-2 through the current fiscal year 2025-2026. Therefore, this initiative is intended to instruct that all assessments levied through this current fiscal year be used to pay off all outstanding bonds and to repeal any assessment which exceeds that amount.
7. To ensure fairness to current property owners, CFD 2004-2 shall repeal all penalties and interest on delinquencies not originally caused by the current property owners.

SECTION 3. REPEAL OF SPECIAL TAXES.

- (a) The City Council of the City of Imperial, acting as the legislative body of CFD 2004-2, shall cause to be applied all assessments for facilities in CFD 2004-2 to pay off all outstanding bonds for CFD 2004-2.
- (b) Effective the earliest date of any fiscal year in which all outstanding bonded indebtedness of CFD 2004-2 could have been paid in full with the collection of outstanding principal assessments, all authority of the City of Imperial and CFD 2004-2 to levy or collect special taxes within CFD 2004-2 Improvement Area 1 shall be repealed and terminated.
- (c) The City Council shall, upon certification that all obligations have been paid through Fiscal Year 2025–2026, adopt a resolution repealing the CFD 2004-2 special tax levy in its entirety.

SECTION 4. WAIVER OF PENALTIES AND INTEREST.

- (a) All penalties, fees, and interest on delinquent CFD 2004-2 special taxes shall be retroactively be repealed and voided if the delinquency was not originally caused by the property owner of record.
- (b) The City Council, acting as the legislative body of CFD 2004-2, shall establish a procedure for a property owner to demonstrate that a delinquency was attributable to a prior owner.
- (c) To rectify prior improper practices, if in any fiscal year funds received by CFD 2004-2 for current assessments and for penalties, fees, or interest on delinquencies exceed its bonded indebtedness, CFD 2004-2 shall first pay, in full, its bonded indebtedness, then refund any remaining funds to those property owners who were owners of property at the beginning of such fiscal year in proportion to all revenue collected by CFD 2004-2 from or related to each property by the end of the same fiscal year.

[Initiative measure continues on next page]

SECTION 5. IMPLEMENTATION.

(a) The City Council, acting as the legislative body of CFD 2004-2, shall take all actions necessary to implement this measure, including but not limited to notifying the County of Imperial Tax Collector, bond trustees, and any other relevant parties.

(b) The provisions of this measure shall supersede any prior City and/or CFD 2004-2 resolution, ordinance, or act establishing or authorizing the levy of special taxes within CFD 2004-2.

SECTION 6. SEVERABILITY.

If any provision of this measure is held invalid, the remainder shall not be affected and shall remain in full force and effect.

SECTION 7. EFFECTIVE DATE.

This measure shall become effective immediately upon certification of the election results.

NOTICE TO THE PUBLIC:

THIS PETITION MAY BE CIRCULATED BY A PAID SIGNATURE GATHERER OR A VOLUNTEER. YOU HAVE THE RIGHT TO ASK. THE PROPONENTS OF THIS PROPOSED INITIATIVE MEASURE HAVE THE RIGHT TO WITHDRAW THIS PETITION AT ANY TIME BEFORE THE MEASURE QUALIFIES FOR THE BALLOT.

All signers of this petition must be registered to vote in the City of Imperial, CFD 2004-2		This column for for official use only
1. Print Your Name: _____ Residence Address ONLY _____ Sign as Registered to Vote: _____ City: _____ Zip: _____		
2. Print Your Name: _____ Residence Address ONLY _____ Sign as Registered to Vote: _____ City: _____ Zip: _____		
3. Print Your Name: _____ Residence Address ONLY _____ Sign as Registered to Vote: _____ City: _____ Zip: _____		
4. Print Your Name: _____ Residence Address ONLY _____ Sign as Registered to Vote: _____ City: _____ Zip: _____		
5. Print Your Name: _____ Residence Address ONLY _____ Sign as Registered to Vote: _____ City: _____ Zip: _____		
6. Print Your Name: _____ Residence Address ONLY _____ Sign as Registered to Vote: _____ City: _____ Zip: _____		
7. Print Your Name: _____ Residence Address ONLY _____ Sign as Registered to Vote: _____ City: _____ Zip: _____		
8. Print Your Name: _____ Residence Address ONLY _____ Sign as Registered to Vote: _____ City: _____ Zip: _____		

CIRCULATOR'S DECLARATION (To be completed in circulator's own hand after the above signatures have been obtained.)

I, _____ (printed name), declare I am 18 years of age or older. My residence address is:

_____. I circulated this petition section, and I witnessed each signature on this petition being written in my presence. To the best of my knowledge, each signature on this petition is the genuine signature of the person whose name it purports to be and that such person is a registered voter of the City of Imperial. I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed at _____, California, on _____, 2026.
(place of signing) (month, day)

Signature of Circulator: _____