



Legislation Details (With Text)

**File #:** 13-156      **Version:** 1      **Name:** Staff Report Business License, Emergency Communication, and EMS Taxes for 2013-14

**Type:** Staff Report      **Status:** Filed

**In control:** City Council

**On agenda:** 5/6/2013      **Final action:** 5/6/2013

**Enactment date:**      **Enactment #:**

**Title:** Staff Report for Ordinances Amending the San Leandro Municipal Code Relating to Proposed Adjustments to Business License Tax, Emergency Communication System Access (9-1-1) Tax, and the Emergency Medical Services Taxes for 2013-14

**Indexes:**

**Code sections:**

**Attachments:** 1. PowerPoint 3B&3C Public Hearing 2013 0506.pdf

Date	Ver.	Action By	Action	Result
5/6/2013	1	City Council	Received and Filed	

Staff Report for Ordinances Amending the San Leandro Municipal Code Relating to Proposed Adjustments to Business License Tax, Emergency Communication System Access (9-1-1) Tax, and the Emergency Medical Services Taxes for 2013-14

**SUMMARY AND RECOMMENDATIONS**

Staff recommends the City Council approve the proposed adjustments to Business License tax, the Emergency Communication System Access (9-1-1) tax, and the Emergency Medical Services (EMS) tax in accordance with the San Leandro Municipal Code. Ordinance amendments for each of the three tax schedules are being presented to the City Council for approval as part of the 2013-14 biennial budget approval process.

**BACKGROUND**

As a part of the biennial budget process, the City determines the annual change in the Consumer Price Index (CPI) and applies this increase to the business license tax schedule, the 9-1-1 access tax and the EMS tax schedules as allowed by the San Leandro Municipal Code Sections 2-2-500, 2-13-140, and 2-18-210. If approved by the City Council, the following proposed adjustments to the City's tax rate schedules for business licenses, 9-1-1 access taxes, and EMS taxes would be effective July 1, 2013.

The change in the Consumer Price Index, distributed by the Bureau of Labor Statistics for the Consolidated Metropolitan Statistical Area (CMSA) covering San Francisco - Oakland - San Jose is the annual average change for 2012 (January through December) amounts to an increase of 2.7%. In accordance with the Municipal Code, the tax schedules for business licenses, 9-1-1 access, and EMS will be adjusted by 2.7%. The unit fee for retailing, wholesaling, and manufacturing will increase to \$35.70 (per each owner and each employee) for business licenses, the single access line tax rate for 9-1-1 will increase to \$2.21, and a benefit unit tax under the EMS will increase to \$15.76.

**Fiscal Impacts**

Staff estimates that the proposed tax rate changes will generate an additional \$161,000 in General Fund revenue in 2013-14, as follows:

General Fund Taxes:	<u>Revenues</u>
CPI Increases (2.7%) in:	
Business License Tax	\$ 133,000
911 Emergency Communication System Access Tax*	10,000
Emergency Medical Services Tax	<u>18,000</u>
Total General Fund Tax Increase	<u>\$ 161,000</u>

\* 911 tax proposed revenues estimated flat due to volume declines attributed to untaxed, prepaid phones.

**ATTACHMENTS**

None

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