



## Legislation Details (With Text)

<b>File #:</b>	24-185	<b>Version:</b>	1	<b>Name:</b>	SR to amend SLMC tax schedules
<b>Type:</b>	Staff Report	<b>Status:</b>	Filed	<b>In control:</b>	City Council
<b>On agenda:</b>	5/20/2024	<b>Final action:</b>	5/20/2024	<b>Enactment #:</b>	Ord 2024-004, Ord 2024-005, Ord 2024-006
<b>Enactment date:</b>					
<b>Title:</b>	Adopt Amendments to Three Ordinances 1) Amend Various San Leandro Municipal Code Sections Providing for Annual Rate Adjustments for 2024-2025 of Business License Fees; 2) Emergency Medical Services Tax; and 3) Emergency Communications System Access Tax				
<b>Sponsors:</b>	T. Michael Yuen				
<b>Indexes:</b>					
<b>Code sections:</b>					
<b>Attachments:</b>	1. A - 2024 Proposed Ordinance Business License Fees, 2. B - Proposed 2024 Ordinance EMS Tax, 3. C - Proposed 2024 Ordinance 911 Tax, 4. D - Presentation: Business License Fees, EMS Tax, and Emergency Communications Tax				

Date	Ver.	Action By	Action	Result
5/20/2024	1	City Council	Approved	Pass

Adopt Amendments to Three Ordinances 1) Amend Various San Leandro Municipal Code Sections Providing for Annual Rate Adjustments for 2024-2025 of Business License Fees; 2) Emergency Medical Services Tax; and 3) Emergency Communications System Access Tax

### CITY COUNCIL PRIORITY

- Fiscal Sustainability and Transparency

### SUMMARY

Ordinances amending various San Leandro Municipal Code Sections providing annual rate adjustments to Business License fees, the Emergency Medical Services tax, and the Emergency Communications System Access tax.

### RECOMMENDATION

Staff recommends the City Council enact amendments to ordinances providing annual rate adjustments to Business License fees, the Emergency Medical Services tax, and the Emergency Communications System Access tax in accordance with the San Leandro Municipal Code.

### BACKGROUND

Annual adjustments to the tax rates are based on the percentage increase in the region's Consumer Price Index (CPI). The City determines the annual change in CPI and applies this increase to Business License fees, the EMS tax, and the Emergency Communications System Access tax schedules as permitted by San Leandro Municipal Code §2-2-500, §2-13-140, and §2-18-210. Changes to the fee and tax rate schedules become effective immediately upon adoption. The new rate schedules will be implemented on July 1, 2024.

## **Analysis**

Business licenses are permits allowing an organization to conduct business in the City. Organizations may be a sole proprietor, a company, or other business entity with a product or service to sell. Depending on the business classification, business license fees are a flat annual fee or a base fee and a per unit fee.

The Emergency Communications System Access tax requires subscribers to telephone services within the City pay for improvements and operations of the 911 communication (call processing and call dispatch) system. The 911-communication system provides immediate access to emergency services. The access tax is imposed on a per line basis, made up of single access lines, trunk lines, and super trunk lines.

The Emergency Medical Services tax allows for providing paramedic emergency services. The paramedic engine company program ensures residents receive timely responses from paramedics to all medical emergencies. The tax is calculated based on a Benefit Unit. The number of benefit units charged to a property is determined by use of the property.

To accommodate increasing costs of providing services, each tax is adjusted annually by the amount of the change in the Consumer Price Index (CPI). Municipal Code §2-2-500, §2-13-140, and §2-18-210 control the calculation of the annual CPI adjustments.

The change in CPI calculated by the Bureau of Labor Statistics for the Consolidated Metropolitan Statistical Area (CMSA) covering San Francisco-Oakland-Hayward, is applied for 2024-2025 (based on CPI change January through December 2023) and is an increase of 2.6%. In accordance with the Municipal Code, the tax schedules for business licenses, EMS, and 911 access are adjusted by 2.6%. The annual base fee and the unit fee for retail, wholesale/distribution (large local seller), and manufacturing will increase to \$167.00 and \$50.60 (per each owner and each employee) for business licenses, the single access line rate for 911 will increase to \$3.14, and a benefit unit tax under the EMS will increase to \$22.08.

## **Fiscal Impact**

Staff estimates the proposed CPI tax rate changes for the Business License tax rates increase revenue by \$159,000. EMS and Emergency Communication Access rates will generate an additional \$110,000. Total estimated General Fund fiscal impact amounts to a revenue increase of \$269,000.

### **Summary General Fund Revenue Increase**

Business License Tax (\$159,000)  
Emergency Medical Services Tax (\$18,000)  
Emergency Communication System Access Tax (\$92,000)

## **REVIEW BY FINANCE COMMITTEE**

The ordinances amending various Municipal Code sections providing for annual rate adjustments for business license fees and both EMS and Emergency Communications System Access taxes were reviewed by the Finance Committee on April 24, 2024. The Finance Committee unanimously recommended the ordinances be moved to the City Council for approval.

## **ATTACHMENTS**

- **Attachment A:** Proposed Ordinance Business License Fees

- **Attachment B:** Proposed Ordinance EMS Tax
- **Attachment C:** Proposed Ordinance 911 Tax
- **Attachment D:** Presentation - Business License Fees, EMS Tax, and Emergency Communications Tax

**PREPARED BY**

T. Michael Yuen, Finance Director