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Staff Report for Ordinances Amending the San Leandro Municipal Code Relating to Proposed Adjustments to Business License Tax, the Emergency Medical Services Taxes, and the Emergency Communication System Access (9-1-1) Tax for 2016-17

SUMMARY AND RECOMMENDATIONS

Staff recommends the City Council approve the proposed adjustments to Business License tax, the, the Emergency Medical Services (EMS) tax, and the Emergency Communication System Access (9-1-1) 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 2016-17 budget approval process.

BACKGROUND

As a part of the 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 EMS tax schedule, and the 9-1-1 access tax schedule 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 license taxes, EMS taxes, and 9-1-1 access taxes would be effective July 1, 2016.

The change in the Consumer Price Index (CPI), 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 2015 (January through December) amounts to an increase of 2.6%. In accordance with the Municipal Code, the tax schedules for business licenses, EMS, and 9-1-1 access will be adjusted by 2.6%.

For example, for retailing, wholesaling, and manufacturing businesses, the base fee for a Business

License will increase from \$125.00 to 128.20 and the fee per owner/employee will increase from \$37.52 to \$38.50. The single access line tax rate for 9-1-1 will increase from \$2.32 to \$2.39 per month. The EMS tax will increase from \$16.54 to \$16.96 per month per benefit unit (equivalent to one residential dwelling unit).

Fiscal Impacts

Staff estimates that the proposed tax rate changes will generate an additional \$136,000 in General Fund revenue in 2016-17, as follows:

General Fund Taxes with CPI Increases of 2.6%:	<u>Revenues</u>
Business License Tax	\$ 99,000
Emergency Medical Services Tax	10,000
911 Emergency Communication System Access Tax	<u>27,000</u>
Total General Fund Tax Increase	<u>\$ 136,000</u>

ATTACHMENTS

None

PREPARED BY: David Baum, Finance Director, Finance Department