



## Legislation Details (With Text)

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<b>Title:</b>	Staff Report for Ordinances Amending the San Leandro Municipal Code Relating to Proposed Adjustments to the Business License Fee, the Emergency Medical Services Tax, and the Emergency Communication System Access Tax for 2018-19				
<b>Sponsors:</b>	David Baum Finance Director				
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Staff Report for Ordinances Amending the San Leandro Municipal Code Relating to Proposed Adjustments to the Business License Fee, the Emergency Medical Services Tax, and the Emergency Communication System Access Tax for 2018-19

### SUMMARY AND RECOMMENDATIONS

Staff recommends the City Council approve the proposed adjustments to the Business License fee, the Emergency Medical Services (EMS) tax, and the Emergency Communication System Access (911) tax in accordance with the San Leandro Municipal Code. Ordinance amendments for each of the three tax schedules are presented to the City Council for approval as part of the 2018-19 budget approval process.

### BACKGROUND

During the budget process, the City determines the annual change in the Consumer Price Index (CPI) and applies this increase to the Business License fee schedule, the EMS tax schedule, and the 911 tax schedule as required by San Leandro Municipal Code Sections 2-2-500, 2-13-140, and 2-18-210, respectively. If approved by the City Council, the following proposed adjustments to the City's tax rate schedules for the Business License fee, EMS tax, and 911 tax would be effective July 1, 2018.

The change in the 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 2017 (January through December) amounts to an increase of 3.2%. In accordance with the San Leandro Municipal Code, the tax schedules for business licenses, EMS, and 911 access will be adjusted by 3.2%. The per-employee unit fee for retail, wholesale/distribution (large local seller), and manufacturing will increase to \$40.90 (per each owner and each employee) for business licenses, the single access line tax rate for 911 will increase to \$2.54, and a benefit unit

tax under the EMS will increase to \$18.02.

### **Fiscal Impacts**

Staff estimates that the proposed tax rate changes will generate an additional \$260,000 in General Fund revenue in 2018-19, as follows:

General Fund Taxes with CPI Increases of 3.2%:	<u>Revenues</u>
Business License Tax	\$ 150,000
Emergency Medical Services Tax	20,000
911 Emergency Communication System Access Tax	<u>90,000</u>
Total General Fund Tax Increase	<u>\$ 260,000</u>

### **ATTACHMENTS**

N/A

**PREPARED BY:** David Baum, Finance Director, Finance Department