



City of San Leandro

Meeting Date: November 16, 2015

Staff Report

File Number: 15-623

Agenda Section: PUBLIC HEARINGS

Agenda Number: 4.A.

TO: City Council

FROM: Chris Zapata
City Manager

BY: David Baum
Finance Director

FINANCE REVIEW: David Baum
Finance Director

TITLE: Staff Report for Ordinance Amending Section 2-18-210 of the San Leandro Municipal Code Relating to the Temporary Reduction of the Emergency Communication System Access Tax (9-1-1) Percentage Rate of 3.3% for Single Access Lines on Prepaid Wireless Services

SUMMARY AND RECOMMENDATIONS

Staff recommends City Council approve an ordinance amending the Emergency Communication System Access Tax (9-1-1) that temporarily reduces the single access line tax on prepaid wireless services to include the percentage rate of 3.3%, and this temporary rate shall remain unchanged until January 1, 2020.

BACKGROUND AND ANALYSIS

On September 8, 2015, City Council approved the collection of UUT and 9-1-1 tax on prepaid wireless services that will begin January 1, 2016. City Council also approved a contract with the State Board of Equalization (BOE) in order to receive UUT and 9-1-1 tax imposed on consumers of prepaid wireless phone service that is scheduled to sunset January 1, 2020 (time needed for evaluation of program).

In accordance with the Local Prepaid Mobile Telephony Services Collection Act (AB 1717) a collection process to collect the local access line charge on prepaid wireless will be effective January 1, 2016. On the advice of the City's consultant, MuniServices, LLC, the City needs to temporarily reduce the local access line charge for prepaid wireless from \$2.32 to \$1.65 for the period of January 1, 2016 to January 1, 2020. This temporary reduction of \$1.65 per single access line converts to a 3.3% rate that must be reflected in the San Leandro Municipal Code.

The new rate is expected to generate \$200,000 in annual 9-1-1 tax revenue on prepaid wireless phone purchases.

Previous Actions

- Ordinance No. 2015-010 Amending Section 2-18-210 of the San Leandro Municipal Code Relating to the Temporary Reduction of the Emergency Communication System Access Tax (911 Tax) for Single Access Lines on Prepaid Wireless Services presented to City Council on September 8, 2015

ATTACHMENT

None.

PREPARED BY: Mary Ann Perini, Budget and Compliance Manager, Finance Department



City of San Leandro

Meeting Date: November 16, 2015

Ordinance

File Number: 15-624

Agenda Section: PUBLIC HEARINGS

Agenda Number:

TO: City Council

FROM: Chris Zapata
City Manager

BY: David Baum
Finance Director

FINANCE REVIEW: David Baum
Finance Director

TITLE: ORDINANCE Amending Section 2-18-210 of the San Leandro Municipal Code Relating to the Temporary Reduction of the Emergency Communication System Access Tax (911 Tax) Percentage Rate for Single Access Lines on Prepaid Wireless Services

The City Council of the City of San Leandro does ORDAIN as follows:

Section 1. Title 2, Chapter 18, Section 2-18-210 of the San Leandro Municipal Code is amended to reflect a single access line temporary reduction effective January 1, 2016 through January 1, 2020 to comply with the Local Prepaid Mobile Telephony Services Collection Act (AB1717) and to read as follows:

“2-18-210 IMPOSITION OF EMERGENCY COMMUNICATION SYSTEM ACCESS TAX

(c) Only one payment of the tax herein imposed shall be required for any access line, trunk line, or super trunk line, notwithstanding that access lines of more than one service supplier are used in furnishing local telephone service to a telephone subscriber. The Local Prepaid Mobile Telephony Services Collection Act mandates that the Single Access Line Rate for Emergency Communication System Access Tax for 911 Services shall be temporarily reduced from \$2.32 to \$1.65, or 3.3 percent.”

Section 2. Effective Date.

This ordinance shall take effect January 1, 2016 for four years and end on January 1, 2020. The City Clerk is directed to publish the title once and post a complete copy thereof on the City Council Chamber bulletin board for five (5) days prior to adoption.