



City of San Leandro

Meeting Date: December 19, 2016

Staff Report

File Number: 16-691 **Agenda Section:** CONSENT CALENDAR

Agenda Number: 8.K.

TO: City Council

FROM: Chris Zapata
City Manager

BY: Jeff Kay
Assistant City Manager

FINANCE REVIEW: Not Applicable

TITLE: Staff Report for Final Ratification of Ordinances Approved by Voters of the General Municipal Election Held on Tuesday, November 8, 2016

SUMMARY AND RECOMMENDATION

A resolution declaring the results of the November 8, 2016 General Municipal Election and certification of election of results was approved by the City Council on December 5, 2016. Certificates of Results for the voter approved measures OO, PP and NN were approved by the City Council however the ordinances for these three measures still require formal City Council approval.

As an extension of Council approval of the certification of election results, staff recommends Council ratification of ordinances for the Cannabis Tax, Business License Tax and Transient Occupancy Tax as approved by the voters at the November 8, 2016 election.

PREPARED BY: Tamika Greenwood, City Clerk, City Manager's Office



City of San Leandro

Meeting Date: December 19, 2016

Ordinance

File Number: 16-685 **Agenda Section:** CONSENT CALENDAR

Agenda Number:

TO: City Council

FROM: Chris Zapata
City Manager

BY: Jeff Kay
Assistant City Manager

FINANCE REVIEW: Not Applicable

TITLE: An ORDINANCE Adopting the Cannabis Business Tax

BE IT ORDAINED by the Council of the City of San Leandro as follows:

Section 1. That a new Chapter 2-21 is hereby added to the San Leandro Municipal Code to read as follows:

Chapter 2-21

CANNABIS BUSINESS TAX

Sections

2-21-100	Short Title.
2-21-200	Purpose and intent. 2-
21-300	Definitions.
2-21-400	Payment of tax.
2-21-450	Declaration statement required. 2-
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2-21-600	Audit of declaration statement and payment. 2-
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21-1400	Amendments of Chapter.
2-21-1500	Administrative Regulations.

2-21-100 Short title.

This chapter is known as the City of San Leandro cannabis business tax ordinance

2-21-200 Purpose and intent.

This chapter is enacted solely to raise revenue for municipal purposes and is not intended for regulation.

2-21-300 Definitions.

A. "Annual gross receipts" means the gross receipts produced by the cannabis business during the 12-month period between issuance and renewal of the business license for the cannabis business.

B. "Building" means any structure having a roof supported by columns or by walls and designed for the shelter or housing of any person, chattel or property of any kind, or anything constructed or erected, the use of which requires location on the ground or attachment to something having location on the ground.

C. "Business improvements" means square footage used, on a regular basis, for the operation of a nonprofit organization as defined in Article XIII, Section 26 of the California Constitution, or a for profit organization organized in a manner that is recognized by the California Secretary of State regardless of whether it is owned or leased.

D. "Cannabis business" means any business or activity including, but not limited to, planting, cultivation, harvesting, transporting, manufacturing, extracting, compounding, converting, processing, preparing, storing, packaging, testing, or wholesale and/or retail sales of marijuana, any part of the Cannabis plant, as defined by California Business and Professions Code section 19300.5, as that section may be amended from time to time, or any of its derivatives, and specifically excludes the activity of cultivating medical cannabis or any of its derivatives on personal property for personal consumption in accordance with the provisions of the Medical Marijuana Regulation and Safety Act of 2015 by the owner, lawful occupant, or other lawful resident or guest of the private property owner, or lawful occupant.

E. "Discontinued, dissolved or otherwise terminated" means the date the cannabis business is no longer in operation. The City's finance director, using all evidence, including evidence provided by the cannabis business licensee, will make the determination as to whether a cannabis business has been discontinued, dissolved or otherwise terminated.

F. "Gross receipts" means the total of the amounts actually received or receivable from sales and the total amounts actually received or receivable for the performance of any act or service for which a charge is made or credit allowed, whether or not such act or service is done as a part of or in conjunction with the sale of materials, goods, wares, or merchandise. Included in gross receipts are all receipts, cash, credits and property of any kind without deduction of the cost of the property sold, the cost of the materials used, labor or service costs, interest paid or payable, or losses or other expenses whatsoever. Excluded from gross receipts are the following:

1. Cash discounts allowed and taken on sales;
2. Credit allowed on property accepted as part of the purchase price and which property may later be sold;
3. Any tax required by law to be included in or added to the purchase price and collected from the consumer or purchaser;
4. Such part of the sale price of property returned by purchases upon rescission of the contract of sale as is refunded either in cash or by credit.

G. "Licensee" or "cannabis business licensee" means a person who has been issued a special permit or license for operation of a cannabis business within the City.

H. "Nonprofit organization" means any association, corporation or other entity that is exempt from taxation measured by income or gross receipts under Article XIII, Section 26 of the California Constitution.

I.

2-21-400 Tax Imposed.

In addition to any requirements imposed elsewhere in the San Leandro Municipal Code, for the privilege of operating a cannabis business in the City, an annual tax is hereby imposed on each licensee operating a cannabis business as follows:

A. Every cannabis business must pay an annual tax of \$100 for each \$1,000 of gross receipts.

B. The city council may impose the tax authorized by this section at a lower rate. No action taken by the city council under this subsection to reduce the tax rate will prevent it from

subsequently increasing the tax rate for cannabis business to the maximum rate specified in this section.

2-21-450 Declaration statement required. A. At the time of payment of the taxes imposed by this chapter, each cannabis business licensee must file with the City finance department a statement, under oath, showing the true and correct amount of annual gross receipts derived from the cannabis business allowed by the special permit or license issued to the licensee. A signed declaration must be attached to the statement included therein, which will be in substantially the same form as: "I hereby declare under penalty of perjury that the foregoing is true and correct." The City has the right to audit the matters reported in the statement to determine the accuracy of the figures contained therein.

2-21-500 Payment - Timing.

A. All taxes imposed by this chapter on a cannabis business whether it is a nonprofit organization or a for-profit business must be paid to the City's finance department on or before the fifteenth day after the close of the month for which the tax is due. Licensees or operators of cannabis businesses must file a monthly report with the City, even if there are no taxes currently due. The report will show the annual gross receipts to date as of the close of the prior month and will be used to calculate the amount of tax due. Payment will accompany the form. The form will be provided by the City and the City may revise the report without advance notice from time to time. Payment of taxes imposed by this chapter must be in the correct amount of taxes due and owing. Such sums correctly reflecting taxes will be accepted by the City, subject, however, to the City's right to conduct an audit.

B. If any licensee or operator of a cannabis business is liable for any amount of tax, interest or penalty under this chapter, and he or she sells or otherwise disposes of the business, his or her successors or assigns must withhold from the purchase price a sum sufficient to cover such amount until the former licensee or operator produces from the City either a receipt reflecting full payment or a certificate stating that no amount is due.

C. If the purchaser of a cannabis business fails to withhold a sum from the purchase price as required in subsection (B) of this section, he/she will be personally liable for the payment of the amount required to be withheld by him to the extent of the purchase price.

2-21-600 Audit of declaration statement and payment.

A. The City has the right to audit the matters referred to in the declaration statement, and to determine the correctness of the figures set forth in such statement, and the amount payable to the City.

B. The books, records and accounts of any licensee may be inspected and audited by the City.

C. Such an inspection and audit may be performed by the City's finance director or his designee, a qualified accountant, a city official selected by the finance director, or a consultant selected by the finance director.

D. To facilitate such audits, the licensee must keep complete records of all transactions related to the receipt or disbursement of funds arising out of or related to cannabis business operations during the preceding three-year period. All such records must be made available to the City for audit at the licensee's place of doing business or such other place that the City may designate during normal business hours after reasonable prior notice.

E. Any failure or refusal of any licensee to make and file a declaration statement within the required time period, or to pay such sums by way of taxes when the same are due and payable in accordance with the provisions of this chapter, or to permit such inspection of such books, records and accounts of such licensee will be and constitute full and sufficient grounds for suspension or revocation of any special business license or permit for operation of a cannabis business.

2-21-700 Notice not required by City.

The City is not required to send a delinquency or other notice or bill to any person subject to the provisions of this chapter, and failure to send such notice or bill will not affect the validity of any tax, interest or penalty due under the provisions of this chapter.

2-21-800 Tax deemed debt to City.

The amount of any tax, penalties and interest imposed by the provisions of this chapter will be deemed a debt to the City, and any licensee carrying on any business without having paid to the City the tax under this chapter will be liable to an action in the name of the City in any court of competent jurisdiction for the amount of the tax, and penalties and interest imposed on such business.

2-21-900 Deficiency determinations.

A. If the finance director is not satisfied that a declaration statement filed, as required under the provisions of this chapter, is correct, or that the amount of tax is correctly computed, the finance director may compute and determine the amount to be paid and make a deficiency

determination upon the basis of the facts contained in the declaration statement or upon the basis of any information in the City's possession or that may come into the City's possession.

B. The City may make more than one deficiency determination of the amount of tax due for a period or periods.

C. In the case of a cannabis business which is discontinued, dissolved or otherwise terminated, a deficiency determination may be made at any time within three years thereafter as to any liability arising from engaging in such business whether or not a deficiency determination is issued prior to the date the tax would otherwise be due.

D. Whenever a deficiency determination is made, the City will provide 15 calendar days' notice to the licensee.

2-21-1000 Tax assessment - Nonpayment - Fraud.

A. Under any of the following circumstances, the finance director may make and give notice of an assessment of the amount of tax owed by a cannabis business under this chapter:

1. If the licensee has not filed any declaration statement required under the provisions of this chapter;
2. If the licensee has not paid any tax due under the provisions of this chapter;
3. If the licensee has not, after demand by the finance director, filed a corrected declaration statement or furnished to the finance director adequate substantiation of the information contained in a statement of revenue already filed, or paid any additional amount of tax due under the provisions of this chapter.

B. The notice of assessment will separately set forth the amount of any tax known or estimated by the finance director to be due, after full consideration of all information within his or her knowledge concerning the cannabis business activities of the person or licensee assessed and will include the amount of any penalties, costs or interest accrued on each amount to the date of the notice of assessment.

2-21-1100 Tax assessment - Notice requirements.

The notice of assessment will be served upon the licensee either by personal service on the licensee, or by depositing the notice in the United States mail, postage prepaid thereon, addressed to the licensee at the address of the location of the business appearing on the face of the business license(s) issued under Title 2 to the licensee, or to such other address as the licensee registers with the finance director for the purpose of receiving notices provided under this chapter. For the purposes of this section, service by mail is complete at the time of deposit in the United States mail.

2-21-1200 Tax assessment - Hearing.

A. Within 10 days after the date of service of a notice issued under section 2-21-1100, the licensee may apply in writing to the finance director for a hearing on the assessment.

B. If application for a hearing before the finance director is not made within the time herein prescribed, the tax assessed by the finance director will become final and conclusive.

C. Within 30 days of the receipt of any such application for hearing, the finance director will cause the matter to be set for hearing before him or her not later than 30 days after the date of application, unless a later date is agreed to by the finance director and the licensee requesting the hearing.

D. Notice of such hearing will be given by the finance director to the licensee requesting such hearing not later than five days prior to such hearing. At such hearing, said licensee may appear and offer evidence why the assessment as made by the finance director should not be confirmed and fixed as a tax.

E. After such hearing, the finance director will make a written determination and may at his discretion reassess the proper tax to be charged and will give written notice thereof to the licensee.

2-21-1300 Remedies for chapter violation - Taxes not waived.

A. Nothing in this chapter limits the city from using any remedy legally available for violations of this chapter, including, but not limited to, the penalties under Chapter 1-12 of the San Leandro Municipal Code.

B. The conviction and punishment of any person for failure to pay the required tax will not excuse or exempt such person from any civil action for the tax debt unpaid at the

time of such conviction.

C. No civil action will prevent a criminal prosecution for any violation of the provisions of this chapter or of any state law requiring the payment of all taxes.

2-21-1300 Amendments of Chapter.

The City Council may amend this Chapter at any time as long as the amendments do not increase the tax or, change the method of calculating the tax.

2-21-1500 Administrative Regulations.

The City Manager may adopt administrative regulations as needed to implement this Chapter.

Section 2. CEQA. This Ordinance is exempt from the California Environmental Quality Act (Public Resources Code §21000, "CEQA") pursuant to CEQA guidelines 15060, "Preliminary Review," subdivision (c)(2) in that it will not result in a direct or reasonably foreseeable indirect physical change in the environment; and 15378, "Project," subdivisions (2) and (4) of subdivision (b), in that this tax does not constitute a project under CEQA and therefore review under CEQA is not required.

Section 3. Severability.
If any part or provision of this ordinance, or the application of this ordinance to any person or circumstance, is held invalid, the remainder of this ordinance, including the application of such part or provisions to other persons or circumstances, shall not



City of San Leandro

Meeting Date: December 19, 2016

Ordinance

File Number: 16-686 **Agenda Section:** CONSENT CALENDAR

Agenda Number:

TO: City Council

FROM: Chris Zapata
City Manager

BY: Jeff Kay
Assistant City Manager

FINANCE REVIEW: Not Applicable

TITLE: An ORDINANCE of the City of San Leandro Amending Title 2, Chapter 2-2 of the San Leandro Municipal Code Relating to Business License Tax

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

SECTION 1. Amendments.

A. Section 2-2-220 is hereby amended to read as follows, with deletions in strikethrough and additions in underlined text:

Business classification shall mean the following general business categories:

- (a) Automobile Wrecking. Any person engaged in the business of buying or trading used or wrecked motor vehicles and reselling the parts thereof or the building of motor vehicles from the salvaged parts of such motor vehicles.
- (b) Bingo shall mean a game of chance in which prizes are awarded on the basis of designated numbers or symbols on a card which conform to numbers or symbols selected at random.
- (c) Carnival. Any person engaged in the business of operating a carnival, circus or other itinerant amusement concession, excluding an activity for which a permit has been obtained pursuant to the Zoning Code of the City of San Leandro and which is:
 - (1) An incidental part of an overall business promotional activity conducted by an organized group of merchants licensed to do business within the City.
 - (2) Carried on, by, or on behalf of a civic, religious, cultural, benevolent or similar nonprofit organization with a minimum of forty percent (40%) of the gross receipts of such activity to be received by such organization.
 - (3) A neighborhood carnival, exhibit, celebration or festival sponsored by an organized group of residents in the vicinity, provided that no mechanical rides are a part of such activity.
 - (4) A booth for charitable, welfare or patriotic purposes.

- (d) Christmas Tree and Pumpkin Sales. Christmas tree and pumpkin sales shall mean the selling of Christmas trees and pumpkins at retail, excluding such sales by a licensee from a permanently established licensed place of business within the City.
- (e) Coin-Operated Device. Coin-operated device shall mean laundry machine, video game machine, pinball machine, juke box, vending machine or other similar coin-operated electrical or mechanical device.
- (f) Commercial Advertising. Commercial advertising shall mean the distribution of commercial advertising material, excluding distribution of such material advertising a permanently established licensed business within the City by the owner or employees of such business.
- (g) Contractors. Any person who is licensed as a contractor by the State of California and who undertakes or offers to undertake or submits a bid to construct, alter, repair, improve, move, wreck or demolish any building, highway, excavation or other structure, project, development or improvement, or to do any part thereof. The term contractor includes subcontractor and specialty contractor.
- (h) Dance Hall shall mean any establishment where dancing is permitted with or without charge, whether or not in conjunction with any other business.
- (i) Firearms Dealer shall mean a person whose business substantially consists of the selling, transferring, or leasing, or advertising for sale, transfer, or lease, or offering or exposing for sale, transfer, or lease, any firearm capable of being concealed upon the person as defined by the Penal Code of the State of California.
- (j) Fortunetelling. Any person engaged in the business of telling fortunes, forecasting futures or furnishing any information not otherwise obtainable by the ordinary process of knowledge.
- (k) Itinerant Merchant. Any person engaged in the temporary business of exhibiting, selling and delivering goods, wares or merchandise and who for the purpose of carrying on such business hires, leases, uses or occupies any building, room, motor vehicle, tent or other place within the City.
- (l) Second Hand Dealer. Any person engaged in the business of buying, selling, exchanging, trading, accepting for sale or consignment, secondhand personal property of whatever kind or description.
- (m) Manufacturing. Any person conducting, managing or carrying on a business consisting mainly of manufacturing any goods, wares, merchandise or produce.
- (n) Miscellaneous. Any person engaged in a business not specifically defined by other provisions of this Chapter and not otherwise exempt.
- (o) Parking Lot means and includes, but is not limited to:
 - (1) Any outdoor space or uncovered plot, place, lot, parcel, yard or enclosure, or any portion thereof, where motor vehicles may be parked, stored housed or kept, for which any charge is made;
 - (2) Any building or structure, or any portion thereof, in which motor vehicles may be parked, stored, housed or kept, for which a charge is made.
- (p) Pawnbroker. Any person engaged in the business of receiving goods in pledge as security for a loan.
- (q) Peddler. Any person conveying or transporting goods, wares, merchandise, or

- provisions from place to place, from house to house or from street to street, offering and exposing the same for sale or making sales and delivering articles to purchasers.
- (r) Public Utilities. Any person engaged in the business of providing utility services (whether or not regulated by the Public Utilities Commission) to the general public including, but not limited to, electricity, telephone, gas, cable television services, cellular phone service, and data transmission.
- (s) Professional. Any person engaged in a profession or vocation requiring a period of specialized training such as, but not limited to the following:
- Architect
 - Attorney-at-Law
 - Certified Public Accountant
 - Chiropractor
 - Dentist
 - Engineer (Chemical, Civil, Electrical, etc.)
 - Environmental Consultant
 - Geologist
 - Optician
 - Optometrist
 - Osteopath
 - Physician
 - Podiatrist
 - Psychologist
 - Public Accountant
 - Veterinarian
- (t) Recreation and Entertainment. Any person engaged in the business of providing entertainment, recreation or amusement services.
- (u) Nonresidential Property Rental. Any person engaged in the business of renting or letting a building or structure of any kind, including warehouses, mini-storage, industrial, commercial, and office buildings to a tenant for purposes other than dwelling, sleeping or lodging. For the purposes of calculating fees, when combining nonresidential and residential property rentals, all property must be under the same ownership.
- (v) Residential Property Rental. Any person engaged in the business of conducting or operating an apartment house, single family house rental, duplex, condominium, townhouse, hotel/motel, mobile home park, rooming or boarding house having one or more residential units, excluding for purposes hereof the unit, if any, occupied by the taxpayer. For the purposes of calculating fees, when combining nonresidential and residential property rentals, all property must be under the same ownership.
- (w) Retailing. Any person providing or carrying on a business consisting mainly of selling at retail any goods, including restaurants and establishments where meals or refreshments may be procured.
- (x) Services. Any person providing services, repairs, or improvements to or on real and personal property; renting or leasing personal property to businesses or

persons; providing services to persons such as, but not limited to:

- Ambulance
- Appraiser
- Assayer
- Bail Bond Broker
- Barber and Beauty Shops
- Bookkeeping Service
- Claims Adjuster
- Cleaning and Dyeing
- Collection Agency
- Commercial Artist
- Consultant
- Delivery of Goods
- Designer or Decorator
- Detective or Detective Agency
- Draftsman
- Employment Agency
- Escrow Company
- Finance/Loan Company
- Gardener
- Health Studio
- Instruction (Dance, etc.)
- Insurance Adjuster/Broker
- Investment Advisor
- Landscape Designer
- Laundries
- Locksmith
- Manufacturer's Representative
- Messenger
- Mortician
- Notary Public
- Outdoor Advertising
- Photographer
- Photographic Processing
- Photographic Studios
- Physio-Therapist
- Public Stenographer
- Real Estate Broker/Agent
- Repair Shops (Automobile, Machine, Tools, etc.)
- Shoe Repair
- Stock/Bond Broker
- Surveyor
- Tax Counselor
- Taxicabs
- Taxidermist
- Travel Agency

X-Ray Laboratory

- (y) Solicitor. Any person taking or attempting to take orders from place to place, from house to house or from street to street, for sale of goods, wares and merchandise, personal property or services of any nature whatsoever for future delivery.
 - (z) Towing. Any person engaged in the business of towing or transporting any motorized or non-motorized vehicle.
 - (aa) Warehousing/Storage. Any person or firm engaged in providing and/or operating warehousing facilities primarily used for the storage and/or consolidating of items such as raw materials, private goods, and the intermediary storage of bulk goods intended for further distribution. This classification includes moving and furniture storage companies.
 - (ab) Waste Disposal Site. Any person engaged in the business of conducting or operating a landfill, transfer station or collection center for the receipt and processing of household, commercial and industrial solid waste materials.
 - (ac) Wholesaling/Distribution - General. Any person or firm primarily engaged in selling merchandise to retailers; to other wholesalers for resale to individual consumers; or to industrial users for their own consumption or resale to individual consumers. This classification includes order-processing fulfillment centers, logistics businesses, and other facilities that provide for the repackaging and/or shipment of an on-site inventory of goods and products directly to retail/wholesale customers or retail stores. This classification also includes truck terminals, whose purpose is to provide for the consolidation, division and/or distribution of bulk goods through the use of large trucks and trailers, including cross-dock trucking uses.
 - (ad) Wholesaling/Distribution - Large Local Seller. Any person or firm which meets the parameters of Wholesaling/Distribution - General and contributes more than \$50,000 in sales tax payable to the City of San Leandro during the prior July 1 through June 30 time period.
- B. Section 2-2-265 is amended to read as follows, with deletions in strikethrough and additions in underlined text:
- For persons or firms within the Nonresidential Property Rental classification, square feet shall mean all of the space within the exterior walls of the building regardless of use that is rented or intended to be rented. For persons or firms within the Warehousing/Storage or Wholesaling/Distribution classifications, square feet shall mean all of the space within the exterior walls of the building leased or owned by the business regardless of use as substantiated by a lease document, floor plan/blueprint, or other form of documentation approved by the Director of Finance. No business shall be deemed to be less than one unit fee.
- C. Section 2-2-320 is amended to read as follows, with additions in underlined text:
- Cannabis businesses will receive their annual business licenses upon payment of any and all applicable cannabis business tax as required by the Municipal Code.
- D. The table in Title 2, Chapter 2-2, Section 2-2-500 shall be amended as follows, with deletions in strikethrough and additions in underlined text:
- 2-2-500 FEES BASED ON NATURE OF BUSINESS.

Business Classification	Annual Base Fee	Unit Fee	Unit Fee Basis
Retailing* Employee	\$128.20	\$38.50	Per each Owner and each
Wholesaling/Distribution - Large Local Seller* each Owner and each Employee		128.20	38.50 Per
Wholesaling/Distribution - General 1,000 Square Feet		128.20	100.00 Per
Warehousing/Storage	128.20	100.00	Per 1,000 Square Feet
Manufacturing* Employee	128.20	38.50	Per each Owner and each
Peddler/Solicitor* Employee	128.20	38.50	Per each Owner and each
Services* Employee	128.20	77.10	Per each Owner and each
Professional* Employee	128.20	96.40	Per each Owner and each
Contractors* Employee	128.20	77.10	Per each Owner and each
Recreation and Entertainment* each Owner and each Employee		128.20	77.10 Per
Residential Property Rental	128.20	11.60	Per Unit or Space
Nonresidential Property Rental 1,000 Square Feet		128.20	19.20 Per
Dance Hall	642.30	-	Flat/Annual
Automobile Wrecking	642.30	-	Flat/Annual
Christmas Trees/Pumpkin Patch		642.30	-
	Flat/Annual		
Commercial Advertising	642.30	-	Flat/Annual
Fortunetelling	642.30	-	Flat/Annual
Secondhand Dealer	642.30	-	Flat/Annual
Pawnbroker	642.30	-	Flat/Annual
Itinerant Merchant	128.20	39.80	Flat/Weekly
Carnival	128.20	231.10	Flat/Daily
Coin-Operated Device	128.20	1.20	Per \$1,000 of Gross Receipts
Public Utilities* Employee	128.20	38.50	Per each Owner and each
Miscellaneous* Employee	128.20	38.50	Per each Owner and each
Bingo	128.20	-	Flat/Annual
Waste Disposal Site	128.20	1.73	Per Ton
Towing	128.20	1.20	Per \$1,000 of Gross Receipts
Firearms Dealer	128.20	3.90	Per \$100 of Gross Receipts
attributable to the sales of firearms capable of being concealed upon the person and ammunition for such firearms, excluding sales to public agencies			
Parking Lot	128.20	100.00	Per \$1,000 of Gross Receipts
Mobile Food Vendors	128.20	-	Flat/Annual

The business license fees established by this section shall continue to be adjusted annually by an amount equal to the percentage increase in the Consumer Price Index for All

Urban Consumers (CPI-U) for the San Francisco-Oakland-San Jose metropolitan area, as published by the U.S. Department of Labor, Bureau of Statistics.

* Businesses with locations in the City of San Leandro with three (3) or fewer owners and/or employees that are in business classifications that are charged a per employee/owner unit fee must pay only the annual base fee and no per employee unit fee.

E. Section 2-2-303 is amended as follows, with deletions in strikethrough and additions in underlined text:

A separate license must be obtained for each separate business on the same premises. Each license shall authorize the licensee to transact and carry on only the business licensed thereby at the location or in the manner designated in that license.

Warehouses and distributing plants used in connection with, and incidental to, a business licensed under this Chapter are not deemed to be separate businesses for the purposes of this section.

SECTION 3: Severability. If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this Ordinance, or its application to any person or circumstance, is for any reason held to be invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases of this Ordinance, or its application to any other person or circumstance. The City Council of the City of San Leandro hereby declares that it would have adopted each section, subsection, subdivision, paragraph, sentence, clause or phrase hereof, irrespective of the fact that any one or more other sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases hereof is declared invalid or unenforceable.

SECTION 4: Publication and Effective Date. This Ordinance shall take effect immediately after approval of the ballot measure related hereto.



City of San Leandro

Meeting Date: December 19, 2016

Ordinance

File Number: 16-687 **Agenda Section:** CONSENT CALENDAR

Agenda Number:

TO: City Council

FROM: Chris Zapata
City Manager

BY: Jeff Kay
Assistant City Manager

FINANCE REVIEW: Not Applicable

TITLE: An ORDINANCE of the City of San Leandro Amending Title 2, Chapter 2-10 of the San Leandro Municipal Code Relating to Transient Occupancy Tax

Now, therefore, the City Council of the City of San Leandro does ordain as follows:

SECTION 1. Amendments. Section 2-10-110 is hereby amended to read as follows, with deletions in strikethrough and additions in underlined text:

For the privilege of occupancy in any hotel, including but not limited to any inn, motel, or time-share facilities, each transient is subject to and shall pay a tax in the amount of ~~ten-fourteen~~ (10-14) percent of the rent charged by the operator. Such tax constitutes a debt owed by the transient to the City which is extinguished only by payment to the operator or to the City. The transient shall pay the tax to the operator of the hotel at the time the rent is paid. If the rent is paid in installments, a proportionate share of the tax shall be paid with each installment. The unpaid tax shall be due upon the transient's ceasing to occupy space in the hotel. If for any reason the tax due is not paid to the operator of the hotel, the Finance Director may require that such tax be paid directly to the Finance Director.

SECTION 3: Severability. If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this Ordinance, or its application to any person or circumstance, is for any reason held to be invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases of this Ordinance, or its application to any other person or circumstance. The City Council of the City of San Leandro hereby declares that it would have adopted each section, subsection, subdivision, paragraph, sentence, clause or phrase hereof, irrespective of the fact that any one or more other sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases hereof is declared invalid or unenforceable.

SECTION 4: Publication and Effective Date. This Ordinance shall take effect immediately

after approval of the ballot measure related hereto.