



City of Rialto

Legislation Details (With Text)

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On agenda: 4/24/2018 **Final action:**
Title: Request City Council to Approve Resolution No. 7322, entitled "A Resolution of the City Council of the City of Rialto, California, Setting The Amount Of The Business License Tax For Wholesale Liquid Fuel Storage Facilities Pursuant To Ordinance No. 1556 for the 2018/2019 Fiscal Year."

Sponsors:

Indexes:

Code sections:

Attachments: 1. Resolution - Tank Farm Tax Rate

Date	Ver.	Action By	Action	Result
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For City Council Meeting [April 24, 2018]

TO: Honorable Mayor and City Council

APPROVAL: Robb R. Steel, Interim City Administrator

FROM: Fred Galante, City Attorney

Request City Council to Approve **Resolution No. 7322**, entitled "A Resolution of the City Council of the City of Rialto, California, Setting The Amount Of The Business License Tax For Wholesale Liquid Fuel Storage Facilities Pursuant To Ordinance No. 1556 for the 2018/2019 Fiscal Year."

BACKGROUND:

On November 4, 2014, the voters of the City of Rialto (the "City") approved the levy of a business license tax on wholesale liquid fuel storage facilities of up to \$1.00 per cubic foot of storage capacity for these wholesale liquid fuel storage facilities ("Measure U"). Section 6 of Ordinance No. 1556, which adopted Measure U and added Section 5.04.028 to the Rialto Municipal Code, provides that the City Council shall establish the amount of the tax by resolution each fiscal year.

On January 13, 2015, the City Council set the amount of the tax at \$1.00 per cubic foot of storage capacity pursuant to Resolution No. 6685. Thereafter, the City Council has adopted resolutions each fiscal year setting the appropriate rate. On December 13, 2016, the City Council adopted Resolution No. 7054 setting the rate for Fiscal Years 2015/2016 and 2016/2017. On November 14, 2017, the City Council adopted Resolution No. 7228 setting the rate for Fiscal Year 2017/2018..

The Resolution now before the Council sets the tax rate of \$1.00 per cubic foot of storage capacity for Fiscal Year 2018/2019.

ANALYSIS/DISCUSSION:

On December 9, 2014, the City Council adopted Ordinance No. 1556 that added 5.04.028 to the Rialto Municipal Code. Section 6 of Ordinance No. 1556 further stated that “the City Council shall establish the amount of the tax annually by resolution each fiscal year in amounts not to exceed the maximum amounts specified herein. In no case shall the amount of the tax to be levied in any fiscal year exceed the maximum amount authorized herein without the approval of the voters.” Each year thereafter, the City Council adopted resolutions setting the amount of the business license tax to be One Dollar (\$1.00) per year for each one (1) cubic foot of liquid fuel storage capacity, in accordance with the Rialto Municipal Code and Measure U.

On May 10, 2016, the City Council adopted Resolution No. 6951 that established certain policies regarding the implementation of the Measure U tax. The policies included the policy that the storage capacity of tanks, which are empty for the entire relevant year, would not be included in the calculation of the amount of tax due.

The attached proposed Resolution will set the rate of the Measure U tax at One Dollar (\$1.00) per year for each One (1) cubic foot of liquid fuel storage capacity during Fiscal Year 2018/2019.

ENVIRONMENTAL IMPACT:

The requested City Council action is not a “Project” as defined by the California Environmental Quality Act (CEQA). Pursuant to Section 15378(a), a “Project” means the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. According to Section 15378(b), a Project does not include: (5) Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

GENERAL PLAN CONSISTENCY:

This action is consistent with Guiding Principles 1 and 3 of the General Plan:

1. Rialto is a Family First Community.
 - Essential community services and amenities must meet the needs and desires of our families.
3. Rialto's Economic Environment Is Healthy and Diverse.
 - We will aggressively attract and retain businesses that provide goods and services we desire, create jobs, and build a sustainable tax base.

This action is also consistent with Guiding Principle 3A in the General Plan:

Our City government will lead by example, and will operate in an open, transparent and responsive manner that meets the needs of the citizens and is a good place to do business.

LEGAL REVIEW:

The City Attorney prepared and approved this staff report and Resolution.

FINANCIAL IMPACT:

This Resolution will set the Measure U tax rate of \$1.00 per cubic foot for the 2018/2019 fiscal year.

The Business License Division of the City of Rialto is responsible for collecting the tax. In Fiscal Year 2015/2016, the tax raised approximately \$8.5 million in revenue for the City of Rialto. In Fiscal Year 2016/2017, the tax raised was approximately \$6.7 million in revenue. In Fiscal Year 2017/2018, the tax raised was approximately \$6 million in revenue. The projected tax revenue raised for Fiscal Year 2018/2019 is estimated between \$6 - \$8 million.

RECOMMENDATION:

Staff recommends that the City Council approve a Resolution, entitled "A Resolution of the City Council of the City of Rialto, California, Setting The Amount Of The Business License Tax For Wholesale Liquid Fuel Storage Facilities Pursuant To Ordinance No. 1556 for the 2018/2019 Fiscal Year."