



# City of Rialto

## Legislation Text

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For City Council Meeting [June 11, 2019]

TO: Honorable Mayor and City Council

APPROVAL: Sean Grayson, Interim City Administrator

FROM: Robb Steel, Assistant CA/Development Services Director

Request City Council to Rescind Resolution No. 7044 and Adopt **Resolution No. 7519** Revising the Business License Tax Summary to Rectify an Error on Exhibit A, Business License Tax Summary.

### **BACKGROUND:**

On April 1, 1986, the City Council adopted Ordinance 955 and Resolution No. 2893, which established various business classifications and the effective tax rates the businesses would be assessed based upon the gross receipts methodology.

On November 3, 1986, the City Council adopted Ordinance No. 983, which contained provisions to permit the City Council to establish and amend both the classifications for the various businesses and the schedule for the annual amount payable to the city from time to time by resolution of the City Council.

On October 20, 1987, the City Council adopted Ordinance No. 1009, adding Chapter 5.14 to the Rialto Municipal Code, which charged a flat tax rate of \$50.00 for both regulatory and revenue purposes for various business classifications, including warehouse uses.

On November 15, 1994, the City Council adopted Resolution No. 4076, which amended Resolution 2893 and established that the gross receipts methodology for the purpose of calculating the business license tax for distribution facilities was to be based upon the value of the inventory shipped annually from the facility.

On November 1, 2005, the City Council adopted Ordinance No. 1378 and Resolution No. 5280, which modified Chapter 5.14 of the Rialto Municipal Code and approved an alternative methodology for calculating the business license tax for distribution facilities based upon a rate of \$0.05 per square foot multiplied by the gross square footage of the building, and allowing the affected business to choose between methodologies.

On December 13, 2016, the City Council adopted Ordinance No. 7044 (attached hereto as **Exhibit A**), which modified the optional methodology for calculating the business license tax on distribution facilities by increasing the per square foot rate of \$0.05 per square foot to \$0.075 per square foot.

### **ANALYSIS/DISCUSSION:**

The Business License Tax Summary attached hereto as **Exhibit B** and attached to the proposed

Resolution corrects a clerical error within the Truck Deliveries classification fee schedule. The correction will modify the gross receipt base amount of \$500,000 to \$300,000, and the associated tax amount of \$100 to \$79 as previously established in Resolution 5280. There are no other changes to the business license tax.

**ENVIRONMENTAL IMPACT:**

Pursuant to Section 15378 of the California Environmental Quality Act, the proposed request is not a project. 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. A project does not include the creation of government funding mechanisms or other government fiscal activities that do not involve any commitment to any specific project, which may result in a potentially significant physical impact on the environment or Organizational, or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

**GENERAL PLAN CONSISTENCY:**

The proposed modification will support the following Goal of the Rialto General Plan:

Goal 4-10: Facilitating Goods Movement

**LEGAL REVIEW:**

The City Attorney has reviewed and approved this staff report and Resolution

**FINANCIAL IMPACT:**

The proposed modification will have no financial impact on the City. This clerical error was noticed internally and not challenged by any businesses. All Truck Delivery Business License fees have been assessed correctly using the formula within our TRAKiT database, mirroring the fee schedule from Resolution 5280.

**RECOMMENDATION:**

Request City Council to rescind Resolution No. 7044 and adopt a **Resolution (Exhibit C)** Revising the Business License Tax Summary to Rectify an Error on Exhibit A, Business License Tax Summary. The Business License Tax Summary attached hereto as Attachment "B" in its entirety shall supersede all previously adopted fee schedules for business licenses.