



Item No. 18 Town of Atherton

CITY COUNCIL STAFF REPORT – REGULAR AGENDA

**TO: HONORABLE MAYOR AND CITY COUNCIL
GEORGE RODERICKS, CITY MANAGER**

FROM: ROBERT BARRON III, FINANCE DIRECTOR

DATE: MAY 17, 2017

**SUBJECT: REVIEW, DISCUSSION AND DIRECTION REGARDING BUSINESS
LICENSE TAX OPTIONS AND OTHER ALTERNATIVE REVENUE
OPPORTUNITIES**

RECOMMENDATION

Review, discuss and provide staff with direction regarding Business License Tax options and other alternative revenue opportunities.

BACKGROUND

In 2016, the City Council discussed a strategy plan for the Town's business license tax. During its November 2, 2016 City Council Study Session, the Council reviewed two prior staff reports and discussed alternative revenue opportunities for the Town's General Fund. The Council narrowed the discussion for revenue alternatives to the Utility User's Tax, the Business License Tax, Rents and Uses, and Benefit Assessment Districts. As part of the strategy plan and focus on the Business License Tax, the Council asked for a more in-depth look at the business license structures of comparative communities.

ANALYSIS

To refresh, the Town's current tax structure has four categories of business license tax. The majority of categories deal with contractors and subcontractors. The Town has extensive residential construction and this typically means that licenses are issued to a variety of residential development specialists and services.

The current business license tax is based on five (5%) percent of gross receipts or a flat tax, whichever is less, based on the category of business. The tax ranges from \$25 to \$250.

Currently the four main categories and business tax rates for the Town are:

Category & # of Licenses	General Description	Includes	\$ of License
I – 574	Individual General Contractors (Sole Proprietor) and firms with 2 or more employees	GC's – Class A & B, Alarm Installers, Private Patrol, Real Estate Firms, Maintenance Companies, Janitorial, Gardening/Landscape, Pest Control, Tree Trimming, Pool Services	\$250
II – 800	Firms with 2 or more employees	Subcontractors Only – Class C	\$150
III – 196	Sole Operators with NO employees	All from Categories I or II but with NO employees	\$100
IV - 28	Sole Operators with NO employees	Handymen, Delivery Vehicles, Solicitors, Horseshoers	\$50

Gross Receipt Range	Category			
	I	II	III	IV
\$0 - \$50,000	357	589	186	25
\$50,001 - \$150,000	62	106	20	4
\$150,001 - \$500,000	58	51	8	1
\$500,001 - \$1m	29	16	2	
\$1m+	30	3		

The Town staff reviewed jurisdictions that were similar in size and community demographic. For comparative purposes staff chose Hillsborough, Woodside, Portola Valley, Belvedere, Tiburon, Los Altos Hills and Piedmont. As provided in this report each jurisdiction has their own unique means of categorizing and calculating the business tax fee.

Hillsborough

The business license tax for the Town of Hillsborough is split into two main categories and a third, specific category. The Schedule of Business License Tax and Home Business Permit is attached.

Category 1-B1 are permit businesses (contractors, subcontractors or other businesses that must obtain building permits for specific work projects in town). These businesses pay a business license tax of \$0.50 per \$100 of gross receipts and \$20 for each additional vehicle utilized in the conduct of that business in Town. There is also a \$100 per year processing fee.

Category 2-(A, B2, C, D, F & G) are private clubs (A), non-permit businesses - contractors, subcontractors or businesses that do not require a building permit for their activity (B2), Licensed professionals, agents, brokers and salespersons other than licensed real estate salespersons or brokers (C), auctions, bankruptcy sales and temporary sales (D), delivery services to homes, laundry and/or dry cleaning delivery, taxicab services (F), all others (G) – alarm security, rental of property and home-based businesses are separate sections. These businesses pay a business license tax of \$0.50 per \$100 of gross receipts (\$100 minimum) and \$20 for each additional company vehicle utilized in the conduct of the business in Town. There is a \$100 per year processing fee.

Category 3-(H, E, G & Home-Based Businesses) are title insurance companies (H), licensed real estate brokerage firms and individual licensed real estate brokers (E), Alarm Security and Rental of Property (G), and home-based businesses.

- H - Title insurance companies pay \$0.30 per \$1,000 face value of each title insurance policy.
- E - \$100 per year for each office plus \$25 per year for each associate.
- G – Alarm Security pay \$0.50 per \$100 of gross receipts (\$100 minimum) and \$20 for each additional vehicle plus \$100 per year processing fee.
- G – Rental of Property pay \$0.50 per \$100 of gross receipts (\$100 minimum) and \$100 per year processing fee.
- Home-Based Businesses pay \$125 per year

The most significant difference with the Town of Hillsborough's business license tax is that the licensees are essentially charged a percentage of gross receipts (plus the per vehicle charge) without a maximum.

Woodside

The Town of Woodside has categories similar to Atherton – flat tax by category. Woodside includes a specific category for General Contractors and includes a flat fee of \$250. Included within their business license tax categories are subcontractors with one or more employee that are charged \$150, subcontractors with no employees pays a tax of \$100. Woodside has some retail-specific business license tax categories such as a retail business with less than ten employees pays a \$120 tax and retail with ten or more employees pays a tax of \$200.

There is a category for professional occupations (doctors, lawyers, accountants, architects, realtors, engineers, insurance brokers and related occupations) at a tax of \$120 per professional with a maximum per year of \$480 per business. There is a daily business category that includes (persons or entities which do business in the Town less than 30 days per year, including auctioneers and solicitors) a maximum per year charge of \$180. There is a shorter duration business tax for contractors or subcontractors doing work valued at less than \$10,000 and working on one project for a period not to exceed 30 days; if the job is less than \$1,000 the tax is \$25, if the job is more than \$1,000 the tax is \$50.

Except for the retail categories, Woodside's tax framework is similar to Atherton's – with a maximum tax amount. A copy of the Town of Woodside's tax framework is attached.

Los Altos Hills

The Town of Los Altos Hills has several similar categories to Atherton and is a flat tax by category. There is a singular category for General Contractor, Pool Contractor, and security systems with a tax of \$270. Taxing categories include subcontractor (1 owner w/no employees) with a tax of \$130 and subcontractor (owners(s) and employees) with a tax of \$170.

There is a category for Realtors (first broker) business license tax of \$160; next 2 brokers and salespersons \$40 each and each additional broker \$15.00 each. There is a category specifically for architect and landscape architect with a business tax of \$140. Engineers have a business tax category of \$110. There is a service category tax that includes (gardeners, appliance repair, pest control, pool cleaning) for \$60. Within the business license category is delivery truck tax (for only delivering products) for \$100. Included in the business license are categories for stabling horses, private school and care facility. There is a catch all category called Any Other Business that includes a flat tax of \$170. There are no business licenses within Los Altos Hills that are based on gross receipts.

The Town of Los Altos Hills has a maximum tax framework based on specific categories of businesses. A copy of the Town of Los Altos Hills' tax framework is attached.

Portola Valley

The Town of Portola Valley also has a flat tax by category with a maximum. There is a basic tax of \$101 with an additional tax of \$20/\$10 per employee based on hours per week. Portola Valley's business license tax also includes four specific taxing categories with 3 based on the basic \$101 flat tax and the fourth (general contractors with 3 or more subcontractors) set at \$401.

A copy of the Town of Portola Valley's tax framework is attached.

Tiburon

The Town of Tiburon has a business license for contractors that is similar to the Town of Hillsborough. For contractors that are performing work that triggers a building permit, the business license tax is included in the building permit issued by their building department. For building

valuations up to \$5,000, the tax is \$15. For valuations from \$5,001 to \$25,000, the tax is \$25. For valuations over \$25,000, the tax is 0.0012 of valuation without a maximum. Subcontractors doing work covered by a building permit issued to someone else (e.g. General Contractor or homeowner), do not need an additional business license.

Tiburon also has a prorated NEW business license fee that ranges from \$25 to \$100 based on the time of year of application for the license. Each subsequent year is based on gross receipts - \$0 to \$5,000 is \$50, \$5001, to \$25,000 is \$25 and \$25,001 or over is 0.0012 of gross receipts.

The Town also has an Out of Town business tax fee. This is related to delivery vehicles doing business in the Town – similar to a road impact fee. The fees range from \$22.50 to \$200 per vehicle based on the ton capacity of the vehicles.

A copy of the Town's business license framework is attached.

Belvedere

The City of Belvedere has a flat tax business license of \$160, with a relocation and duplication fee of \$15. Within their business license ordinance is a penalty of \$160 for not filing a business license with the City. A copy of the City of Belvedere's business license framework is attached.

Piedmont

Similar to Tiburon, in the City of Piedmont, the initial license is a flat tax between \$50 and \$100. The following year, the renewal rate is based on gross receipts. The tiered gross receipt calculation has a few specific categories (film, gardeners, pest control, interior design) with minimum amounts, but most are subject to a gross receipts calculation of .002 of gross receipts – with no maximum.

A copy of the City of Piedmont's business license framework is attached.

Options for consideration

Flat Tax Model

One alternative for the Town is to increase the flat tax amount and eliminate a gross receipts component requirement. The table below reflects an increase in the flat tax amount by \$100 or \$150 for each category. These are suggested for discussion purposes only. This increases revenue to the Town by \$150,300 and \$225,450 respectively

FY 2016/17 Business Licenses

Licenses by Category	Current Tax	Totals	Increase by \$100	New Total	Increase by \$150	New Total
Category I (594)	\$250	\$148,500	\$350	\$207,900	\$400	\$237,600
Category II (714)	\$150	\$107,00	\$250	\$178,500	\$300	\$214,200
Category III (164)	\$100	\$16,400	\$200	\$32,800	\$250	\$41,000
Category IV (31)	\$50	\$1,550	\$150	\$4,650	\$200	\$6,200
Total		\$273,550		\$423,850		\$499,000

Gross Receipts Model

In July 2016, staff presented options for a Gross Receipts Tax Model. These are shown below with two different variants.

Tax Model No. 1 – \$250 base tax plus Gross Receipts of \$0.25/\$100

Tax Model No. 1 combines the existing Categories I and II into a new Category I (Owner plus 1 or more employees) and combines Categories III and IV into a new Category II (sole operators – no employees). The model imposes a \$250 minimum tax plus gross receipts based tax (\$0.25/\$100 of gross receipts) on the new Category I and a straight gross receipt only tax for new Category II. Home occupations would be specifically exempted. The specific names and varieties of businesses would be removed from the ordinance.

Based on projected FY 2015/16 gross receipts shown below, total tax revenue from business licenses after the proposed amendments would be approximately \$1,012,185.

Category	Gross Receipts	\$0.25/\$100	+ Flat (\$250)	Total
Category I – (1,374 licenses) (Owner + 1)	\$256,705,461	\$641,764	\$343,500	\$985,264
Category II – (224 licenses) (sole operator – no employees)	\$10,768,420	\$26,921	\$0	\$26,921
Totals	\$267,473,881	\$668,685	\$343,500	\$1,012,185

Tax Model No. 2 – \$100 minimum tax plus Gross Receipts of \$0.25/\$100; maximum \$25,000 business license tax

A variant of the above for simplicity would be to eliminate all categories and impose the gross receipts requirement for all businesses operating within the Town. The tax model imposes a minimum \$100 tax plus a gross receipts based tax based on \$0.25/\$100 of gross receipts for all businesses, with a business license tax maximum of \$25,000.

Category	Gross Receipts	\$0.25/\$100	+ Minimum Tax (\$100)	Total
All businesses Category – (1,598 licenses)	\$267,473,881	\$668,684	\$159,800	\$828,484
Totals	\$267,473,881	\$668,684	\$159,800	\$828,484

Tax Model No. 3 was a graduated gross receipts model. Given its complexity it was not included here for discussion but remains an option.

Summary

The City Council was presented with the business tax of several cities to help provide understanding and clarity of options. Most of the tax models in other jurisdictions have been in place for some time and are implemented without complaint.

If the Council wishes to move forward with changes to the Town’s business license tax, staff recommends the Council consider retaining the current framework but incorporate an increase to the tax flat tax amount rather than adding complexity to the framework with a gross receipts model or specific exclusions or exemptions. Categories within the ordinance can be modernized and clarified as part of the process.

The tax models in the communities of Hillsborough, Tiburon and Piedmont provide a framework of categories of businesses for gross receipts for Atherton to follow if the Council wished to change the tax to a gross receipts model. One caveat is that on the gross receipts model, jurisdictions operate on an honor system for reporting gross receipts.

Changes to the business license tax require a majority vote of the electorate as a General Tax (consolidated with Council elections – 2018).

Other Revenue Alternatives

Utility Users Tax

The Town of Atherton currently does not have a utility users tax. The Town can impose a utility users tax on the consumption of utility services in the Town limits. In previous discussions regarding utility users tax, it was communicated that the Town can impose a tax as a general purpose tax or a special tax earmarked for a special purpose. Staff suggests if a utility users tax is

sought after, it would be as a general purpose tax to the General Fund. A general tax requires a majority vote of the electorate, a special tax require a two-thirds vote.

The Town has franchise agreements with electricity, cable, and water. Revenues from these utilities are a percentage based on gross receipts. From PG&E for gas and electric, the Town receives 1% of gross revenues (FY 16/17 approximately \$221,000). For cable via the Cable JPA, the Town receives 7% of gross revenues (FY 16/17 approximately \$139,000). This includes the additional PEG funds. From CalWater for water service, the Town receives 2% of gross revenues (approximately FY 16/17 \$126,000). Below is a table of “gross revenue” from each of the franchisees over recent fiscal years.

Current Gross Revenues from Franchised Utilities			
	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17
Gas & Electric (1%)	21,972,440	21,840,695	22,139,500
Cable (7%)	1,825,515	1,949,085	1,981,785
Water (2%)	6,080,566	5,952,711	6,345,872

Based on the above data, staff is providing scenarios if a utility users tax was implemented at 2% or 5%. This ranges in revenue from \$597,570 to \$1,523,358.

Potential Revenue from a 5% Flat Utility Users Tax

	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17
Gas & Electric	\$1,098,622	\$1,092,035	\$1,106,975
Cable	\$91,276	\$97,454	\$99,089
Water	\$304,028	\$297,636	\$317,294
Total	\$1,493,926	\$1,487,125	\$1,523,358

Potential Revenue from a 2% Flat Utility Users Tax

	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17
Gas & Electric	\$439,449	\$436,814	\$442,790
Cable	\$36,510	\$38,982	\$39,636
Water	\$121,611	\$119,054	\$126,917
Total	\$597,570	\$594,850	\$609,343

A utility users tax fluctuates based on use and market conditions. If the Council wishes to move forward with a utility users tax as a supplemental revenue source, the Council should consider a tax rate range from 2 to 5 percent. If a utility users tax is implemented the tax would be collected by the utility provider as part of its billing procedure and remitted to the Town. The utilities currently collect the franchise fees for the Town. The Council can also set a “cap” on the tax rate and implement the tax up to that cap. For example, the City of Menlo Park has a maximum tax of 3.5 percent on gas, electrical, and water usage and a maximum 2.5 percent tax on cable, telephone, and wireless services. Currently Menlo Park City Council has its tax set at 1 percent.

The following cities have a utility users tax.

Agency	Rate
Daly City	5% base across all sectors, excluding sanitation
East Palo Alto	5% base across all sectors, excluding sanitation
Menlo Park	2.5% telephone, 3.5% remainder, excluding sanitation
Portola Valley	4.5% base across all sectors, excluding sanitation & water
Redwood City	4% telephone, 5% electricity & gas, 4% CATV excluding sanitation & water

Rent/User Fees

Currently, most of the Town's rental use fees come from Holbrook Palmer Park facilities. Staff continues to review the user fee schedule and recommend potential future adjustments to the fees at the Park based on use. The Town has a contract with Player Capital for exclusive Tennis Facility Management services, which currently produces revenue of \$40,000 a year to the Tennis Fund. Given the Council's priorities in the Park and limited desire for expansion of activities, there are limited opportunities for expansion of programs in the Park (summer camps, fitness programs, sports complex, etc.).

With the Civic Center Project, there will be additional opportunity for room rental or facility use. As these facilities come on line, staff will bring recommendations to the Council

Benefit Assessment Districts

There are opportunities in Town for Benefit Assessment Districts for street lights, park improvements, drainage improvements and bicycle/pedestrian paths. These were viewed as revenue augmentation for the Town's various master plans and capital improvement projects. Development impact fees were also considered as a viable option imposed on specific property development. Both Benefit Assessment Districts and Development impact fees would take some time to develop as they would include considerable analysis and study of type of activity to be assessed – and would require a Nexus Study to determine the exact benefit/fee ratio for impact.

Town Staff recommends that such assessment districts be studied further as separate from revenue alternatives of increasing the business license tax or implementing a utility user's tax.

POLICY FOCUS

At this time, the Town remains on target with the strategy plan for the business license tax. Once the Council decides upon a methodology, staff recommends the Council engage a survey and tax consultant to assist with next steps toward a 2018 ballot measure.

FISCAL IMPACT

None at this time.

PUBLIC NOTICE

Public notification was achieved by posting the agenda, with this agenda item being listed, at least 72 hours prior to the meeting in print and electronically. Information about the project is also disseminated via the Town's electronic News Flash and Atherton Online. There are approximately 1,200 subscribers to the Town's electronic News Flash publications. Subscribers include residents as well as stakeholders – to include, but be not limited to, media outlets, school districts, Menlo Park Fire District, service providers (water, power, and sewer), and regional elected officials.

ATTACHMENT(S)

- Hillsborough Business License Tax Framework
- Woodside Business License Tax Framework
- Los Altos Hills Business License Tax Framework
- Portola Valley Business License Tax Framework
- Tiburon Business License Tax Framework
- Belvedere Business License Tax Framework
- Piedmont Business License Tax Framework

**TOWN OF HILLSBOROUGH
SCHEDULE OF BUSINESS LICENSE TAX AND HOME BUSINESS PERMIT**

Category (as defined in Resolution)	Category Definition (per TOH Municipal Code)	Business License Tax	Processing Fee	When Payable
1	<p>Category B1. Permit business (contractors, subcontractors or other businesses that must obtain building permits for specific work projects in the Town)</p> <p style="text-align: center;">Business License Application Use of Vehicle Permit</p>	\$0.50 per \$100 of gross receipts and \$20 for each additional company vehicle utilized in the conduct of the business within Town limits	\$100 per year	Processing and vehicle fees payable at Finance with BL application; Business tax collected with building permit
2	<p>Category A. Private clubs Category B2. Non-permit businesses (contractors, subcontractors or businesses that do not require the building permit issued in Category B1.</p> <p>Category C. Licensed professionals, agents, brokers and salespersons other than licensed real estate salespersons or brokers). Category D. Auctions, bankruptcy sales and temporary sales Category F. Delivery service to homes, laundry and/or dry cleaning delivery, taxicab service. Category G. All others (NOTE: ALARM SECURITY, RENTAL OF PROPERTY AND HOME BUSINESS – PLEASE SEE SEPARATE SECTIONS.) Business License Application Use of Vehicle Permit</p>	\$0.50 per \$100 of gross receipts (\$100 minimum) and \$20 for each additional company vehicle utilized in the conduct of the business within Town limits.	\$100 per year	Upon initial application and annually renewed every fiscal year thereafter
3	Category H. Title insurance companies	\$0.30 per \$1,000 face value of each title insurance policy		Within 5 days of collection
	<p>Category E. Licensed real estate brokerage firms and individual licensed real estate brokers</p> <p style="text-align: center;">Business License Application Annual Realtor Business Licensing Registration</p>		\$100 per year for each office plus \$25 per year for each associate	Upon initial application and annually renewed every fiscal year thereafter
	<p>Category G. Alarm Security</p> <p style="text-align: center;">Business License Application Use of Vehicle Permit</p>	\$0.50 per \$100 of gross receipts (\$100 minimum) and \$20 for each additional company vehicle utilized in the conduct of the business within Town limits.	\$100 per year	Upon initial application and annually renewed every fiscal year thereafter
	<p>Category G. Rental of Property</p> <p style="text-align: center;">Business License Application</p>	\$0.50 per \$100 of gross receipts (\$100 minimum)	\$100 per year	Upon initial application and annually renewed every fiscal year Thereafter
	<p>Sections 17.16.015 & 5.06. Home Business Permit</p> <p style="text-align: center;">Provisions for Home Businesses Home Business Permit Application</p>		\$125 per year	Upon initial application and annually renewed every fiscal year thereafter

BUSINESS LICENSE APPLICATION
TOWN OF WOODSIDE

P.O. Box 620005
Woodside, CA 94062
650-851-6790

BUSINESS NAME _____

BUSINESS ADDRESS _____

MAILING ADDRESS _____
(If different) _____

TELEPHONE NUMBER (_____) _____ FAX NUMBER (_____) _____

E-MAIL ADDRESS _____

CHECK ONE: Corporation Partnership Sole Proprietor (individual)

CA CONTRACTOR'S DECLARATION (IF APPLICABLE) I hereby affirm under penalty of perjury that I am licensed under provision of Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code and my license is in full force and effect.
CA CONTRACTORS LICENSE NUMBER _____ Class _____ Exp.: _____

A COPY OF CALIF CONTRACTOR'S LICENSE IS REQUIRED.

FILL IN FROM INFORMATION ON REVERSE: Please refer to information on page 2.

Rate \$ _____

Business Type _____

I hereby affirm that I have a Certificate of Consent to self-insure, or a Certificate of Workers' Compensation insurance. (Exp.: _____), or

I certify that in the performance of work for which this license is issued I shall not employ any person in any manner so as to become subject to the Workers' compensation laws of California.

I declare under penalty of perjury that to my knowledge all information in this statement is true and correct.

NAME (print) _____

TITLE _____ DATE _____

FOR OFFICIAL USE ONLY		
Received by _____	Date _____	Receipt # _____
License Number _____	Expires _____	
Approved: _____	Disapproved: _____	Date: _____

BUSINESS LICENSE FEES

<i>Business Type</i>	<i>Annual License Tax</i>
General contractors	\$250 + \$1* = \$251
Subcontractors with one or more employees	\$150 + \$1* = \$151
Subcontractors with no employees	\$100 + \$1* = \$101
Retail with less than ten employees.	\$120 + \$1* = \$121
Retail with ten or more employees.	\$200 + \$1* = \$201
Professional occupations (doctors, lawyers, accountants, architects, realtors, engineers, insurance brokers, and related occupations)	
Per professional.	\$120 + \$1* = \$121
Maximum per year per business.	\$480 + \$1* = \$481
Daily businesses (persons or entities which do business in the Town less than 30 days per year, including auctioneers and solicitors), maximum per year.	\$180 + \$1* = \$181
Contractors or subcontractors doing work valued at less than \$10,000 and working on one project for a period not to exceed 30 days	\$25/job less than \$1,000 + \$1* = \$26 \$50/job \$1,000 or more + \$1* = \$51

*** State Mandate (SB1186) a \$1.00 fee must be added to all new and renewed Business Licenses.**

“Under federal and state law, compliance with disability access laws is a serious and significant responsibility that applies to all California building owners and tenants with building open to the public. You may obtain information about your legal obligations and how to comply with disability access laws at the following agencies:

The Division of the State Architect at www.dgs.ca.gov/dsa/Home.aspx

The Department of Rehabilitation at www.rehad.cahwnet.gov

The California Commission of Disability Access at www.cdda.ca.gov”

Town of Los Altos Hills
Proposed Schedule of Fees, Deposits, Charges for Service, and Other Assessments

Effective 7/1/2015		
Category/Process Item/Description	Current Rate	Current Deposit*
Comprehensive Annual Financial Report	\$ 43.00	
Annual Operating and Capital Improvement Program Budget	\$ 43.00	
Folio text	\$ 32.00	
Address maps	\$ 1.00	
Subdivision ordinance packet	\$ 11.00	
Annual subscription to: *		
Site development agendas	\$ 53.00	
Planning commission		
Agendas	\$ 43.00	
Minutes	\$ 64.00	
Both	\$ 101.00	
City Council		
Agendas	\$ 64.00	
Minutes	\$ 90.00	
Both	\$ 144.00	
* Charges are reduced to one-half of these amounts at mid-year		
Miscellaneous copying		
Hard copy (8 1/2" by 11") from hard copy	\$.25 per copy	
Hard copy (8 1/2" by 11") from on-line records service	\$.80 per copy	
Hard copy (8 1/2" by 11") from microfiche	\$.80 per copy	
Hard copy (11" by 17") from hard copy	\$2.00 per copy	
Copies sent to printing vendor	Applicable rate charged to Town + \$3.60 per order	
B TAXES		
1 Real property transfer tax	\$.275 per \$ 500 in assessed value or fraction thereof	
2 Sales tax	1% of gross receipts	
3 Use tax	1% of sales price	
4 Business license tax		
Architect	\$ 135.00	
Contractor General	\$ 270.00	
Sub-contractor - 1 person	\$ 130.00	
Sub-contractor - more than 1 person	\$ 170.00	
Delivery truck	\$ 100.00	
Engineer	\$ 110.00	
Home occupation	\$ 110.00	
Keeping or stabling horses: First 2 horses	\$ 85.00	
Each of next 10	\$ 10.00	
Each in excess of 12	\$ 5.00	

Town of Los Altos Hills
Proposed Schedule of Fees, Deposits, Charges for Service, and Other Assessments

Effective 7/1/2015		
Category/Process Item/Description	Current Rate	Current Deposit*
Private schools, day care facilities, and board and care facilities	\$ 110.00	
Real estate broker: First broker	\$ 160.00	
Each of next 2 brokers or salespersons	\$ 40.00	
Each additional broker or salesperson	\$ 15.00	
First 3 employees	\$ 15.00	
Each additional employee	\$ 5.00	
Recreational facility	\$ 170.00	
Septic tank pumpers	\$ 170.00	
Services, e.g., appliance repair, pool services, pest control, gardeners:		
Per year	\$ 60.00	
Per quarter	\$ 10.00	
Others, including real estate appraisers	\$ 170.00	
Transferring a business from one address within Town to another	\$ 30.00	
C MONETARY PENALTIES		
1 Business license tax		
Failure to pay when due		10% per month, to a maximum of 50%
2 Return of check for insufficient funds		
	\$ 25.00	
	\$ 35.00	
3 Town invoices		
Payment due	Net 30 days	
Delinquent charge	12% interest annually	
4 Collections costs		
	Amount of invoice, \$30 plus collection agency costs	
D Administrative Fee		
1 Finance		
Credit Card Refund Processing Fee	\$ 79.00	
Transaction Pass Through Fee	5% of transaction	
D ANIMAL CONTROL CHARGES		
	Various charges for licenses, impoundment, boarding, and disposal set by City of Palo Alto's Animal Control Services Division	

PLEASE NOTE

**BUSINESS LICENSE FEES
HAVE INCREASED**

**PLEASE REVIEW FORM
BEFORE MAILING IN
YOUR PAYMENT**

BUSINESS LICENSE FEES AND INFORMATION

The Town of Portola Valley Municipal Code requires persons conducting business from a **fixed place of business within the Town of Portola Valley** to pay an annual license fee and additional fees for each employee beyond two as follows:

Business License Fee.....\$101 per year

→ EMPLOYEE FEES ONLY APPLY TO BUSINESSES LOCATED IN PORTOLA VALLEY.

Additional for Each Employee:
30 or more hours per week.....\$20 per year
15 - 30 hours per week.....\$10 per year

The word “employee” is used to mean “all persons engaged in the operation or conduct of any business, whether the owner, a member of the owner’s family, partner, agent, manager, solicitor, and any and all persons employed or working in said business.”

The Business License does not authorize occupancy in instances where Zoning Permit approval is necessary. Contact Town Hall for further information.

The Town of Portola Valley Municipal Code requires any person conducting business within the Town of Portola Valley, **not from a fixed place of business in the Town** to pay Business License fees as follows:

General Contractor with 3 or more subcontractors.....\$401 per year
General Contractor with less than 3 subcontractors.....\$101 per year
Subcontractors.....\$101 per year
General License/Home Occupation.....\$101 per year

NOTE: Licenses may be purchased for a twelve month period only, expiring on June 30th. We do not pro-rate license fees.

PENALTY: 10% per month up to 100% of fees (Municipal Code 5.20.030).

Under federal and state law, compliance with disability access laws is a serious and significant responsibility that applies to all California building owners and tenants with buildings open to the public. You may obtain information about your legal obligations and how to comply with disability access laws at the following agencies:
The Division of the State Architect at www.dgs.ca.gov/dsa/Home.aspx.
The Department of Rehabilitation at www.rehab.cahwnet.gov.
The California Commission on Disability Access at www.cdda.ca.gov.

TOWN OF PORTOLA VALLEY

765 Portola Road, Portola Valley, CA 94028 Tel: (650) 851-1700 Fax: (650) 851-4677

BUSINESS LICENSE APPLICATION

Business Name _____

Business Address _____

Business City _____ State _____

Business Zip _____ Bus. Phone _____

Email (required) _____ Website _____

Mailing Address (if different) _____

Business Description _____

Is Your Business a Home Occupation? _____

Federal Tax ID _____ or, Owner's SSN _____

State Contractors License No. _____

Ownership Type ____ S=Sole Proprietor, P=Partnership, C=Corporation, T=Trust

If Sole Proprietor, Owner's Name _____

_____ 1 year (July 1 – June 30)* Amount Enclosed _____

→→ EMPLOYEE FEES ONLY APPLY TO BUSINESSES LOCATED IN PORTOLA VALLEY.

_____ Additional Employee Fees Amount Enclosed _____

TOTAL BUSINESS LICENSE FEES ENCLOSED _____

*The Town of Portola Valley Business License Ordinance provides for annual business license renewal only. There is a two-month grace period such that if you obtain or renew your license between May 1 and June 30, your license will expire at the end of the next fiscal year.



Business License Fees

Fee Guidelines

1. **New Business Licenses: Commercial / Office / Home Occupation** - If the business is operating in the Town for the first time, the license tax shall be charged for the calendar year. This fee is pro-rated by the quarter, April-June, July-September, October-December. Following years will be based on gross receipts-see schedule below.
Additional Home Occupation Fee: There is a separate fee charged for the Home Occupation Application.
2. **New Business: Out of Town** – For all businesses located outside the Tiburon Town limits, but coming into Tiburon to conduct business. Based on vehicle(s)-see schedule below.
3. **Living Accommodations/Rentals** – If you own a residential long-term rental (31 days or longer), such as a stand-alone house, apartment, additional permitted unit, duplex or apartment building you will be charged by the unit-see schedule below.
4. **Administration Fee** – Charged on all Business Licenses, regardless of type.
5. **CA State Mandated Fee** – To increase disability access, compliance w/construction related accessibility requirements, and compliance with federal and state disability laws, as specified under Senate Bill 1186.

Fees - Specific

<u>New Business License-Pro-rated:</u>	12 MO:Jan-Dec - \$100 / 9 MO:Apr-Dec - \$75 / 6 MO:Jul-Dec - \$50 / 3 MO:Oct-Dec \$25
<u>Gross Receipts Annual Renewal:</u>	\$0 - \$5,000 = \$15 / \$5,001 - \$25,000 = \$25 / \$25,001 – Over = .0012% of GR
<u>Out of Town Fee:</u>	Not exceeding ½ Ton capacity, per vehicle \$22.50 X ___ =
	Not exceeding ½ Ton to 1 Ton capacity , per vehicle \$37.50 X ___ =
	Over 1 Ton to 1-1/2 Ton capacity, per vehicle \$50.00 X ___ =
	Over 1-1/2 Ton to 2 Ton capacity, per vehicle \$100.00 X ___ =
	Over 2 Ton capacity to 3 Ton capacity, per vehicle \$150.00 X ___ =
	Over 3 Ton capacity, per vehicle \$200.00 X ___ =
	TOTAL
<u>Living Accommodations/Rentals:</u>	Per Rental Unit \$20.00 X ___ =

Fees - General

<u>Home Occupation:</u>	New Application - \$100.00 Renewal: \$50.00
<u>Administration:</u>	Billed on all New & Renewals \$10.00
<u>Penalties – Late Payment:</u>	10% of total due accrues the last month of each month after due date plus
<u>CA State Mandated:</u>	Billed on all New & Renewals \$1.00
<u>Duplicate License:</u>	\$5.00



CITY OF BELVEDERE

450 San Rafael Avenue - Belvedere, CA 94920
Tel: (415) 435-3838 - Fax: (415) 435-0430
www.cityofbelvedere.org

BUSINESS LICENSE APPLICATION

PLEASE PRINT CLEARLY AND COMPLETE BOTH SIDES
OF APPLICATION

FOR STAFF USE ONLY	
Date: _____	Rec. By: _____
Amount: \$160.00	Receipt #: _____
Workers' Compensation Insurance:	Yes <input type="checkbox"/> No <input type="checkbox"/>
Construction? Yes <input type="checkbox"/>	SIC/NAIC Code _____
Business License No.	_____

Name of Business _____ Resale No. _____

Other Business Names (Also Known As) _____ Federal ID No. _____

Business Location _____ State ID No. _____

(Cannot be P.O. Box per State of California Business & Professions Code-Section 17538.5)

City/State/Zip _____ Contractor State Lic. No. _____

Mailing Address _____ Contractor State Lic. Type _____

City/State/Zip _____ Email Address _____

Phone No. _____ Fax No. _____

Description of Business _____

Type of Business Organization Individual Partnership/LLP LLC Corporation
(Please check one)

IF THIS IS A PARTNERSHIP OR CORPORATION, PLEASE ATTACH A COMPLETE LIST OF ALL
NAMES, TITLES, WITH ADDRESSES AND PHONE NUMBERS OF CORPORATE MEMBERS.

Enter below names of Owners, Partners, or Corporate Officers (attach additional sheet, if necessary)

1st Owner Name _____ Phone _____

Address _____
(Cannot be P.O. Box)

2nd Owner Name _____ Phone _____

Address _____
(Cannot be P.O. Box)

Enter below name of Emergency Contact:

Contact Name _____ Phone _____

WORKERS' COMPENSATION DECLARATION Warning: *failure to secure workers' compensation coverage is unlawful, and shall subject an employer to criminal penalties and civil fines up to \$100,000, in addition to the cost of compensation, damages as provided for in Section 3706 of the Labor Code, interest and attorney's fees.*

I HEREBY AFFIRM, UNDER PENALTY OF PERJURY, ONE OF THE FOLLOWING DECLARATIONS: *(check the appropriate box)*

I have and will maintain workers' compensation insurance, as required by Section 3700, for the duration of any business activities conducted for which this license is issued.

My Workers' Compensation Insurance carrier and policy number are:

Carrier: _____ Policy Number: _____ Expires: _____

I have and will maintain a certificate of consent to self-insure for workers' compensation, as provided by Section 3700, for the duration of any business activities conducted for which this license is issued.

I certify that in the performance of any business activities for which this license is issued, I shall not employ any person in any manner so as to become subject to the workers' compensation laws of California, and agree that if I should become subject to workers' compensation provisions of Section 3700 of the Labor Code, I shall forthwith comply with the provisions of Section 3700.

Is this a Home-Based Business? (for businesses based in Belvedere only) YES NO

If yes, you agree to abide by the conditions set forth under **Belvedere Municipal Code §19.24-19.40**.

Belvedere Municipal code §19.24.010 D states that, "the office of any profession in any dwelling when used solely by a resident in such dwelling is permitted, provided that such office is not regularly or customarily used for treatment of patients or interviews with clients or customers, and no person who is not resident in such dwelling by employed in such office."

A Business License is issued as receipt for payment of fees and does not automatically sanction establishment of a business within the community. Any business, regardless of whether or not a business license is issued, is subject to law or ordinances covering such matters as zoning, building, health, and fire protection. Please also note that compliance with the requirements of this ordinance does not void or abrogate such other requirements, which affect the establishment and/or conduct of business activities within the City of Belvedere.

I hereby certify under penalty of perjury that the information provided in this application is true and I am in compliance with all applicable state and county ordinances governing my business.

X

Signature of Owner or Principal

Date

Print Name

Title



CITY OF BELVEDERE

450 San Rafael Avenue - Belvedere, CA 94920

Tel: (415) 435-3838 - Fax: (415) 435-0430

www.cityofbelvedere.org

BUSINESS LICENSE TAX - GENERAL INFORMATION

A business license tax is imposed on all persons doing business within Belvedere city limits. This tax is imposed solely to raise revenue for municipal purposes and is not intended for regulation.

FEES: The business license tax is \$160.00 for a calendar year (January through December). There are no pro-rated amounts for the business license tax; however, there is a partial refund of the business license tax for those businesses that meet certain criteria (please see description under "REFUNDS" for more information).

PAYMENT DUE DATES: The business license tax is due January 1 of each year, unless specified otherwise by the Business License Administrator.

PENALTIES: Failure to pay the business license tax by the due date will result in a penalty of \$160.00 in addition to the standard business license fees. The same penalty applies to those businesses that began work in Belvedere without a current business license.

RENEWAL NOTICES: Renewal notices are sent no later than December 15 of each year to all businesses or merchants *currently* licensed with the City of Belvedere.

REFUNDS: Businesses that make less than \$32,000.00 in Belvedere for the calendar year, are entitled to a partial refund of the business license tax. Refund forms are mailed out along with the renewal notices and require documentation of the year's revenue. The due date for refund applications is February 1 of each year. ***(Please note that applications that are sent in to us prior to January 1 will be returned).***

WORKERS' COMPENSATION: Businesses are required to provide proof of Workers' Compensation Insurance at the time of application for a business license. We will no longer keep a Certificate of Workers' Compensation on file **(please ask your insurance carrier to remove our city from the mass mailing list).**

If your business is exempt from Workers' Compensation, simply check the appropriate box on the Workers' Compensation Declaration Form.

PLEASE NOTE: The information listed above is only a brief summary of Belvedere Municipal Code Section 5.04 regarding business license tax. Please call the Business License Administrator at (415) 435-3838, with any specific questions related to the business license tax.

City of Piedmont
BUSINESS LICENSE APPLICATION
 City Clerk's Office - (510) 420-3040

New
 Renewal

1. Business Name _____

Street _____ City _____ Zip _____

Mail Address _____ City _____ Zip _____
(If different than above)

2. Owner's Name(s) _____

Street _____ City _____ Zip _____
(If different than above)

3. Business Phone _____ Home Phone _____

4. Type of Business _____ State Cont. Lic. No. _____

5. Ownership Type (Check one) Sole Proprietorship _____ Partnership _____ Corporation _____ Trust _____

6. The State of California requires that you provide at least **one** of the following:
If you hold a current seller's permit, you MUST list your State Board of Equalization number.

Social Security Number _____ SEIN (State Employer's ID No.) _____

FEIN (Federal Employer's I.D. No.) _____ Board of Equalization No. _____

NEW LICENSE RATES:

State Licensed Contractors (3-Month License)*	\$ 50
State Licensed Contractors (12-Month License)*	\$100
Film (per day)	\$500
Auctions (per day)	\$200
All Other Businesses	\$100

RENEWAL RATES:

ALL BUSINESSES with gross receipts GREATER than \$50,000 for previous year, use the following calculation:

Prior 12 mos. gross receipts \$ _____ x .002 = \$ _____ (Example: \$56,000 x .002 = \$112)

Contractors* w/gross receipts less than \$25,000 may chose 3-Month License	\$ 50	or 12-Month	\$100
Contractors* w/gross receipts less than \$50,000	\$100		
Film (per day)	\$500		
Auctions (per day)	\$200		
Gardeners, chimney sweeps, pest control, craft/art (GROSS < \$5,000)	\$ 50		
Interior design with seller's permit (GROSS < \$3,000)	\$ 50		
All other Businesses w/gross receipts less than \$50,000	\$100		

Effective January 1, 2013, state law (GC § 4467) requires that all applicants for local business licenses add a **\$1.00 fee** to support state and local disability access programs in addition to the business license tax imposed by the City.

Enclosed is my payment to The City of Piedmont for:

Business License fee:	\$ _____	
State Disability Access fee:	\$ <u>1.00</u>	
Total	\$ _____	Cash or Check Only

I hereby certify under penalty of perjury that the information provided in this application is true and correct. Further, I certify I am in compliance with all applicable state and city ordinances governing my business.

Signature _____ Date _____

***All Licensed Contractors must provide proof of valid Workers' Compensation insurance as required by State of California.
 NO BUSINESS LICENSE WILL BE ISSUED WITHOUT PROOF OF INSURANCE.**

If you **do NOT have employees** and do NOT carry Workers' Compensation Insurance, please sign below.

AFFIDAVIT OF WORKERS' COMPENSATION EXEMPTION

I certify that, in the performance of work for which this license is issued, I shall not employ any person in any manner so as to become subject to the Workers' Compensation laws of California.

Owner's Signature _____ Date _____

Sales or use tax may apply to your business activities. You may seek written advice regarding the application of tax to your particular business by writing to the nearest State Board of Equalization office. For general information, please call the Board of Equalization at 1-800-400-7115.

STATE OF CALIFORNIA DISABILITY ACCESS FEE

Under federal and state law, compliance with disability access laws is a serious and significant responsibility that applies to all California building owners and tenants with buildings open to the public. You may obtain information about your legal obligations and how to comply with disability access laws at the following agencies:

The Division of the State Architect at www.dgs.ca.gov/dsa/Home.aspx.
The Department of Rehabilitation at www.rehab.cahwnet.gov.
The California Commission on Disability Access at www.cdda.ca.gov.

Mail completed form and check made payable to the "City of Piedmont" at address below.

PLEASE NOTE: Cash or Checks Accepted Only

**City of Piedmont
City Clerk's Office
120 Vista Avenue
Piedmont, CA 94611**

(510) 420-3040
FAX: (510) 653-8272