

RESOLUTION NO. 16234

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDWOOD CITY CALLING FOR AN ELECTION TO BE CONSOLIDATED WITH THE GENERAL MUNICIPAL ELECTION AND STATEWIDE GENERAL ELECTION ON NOVEMBER 5, 2024, AND SUBMITTING TO THE VOTERS AT THAT ELECTION A MEASURE MODERNIZING CATEGORIES OF BUSINESSES SUBJECT TO THE CITY'S BUSINESS LICENSE TAX AND INCREASING THE BUSINESS LICENSE TAX RATE

WHEREAS, the City of Redwood City adopted a Business License Tax in 1911 and the current tax rate structure, adopted in 1967, is old and outdated, with smaller businesses paying a proportionately higher tax than larger businesses; and

WHEREAS, the City's Business License Tax has not been updated since 2011 and does not reflect the way business operates in the City today; and

WHEREAS, over several months, the City has engaged members of the business community, neighborhood association leaders, community organizations and groups, and residents through approximately 20 group meetings and community surveys; and

WHEREAS, modernizing the Business License Tax will ensure that large businesses pay their fair share for City services; and

WHEREAS, modernizing the Business License Tax will lower the proportionate tax burden on small businesses; and

WHEREAS, the City seeks to maintain general city services, contributing to a high quality of life, while not increasing annual taxes on Redwood City residents; and

WHEREAS, modernizing the Business License Tax would provide locally controlled funds to maintain 911 emergency response times, neighborhood police patrols and crime prevention, and the number of on-duty firefighters, paramedics, and police officers; and

WHEREAS, this measure would help fund repairs for potholes, streets and sidewalks; and

WHEREAS, funds from this measure will be used solely for local needs, not taken by Sacramento; and

WHEREAS, cities in the San Francisco Bay Area have imposed business license taxes to appropriately track modern regional economic conditions and that, accordingly, far exceed the amount of revenue generated by the City's outdated Business License Tax; and

WHEREAS, the City of Redwood City established a Business License Tax Reform Ad Hoc Committee for the purpose of analyzing the City’s economic conditions, engaging in community outreach, receiving stakeholder feedback, and making recommendations for modernizing the City’s Business License Tax; and

WHEREAS, the ordinance attached hereto as Attachment A and incorporated herein by reference (the “Ordinance”) incorporates the Ad Hoc Committee’s recommendations and would increase the rate of the City’s Business License Tax; and

WHEREAS, Government Code section 53724 authorizes the City Council, by a two-thirds vote of all its members, to propose a general tax; and

WHEREAS, Elections Code section 9222 authorizes the City Council to submit an ordinance directly to the voters; and

WHEREAS, the California Constitution, Article XIII C, Section 2(b), requires that a proposed tax be submitted to the voters at a general municipal election; and

WHEREAS, on June 24, 2024 by separate action the City Council called for holding a general municipal election for four municipal officers to be consolidated with the November 5, 2024 statewide general election; and

WHEREAS, this Council desires to call an election for the measure modernizing the categories of businesses subject to the City’s Business License Tax and increasing the Business License Tax rate, and consolidate that election with the Statewide General Election and General Municipal Election.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF REDWOOD CITY, AS FOLLOWS:

SECTION 1. Proposal to Impose a General Tax. The City Council proposes to impose the general tax set forth in the Ordinance, Exhibit A (attached hereto), which is incorporated herein. The proposed type of tax is an annual business license tax to support general city services, the rate of tax consists of a \$90 annual registration fee for each business plus an incremental rate ranging from \$10 to \$250 per employee depending on the type of business, as set forth in the Ordinance. The City Council may change the rates up to the maximum rates set forth in the Ordinance. The rates are subject to annual inflation adjustments. The method of tax collection is as provided in The City of Redwood City Municipal Code, Chapter 32, Article V, Divisions 2, 3 and 4.

SECTION 2. Calling the Election and Request for Consolidation. Pursuant to the City Charter and Elections Code sections 9222 and 10403, the City Council hereby calls an election to be consolidated with the City’s general municipal election and statewide general election to be held on November 5, 2024, for the purpose of submitting the proposed measure to modernize the categories of businesses subject to the City’s Business License Tax and increase the Business License Tax rate described above and

set forth in the Ordinance, to a vote of the qualified voters of the City of Redwood City, and hereby requests the Board of Supervisors of the County of San Mateo to consolidate this election with the November 5, 2024, statewide general election. The consolidated election shall be held and conducted in the manner prescribed by Elections Code section 10418. The City Council hereby authorizes the City Clerk to take any and all actions necessary to prepare for and conduct said elections consistent with all applicable laws.

SECTION 3. Request for Services and Conduct of Election. The Board of Supervisors of the County of San Mateo is hereby requested to permit the County Elections Official to render specified services to the City relating to the conduct of the election and is hereby authorized to canvass the returns of said municipal election, and said election shall be held in all respects as if there were only one election and only one form of ballot. The County shall certify the results of the canvass of the returns of said election, to the City Council of this City which shall thereafter declare the results thereof. In all particulars not specified in this resolution, the election shall be held and conducted as provided by law for holding municipal elections.

SECTION 4. Submission of Measure to the Voters. Pursuant to the City Charter and the Elections Code, the City Council hereby orders the measure to modernize the categories of businesses subject to the City’s Business License Tax and increase the Business License Tax rate to be submitted to the qualified voters of the City of Redwood City at the November 5, 2024 general election, subject to the approval of a majority of the voters voting on the measure at the election called by the adoption of this resolution. The full text of the measure that shall be voted on is attached hereto as Exhibit A. If approved by the voters, the Ordinance shall be in effect until repealed or amended by the voters.

SECTION 5. Ballot Question. The City Council, pursuant to Elections Code sections 9222, 13119, and 10403, hereby orders that the abbreviated form of the measure shall appear on the ballot as follows:

Shall the measure to maintain local city services, such as: maintaining 911 emergency response/neighborhood police patrols; fixing potholes, repairing streets/sidewalks; maintaining on-duty firefighters/paramedics; and storm drains to prevent flooding; by modernizing the City of Redwood City business license tax base, and per employee rates between \$10 and \$250, with the highest fee on larger businesses, for general government use, as described in the ordinance, providing approximately \$7,000,000 annually, until ended by voters, be adopted?	YES
	NO

SECTION 6. Impartial Analysis by City Attorney. The City Clerk is hereby directed to transmit a copy of the measure attached hereto as Exhibit A to the City Attorney, who shall prepare an impartial analysis of the measure in accordance with Elections Code section 9280. The City Attorney shall submit the impartial analysis to the City Clerk no later than Tuesday, August 20, 2024 at 5:00 P.M.

SECTION 7. Written Arguments. Pursuant to Elections Code sections 9282 and 9285, the City Council authorizes Council members Aguirre, Howard, and Sturken to draft, select authors and file the direct argument in support of the measure and the rebuttal argument to the argument against the measure, if any. Pursuant to Elections Code section 9285(b), the City Council hereby authorizes rebuttal arguments if arguments have been filed in favor of or against the measure. At the discretion of the Council members authorized herein, the argument in favor and rebuttal, if any, may be signed by bona fide associations of citizens, by individual voters, or by members of the City Council. The deadline for submitting ballot arguments for or against the measure shall be 5:00 P.M. on Tuesday, August 13, 2024. Proposed arguments shall not exceed 300 words and shall be submitted to the Office of the City Clerk. The deadline for submitting rebuttal arguments shall be 5:00 P.M. on Tuesday, August 20, 2024. Proposed rebuttal arguments shall not exceed 250 words and shall be submitted to the Office of the City Clerk. The provisions of Elections Code section 9285(a) shall apply to the submittal of rebuttal arguments. All arguments and rebuttal arguments shall be submitted to the Office of the City Clerk.

SECTION 8. City Clerk. The City Clerk is hereby directed to file a certified copy of this resolution with the San Mateo Clerk of the Board of Supervisors and the County Registrar of Voters in sufficient time so that the measure may be included on the November 5, 2024, City municipal election and statewide general election ballot. The City Clerk is hereby directed to perform all other acts that are required for submitting the measure to be voted on at the November 5, 2024, general municipal election and statewide general election. The text of the measure shall not appear in the voter pamphlet given its length and resulting expense, but the Clerk shall post the measure on the City's website and provide any person a copy of the measure upon request.

SECTION 9. Notice. Notice of the time and place of the election on the measure is hereby given, and the City Clerk is authorized, instructed, and directed to give further or additional notice of the calling of the Consolidated Election, in the time, form, and manner as required by law.

SECTION 10. Majority Vote. This measure proposes to amend the Redwood City municipal code and shall be approved if a majority (50% +1) of those voting on the measure approve it.

SECTION 11. Form of Ballot. The ballots to be used at the election shall be in form and content as required by law.

SECTION 12. Certification. The City Clerk shall certify the passage and adoption of this Resolution and enter it into the book of original Resolutions.

SECTION 13. CEQA. This action is not a project and is exempt from the California Environmental Quality Act (CEQA) pursuant to section 15378(b)(3) of CEQA Guidelines, it concerns the submittal of a measure to the voters of the City.

SECTION 14. Effective Date. This Resolution shall become effective upon its adoption.

* * *

EXHIBIT A

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF REDWOOD CITY AMENDING DIVISIONS 1, 4, AND 6 OF ARTICLE V OF CHAPTER 32 OF THE REDWOOD CITY MUNICIPAL CODE TO MODERNIZE CATEGORIES OF BUSINESSES SUBJECT TO THE CITY'S BUSINESS LICENSE TAX AND INCREASE THE BUSINESS LICENSE TAX RATE

[Additions to Code are in single-underline italics font; deletions are in ~~strikethrough~~ text.]

The People of Redwood City do Ordain as follows:

Section 1. Division 1 of Article V of Chapter 32 of the Redwood City Municipal Code is amended to read as follows:

DIVISION 1. - PURPOSE AND DEFINITIONS

Sec. 32.101. - PURPOSE OF ARTICLE:

The purpose of this Article is to provide for the establishment and levying of license taxes for the transaction and carrying on of certain businesses, trades, professions, callings and occupations in the City. This Article is enacted solely to raise revenues for municipal purposes and is not intended for regulation.

Sec. 32.102. - DEFINITIONS:

As used in this Article, the following definitions shall apply:

APPLICANT: An applicant for a business ~~tax~~ license pursuant to this Article, including a renewal thereof.

AVERAGE NUMBER OF PERSONS EMPLOYED:

A. The number of employees as herein defined employed monthly within the City earning wages for the periods nearest the fifteenth day of each month during the previous year as reported by the applicant to the State Department of Employment on forms which are used for reporting payments due under the Unemployment Insurance Act of the State of California for each month of the previous calendar year, adding the same and dividing by twelve (12) and adding to the result thereof the number of employees compensated by other than wages engaged in the business. If the applicant has been in business less than one year, the average number of employees shall be the number of employees determined as described above divided by the number of months remaining in the calendar year for which such calculation is made.

B. As an alternative to the definition in A, above, and at the option of the applicant, the "average number of persons employed" shall mean the average number of persons employed daily by the applicant for one year, determined by ascertaining the total number of hours of service performed in the City by all such employees during the previous year and dividing the total number of hours of service thus obtained by the number of hours of service constituting a year's work of one full-time employee according to the customs governing such employment and adding to the result thereof the number of owners, partners or other principals, salespersons or agents employed by the applicant, irrespective of the number of hours of service provided by such employees. "Hours of service" as used in this definition shall include all paid holidays, sick leave, vacations and any other days for which compensation is paid irrespective of whether work is performed therefor. As a condition to the optional use of the foregoing definition, the applicant shall provide all business records or other documentation related to the calculation aforesaid required by the Director.

BUSINESS: Trades, occupations, professions, and services of all and every kind of calling whether or not carried on for profit, including but not limited to retailing, wholesaling, manufacturing, service purveying, warehousing, personal and real property rentals, and growing of plants and crops, research and development in scientific fields, including software development, and the practice of specialized professions including but not limited to medicine, business consulting, and law. ~~and animal husbandry for market.~~

~~COIN-OPERATED DEVICES ACTIVITY: The activity of managing, distributing, leasing or purveying coin-operated vending machines, laundry machines or facilities, amusement devices, including, without limitation, video and other electronic games, and any other coin-operated machine or device which provides a product, service or other thing of value.~~

~~COMMERCIAL ADVERTISING: The business carried on at a fixed location or locations in the City of selling or taking orders for or offering to sell or take orders for or preparing or printing or otherwise producing advertising copy, billboards, placards, banners or other visual objects (excluding films, videotapes or other electronic production media) for promoting the sale of products or otherwise advertising.~~

~~COMMERCIAL ADVERTISING VEHICLE OPERATION: The business of operating a vehicle (of any kind or nature, except devices moved by human power or used exclusively upon stationary rails or tracks) equipped with loudspeakers, musical devices, signs, placards, billboards, searchlights or other attention-getting devices for advertising purposes upon a public street, highway or other right-of-way.~~

CONTRACTOR: Any builder, contractor or subcontractor as defined in chapter 9 of division 3 (commencing with section 7000) of the Business and Professions Code of the State of California or, alternatively, as defined in the Rules and Regulations of the Contractor's State License Board enacted pursuant to section 7008 of said Code. For the purposes of this Article, any person engaged in activities similar to that of a contractor or subcontractor shall be deemed a contractor irrespective of whether said person is

licensed as such by the State or other licensing agency. Contractor shall include, and is not limited to, businesses engaged in the construction or repair of any buildings, including construction, plumbing, wiring, heating, ventilation, and air conditioning.

DIRECTOR: The Director of Finance of the City or ~~his or her~~ their designee.

EMPLOYEE: All persons engaged in the operation or conduct of any business including an owner, any member of an owner's family, partner, agent, manager, solicitor and any and all other persons employed or working in or associated with said business whether or not any salary or other compensation or remuneration is paid for such work. "Employee" as used herein includes employees (as defined above) of subcontractors, licensees or other persons engaged in the business for which a license hereunder is issued unless such subcontractors, licensees or other persons are licensed hereunder for the businesses in which they are engaged or which they conduct. Employee shall not include persons employed on a seasonal or periodic basis for less than one month or on a part-time basis for two (2) months or less.

FIXED PLACE OF BUSINESS: The premises occupied in the City for the particular purpose of conducting a business thereat and regularly kept open for that purpose.

GENERAL COMMERCE AND RETAIL: Any business operated for any purpose that is not included in any other defined category, including but not limited to retailers, restauranteurs, and other general businesses.

~~ITINERANT VENDOR: Any person, both principal and agent, engaged in a temporary and transient business in the City selling goods, wares and merchandise and who (for the purpose of carrying on such business) hires, leases or occupies any room, building or structure for the exhibition or sale of such goods, wares or merchandise or from which room, building or structure the sales shall be made or business solicited by means of samples or deliveries from house to house irrespective of whether such person associates temporarily with any local dealer, trader, merchant or auctioneer or conducts such temporary or transient business in connection with or as a part of or in the name of any local dealer, trader, merchant or auctioneer.~~

~~JUNK COLLECTOR: Any person engaged in the business of receiving, soliciting or otherwise obtaining used personal property for the purpose of selling, taking orders for or offering to sell parts or portions of said personal property after disassembly thereof.~~

~~MANUFACTURER: Any person engaged in the business of manufacturing, fabricating or processing any materials (raw or partly wrought) into goods, wares or merchandise or assembling or packaging any manufactured or processed material whether such manufactured or processed goods are sold or distributed to or through wholesalers, brokers or other channels for the purpose of resale.~~

NEWLY ESTABLISHED BUSINESS: A business in existence and operation for less than three (3) months.

~~NONRESIDENTIAL PROPERTY RENTAL: The business of renting or letting a building or structure of any kind or portions or areas thereof, including warehouses, ministorage facilities, industrial, commercial and office buildings of properties to a tenant or tenants for purposes other than residential dwelling, sleeping or lodging.~~

~~PEDDLER: Any person not having a regularly established place of business in the City who travels from place to place or has a stand upon any public street, alley or other public place, doorway of any building, unenclosed or vacant lot or parcel of land who sells or offers for sale any goods, wares or merchandise in his or her possession.~~

~~PERSON: Any individual person, corporation, partnership, association or other organizational form used for carrying on any business.~~

~~PROCESSOR: Any person engaged in the business of converting an article, substance or commodity into marketable form for the purpose of resale by changing its physical or chemical composition.~~

PROFESSION PROFESSIONAL SERVICE: Any profession, vocation, or calling that requires rigorous training through higher education or vocational institutions exclusively certifying the complete obtainment of skills and ability to offer professional services. This business category includes, but is not limited to, research and development and scientific fields, doctor's offices, law offices, dentist offices, veterinary offices, architectural firms, engineering firms, accounting firms, consulting firms, and software development companies.

~~Any profession, vocation or calling, the qualifications for which generally require an extended period or periods of specialized training and the issuance of an advanced educational degree or certificate and the performance of which requires licensing or certification or other official recognition. The term "professional person" as used in this Article shall include, but is not limited to, the following:~~

- ~~Architect.~~
- ~~Attorney at law.~~
- ~~Certified public accountant.~~
- ~~Chiropractor.~~
- ~~Dentist.~~
- ~~Geologist.~~
- ~~Medical practitioner.~~
- ~~Optician.~~
- ~~Optometrist.~~
- ~~Oral surgeon.~~
- ~~Osteopath.~~
- ~~Physician.~~
- ~~Podiatrist.~~

~~Professional engineer (including but not limited to civil, chemical, mechanical and electrical engineers).
Public accountant.
Surgeon.
Veterinarian.~~

~~RESIDENTIAL PROPERTY RENTAL: The business of managing, operating or renting any apartment house, duplex, hotel, motel, mobile home park, rooming or boardinghouse with two (2) or more residential units. For purposes hereof, the number of residential units aforesaid shall exclude that unit, if any, occupied by the applicant; provided, however, that the management, operation or rental of three (3) or less residential units shall not be deemed a residential property rental for purposes of this Article.~~

~~RENTAL (COMMERCIAL): Any business that manages, operates, leases, rents, or provides use of real property to another individual or entity for compensation, including but not limited to commercial leasing, parcel leasing, and hoteliers.~~

~~RENTAL (RESIDENTIAL): Any business that manages, operates, leases, rents, or provides use of any dwelling unit, including an apartment, house, duplex, hotel, motel, mobile home park, rooming or boardinghouse, to another individual or entity for compensation. For purposes hereof, a business that manages, operates, leases, rents, or provides use of a total of three or fewer dwelling units for compensation in the City shall not be deemed a residential rental business for purposes of this Article.~~

~~SERVICE: Any person engaged in the business of providing services that requires minimal to no higher education or training, including but not limited to beauty salons, hair stylists, landscape gardeners, and personal trainers.~~

~~SOLICITOR/HAWKER: Any person engaged in the business of going from house to house, place to place or in or along the streets within the City selling or taking orders for or offering to sell or take orders for goods, wares, merchandise, advertising or any other thing of value for future delivery or for services to be performed in the future.~~

~~WHOLESALE: Any person engaged in the business of selling or soliciting the sale of goods, wares, merchandise or services for the purpose of resale and/or who sells in wholesale lots at wholesale prices.~~

Section 2. Division 4 of Article V of Chapter 32 of the Redwood City Municipal Code is amended to read as follows:

DIVISION 4. - EXEMPTIONS AND EXCLUSIONS

Sec. 32.130. CONSTITUTIONAL, STATUTORY EXEMPTIONS:

Nothing contained in this Article shall be deemed or construed to require the payment of any business license tax prescribed in this Article by any person transacting, engaging in

or carrying on any business which is exempt from the payment of such taxes under the Constitution or statutes of the State of California.

Sec. 32.131. CHARITABLE ORGANIZATIONS:

Nothing contained in this Article shall be deemed or construed to require the payment of any of business license tax prescribed in this Article by any institution or organization which is conducted, managed or carried on wholly for the benefit of charitable purposes and from which profit is not derived either directly or indirectly by any person.

Sec. 32.132. VETERANS:

Nothing contained in this Article shall be deemed or construed to require the payment of any business license tax prescribed in this Article by any person who is an honorably discharged or released veteran of the Armed Forces of the United States, who is a resident of this State, and who sells or provides services if the veteran is the sole proprietor of the business.

Sec. 32.133. CARE FACILITIES:

Nothing contained in this Article shall be deemed or construed to require the payment of any business license tax prescribed in this Article by any person engaged in or conducting the business of child day care facilities pursuant to as defined by California Health and Safety Code section ~~1596.803(b)(2)~~ 1596.750 as the same now exists or is hereafter amended or an adult day care facilities pursuant to California Health and Safety Code section 1569.84 as the same now exists or is hereafter amended.

Sec. 32.134. HOME OCCUPATIONS:

Nothing contained in this Article shall be deemed or construed to require the payment of any business license tax prescribed in this Article by any person who is engaged in a home occupation conducted at the residence of said person in the City, the gross receipts from the operation of which are less than one thousand dollars (\$1,000.00) per year.

Sec. 32.135. PUBLIC UTILITY:

Nothing contained in this Article shall be deemed or construed to require the payment of any business license tax prescribed in this Article by any public utility possessing a franchise granted by the City pursuant to which franchise said public utility pays to the City an annual franchise fee or otherwise makes annual payments to the City for the privilege in said franchise specified.

Sec. 32.136. RECREATION INSTRUCTORS:

Nothing contained in this Article shall be deemed or construed to require the payment of any business license tax prescribed in this Article by any person engaged in the business of recreation instruction or sports officiating for programs or activities conducted or sponsored by the City.

Sec. 32.136.5. PERFORMERS AND ENTERTAINERS:

Nothing contained in this Article shall be deemed or construed to require the payment of any business license tax prescribed in this Article by any persons engaged in the

performance, conduct, or staging of any amusement or entertainment, concert, exhibition, lecture, dance or athletic event for programs or activities conducted or sponsored by the City or by a charitable organization.

Sec. 32.136.7. DWELLING UNITS EXCLUDED FROM INCREMENTAL TAX CALCULATION:

A. An owner-occupied residential dwelling unit shall be excluded from the calculation of a residential rental business's incremental tax.

B. Dwelling units rented or leased to households earning no more than the maximum income for low income households, as published annually by the California Department of Housing and Community Development (HCD) income limits for San Mateo County, pursuant to a recorded deed restriction shall also be excluded from the calculation of a residential rental business's incremental tax.

Sec. 32.137. CLAIM FOR EXEMPTION:

Any person claiming an exemption pursuant to this Division shall file an affidavit or declaration under penalty of perjury with the Director stating facts upon which such exemption is claimed and attaching thereto documents in support of such claim.

Sec. 32.138. EXEMPT LICENSE:

Upon a proper showing contained in said affidavit or declaration or attachments, the Director shall issue a license to the person claiming an exemption without payment to the City of the business license tax prescribed in this Article.

Sec. 32.139. REVOCATION:

The Director may revoke any license theretofore issued without payment of a business license tax upon information that said licensee is not entitled to an exemption or is no longer entitled to the exemption upon said license had been issued.

Sec. 32.140. RESERVED:

Section 3. Division 6 of Article V of Chapter 32 of the Redwood City Municipal Code is amended to read as follows:

DIVISION 6. - LICENSE TAXES

Sec. 32.151. - TAX IMPOSED:

Every person commencing, engaged in, conducting or carrying on a business within the City shall pay an annual business license tax. The tax consists of two (2) components: a ~~"base tax"~~ an "annual registration fee" calculated pursuant to Section 32.152 and an "incremental tax" calculated pursuant to Sections 32.154 and 32.154. ~~Where Section 32.154 indicates "base tax annual registration fee not applicable" with respect to a type of business, only the "incremental tax" is required.~~

Sec. 32.152. - ~~BASE TAX RATE~~ ANNUAL REGISTRATION FEE:

The annual rate for the annual registration fee ~~base tax~~ is:

~~\$43.00 effective July 1, 2012;~~
~~\$50.00 effective July 1, 2013; and~~
~~\$58.00 effective July 1, 2014.; and~~
\$90.00 effective July 1, 2025.

Sec. 32.153. -~~INCREMENTAL TAX RATE~~; RATE ADJUSTMENT:

The City Council may, by resolution or ordinance and without voter approval, adjust the rate of the business license tax, including the annual registration fee in Section 32.152 and incremental tax rates in Section 32.154. However, in no event may the City Council (1) set any adjusted rates that exceed the maximum rates set forth in Sections 32.152 and 32.154, as adjusted by Section 32.156, for the date on which the adjusted rate will commence, or (2) adjust the maximum tax in Section 32.155.

~~Except where some other rate is set forth in Section 32.154, the rate for the incremental tax is:~~

~~\$28.00 per employee, effective July 1, 2012;~~
~~\$33.00 per employee, effective July 1, 2013; and~~
~~\$38.00 per employee, effective July 1, 2014.; and~~
\$.00 per employee, effective July 1, 2025.

~~The number of employees for a business shall be the average number of persons employed, including employees of contractors, subcontractors and professional persons engaged in or to be engaged in such business.~~

Sec. 32.154. -~~SPECIAL INCREMENTAL TAX RATES~~:

The rate for the incremental tax with respect to each type of business listed in this Section shall be:

Business Type	Effective July 1, 2012	Effective July 1, 2013	Effective July 1, 2014	
Residential property rental	\$15.00	\$18.00	\$21.00	per unit of dwelling space in excess of 3 units
Nonresidential property rental	\$15.00	\$18.00	\$21.00	per 1,000 sq. ft. or fraction
Real-estate brokerage	\$28.00	\$33.00	\$39.00	per salesperson or employee
Dance hall operator	\$425.00	\$496.00	\$579.00	flat annual
Vehicle wrecking facility	\$425.00	\$496.00	\$579.00	flat annual
Christmas tree lot sales operation	\$425.00	\$496.00	\$579.00	flat annual
Commercial advertising	\$425.00	\$496.00	\$579.00	flat annual
Fortune telling	\$425.00	\$496.00	\$579.00	flat annual
Junk collector	\$425.00	\$496.00	\$579.00	flat annual
Pawnbroker	\$425.00	\$496.00	\$579.00	flat annual
Itinerant vendor	\$28.00	\$33.00	\$39.00	per week
Solicitors/hawkers	\$28.00	\$33.00	\$39.00	per day
Peddlers	\$28	\$33	\$39	per person

Business Type	Effective July 1, 2012	Effective July 1, 2013	Effective July 1, 2014	
Curb painters	\$15.00	\$18.00	\$21.00	per day per person
Carnival operator	\$354.00	\$413.00	\$482.00	per day
Coin-operated device activity	\$8.00	\$9.00	\$11.00	per device
Commercial advertising vehicle operation	\$43.00	\$50.00	\$58.00	per vehicle (base tax not applicable)
Contracting (excluding any contracting business with gross receipts over \$50,000.00) business in Redwood City	\$28.00	\$33.00	\$39.00	flat annual

<u>Business Category</u>	<u>Number of Employees</u>	<u>Per Employee Rate</u>
<u>General Commerce and Retail</u>	1-3	\$10
	4-10	\$50
	11+	\$80
<u>Contractors</u>	NA	\$150
<u>Services</u>	NA	\$130
<u>Professional Services</u>	First 3 Employees	\$175
	Employees 4-10	\$200
	Employees 11+	\$250
<u>Rental (Residential)</u>	NA	\$31 per unit
<u>Rental (Commercial)</u>	NA	\$75 per 1,000 sq. ft.

A. The rates set forth above shall be phased-in over one year, such that only 50% of each rate shall be assessed effective July 1, 2025, but the full rate shall be assessed effective July 1, 2026 and thereafter, provided, however, that the rate for

Rental (Residential) shall not be phased-in and shall be assessed at the full rate as of July 1, 2025.

<u>Business Category</u>	<u>Number of Employees</u>	<u>Per Employee Rate</u>	
		50% Rate July 1, 2025	100% Rate July 1, 2026
<u>General Commerce and Retail</u>	<u>1-3</u>	\$5	\$10
	<u>4-10</u>	\$25	\$50
	<u>11+</u>	\$40	\$80
<u>Contractors</u>	<u>NA</u>	\$75	\$150
<u>Services</u>	<u>NA</u>	\$65	\$130
<u>Professional Services</u>	<u>First 3 Employees</u>	\$88	\$175
	<u>Employees 4-10</u>	\$100	\$200
	<u>Employees 11+</u>	\$125	\$250
<u>Rental (Residential)</u>	<u>NA</u>	<u>\$31 per unit</u>	
<u>Rental (Commercial)</u>	<u>NA</u>	<u>\$37.50 per 1,000 sf</u>	<u>\$75 per 1,000 sf</u>

B. The number of employees for a business shall be the average number of persons employed, including employees of contractors, subcontractors and professional persons engaged in or to be engaged in such business.

C. For General Commerce and Retail businesses, one incremental rate shall apply to all employees, based on the total number of employees. For example, in 2026 a business with six employees shall pay an incremental rate of \$300 (6 employees x \$50). For Professional Services businesses, the incremental rates shall apply on a graduated basis. For example, in 2026 a Professional Service business with six employees shall pay an incremental rate of \$1,125 (3 employees x \$175 plus 3 employees x \$200).

Sec. 32.155. - MAXIMUM TAX:

Notwithstanding anything to the contrary contained in this Article, the annual business license tax payable for any one business shall not exceed:

~~\$3,535.00 effective July 1, 2012;~~
~~\$4,124 effective July 1, 2013; and~~
~~\$4,811 effective July 1, 2014.; and~~
\$250,000 effective July 1, 2025.

Sec. 32.156. - AUTOMATIC ADJUSTMENT:

Commencing July 1, 2027 and on each subsequent July 1, each rate set forth in this Division (including the maximum rate set forth in Section 32.155) shall automatically adjust by a percentage equal to ~~according to the following formula:~~

				{Current CPI}
{New Rate}	=	{July 1, 2014}	*	—
				{2014 CPI}

Where the "CPI" for a year is the Consumer Price Index (CPI) for All Urban Consumers for the San Francisco-Oakland-San Jose-Hayward Areas published by the United States Department of Labor, Bureau of Labor Statistics, for February of that year. For purposes of this automatic adjustment, in no event shall any rate be reduced below the rate in effect immediately prior to the applicable adjustment. In the event the CPI is no longer published, the City Manager shall select a price index most nearly conforming to the CPI.

Section 4. The City Council may amend this Ordinance without voter approval consistent with its purposes provided that such amendments do not impose, extend, or increase a tax.

Section 5. This Ordinance amending Divisions 1, 4, and 6 of Article V of Chapter 32 of the Redwood City Municipal Code shall become effective (10) days after the date on which the City Council has approved the canvass of votes and declared that the voters of Redwood City have approved said Ordinance by a vote of no less than a majority of the votes cast by the electors voting on the tax measure set forth in this Ordinance at the general municipal election to be held on Tuesday, November 5, 2024. The operative date of the Ordinance shall be July 1, 2025.

Section 6. The City Clerk shall publish this Ordinance in accordance with the provisions of the City Charter.

Section 7. The provisions of this Ordinance are severable. If any provision of this Ordinance or its application is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.

Section 8. The Ordinance has been reviewed with respect to applicability of the California Environmental Quality Act ("CEQA") and the CEQA Guidelines. The Ordinance is not a project under CEQA Guidelines Section 15378(b)(4) because the Ordinance does not have the potential for resulting in either a direct physical change in the environment, or a

reasonably foreseeable indirect physical change in the environment, as the Ordinance creates government funding mechanisms which do not involve any commitment to any specific project.

* * *

Passed and adopted by the Council of the City of Redwood City at a
Joint City Council/Successor Agency Board/Public Financing Authority Meeting

thereof held on the 22nd day of July 2024 by the following votes:

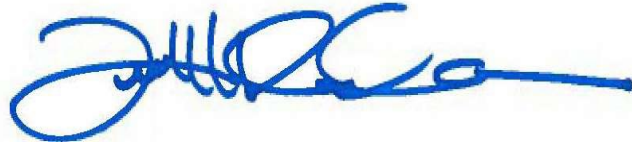
AYES: Aguirre, Eakin, Howard, Martinez Saballos, Sturken, Vice
Mayor Espinoza-Garnica and Mayor Gee

NOES: None

ABSENT: None

ABSTAINED: None

RECUSED: None



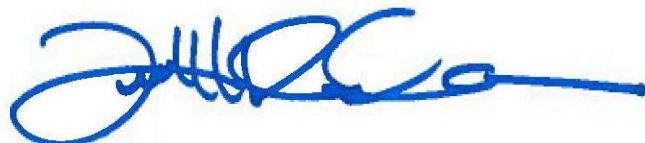
Jeff Gee
Mayor of the City of Redwood City

Attest:



Yessika Castro, CMC, CPMC
City Clerk of Redwood City

I hereby approve the foregoing resolution this
23rd day of July 2024.



Jeff Gee
Mayor of the City of Redwood City