

MEETING DATE: August 14, 2006

AGENDA ITEM : Adoption of Ordinance Amending Section 11.01.220 of the Culver City Municipal Code relating to Business Tax Certificate Application/Renewal Processing Fee.

ATTACHMENTS

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ORDINANCE NO. 2006-__

**AN ORDINANCE OF THE CITY OF CULVER CITY,
CALIFORNIA, AMENDING SECTION 11.01.220 OF THE
CULVER CITY MUNICIPAL CODE RELATING TO THE
BUSINESS TAX CERTIFICATE APPLICATION RENEWAL
PROCESSING FEES.**

WHEREAS, every year approximately 2,400 new businesses apply for business tax certificates from the Treasury Division of the City Treasurer's Office. All new and renewed business tax certificate applications must be processed and administered by the City Treasurer's Office; and

WHEREAS, there is a regulatory aspect to the processing of a business tax certificate application/renewal, which consists of Planning staff review of all new business tax certificate applications for compliance with zoning and building regulations. In-City businesses with a change of location at the time of renewal are also subject to this process; and

WHEREAS, Section 11.01.220 of the Culver City Municipal Code sets forth a specific dollar amount for the business tax certificate application/renewal processing fee; and

WHEREAS, the application/renewal processing fee to cover the costs of the services performed by the City Treasurer's Department has not been adjusted in 16 years, and there has never been a fee assessed for services performed by the Planning Division; and

WHEREAS, in the interest of saving City staff time and costs involved in amending, by ordinance, the City's Municipal Code on every occasion where it is

1 determined that there should be an increase in fees; and

2 **WHEREAS**, there is outdated language contained in §§ 11.01.220 (3) and (4)
3 that is no longer applicable today.

4 **NOW, THEREFORE**, the City Council of the City of Culver City, California,
5 **DOES HEREBY ORDAIN** as follows:

6 **SECTION 1.** Section 11.01.220 of the Culver City Municipal Code is hereby
7 amended to read as follows:
8

9 § 11.01.220 COMPUTATION OF TAXES AND FEES.

10 A business whose tax is based on gross receipts shall compute and pay its
11 business tax and fees as follows:
12

13 A. Application. At the time an application is made for a business tax
14 certificate, the applicant shall pay an application fee of ~~Forty-Five Dollars~~
15 ~~(\$45.00)~~ in an amount set by resolution of the City Council.
16

17 B. Renewal. At the commencement of the first renewal period, or at
18 the termination of business in Culver City, should such termination be prior to
19 the commencement of the first renewal period, the tax certificate holder shall
20 file with the City Treasurer, on a form provided by the Treasurer's Office, a
21 verified statement of gross receipts or a verified statement of the cost of
22 operations should the taxable gross receipts be less than the cost of
23 operations, for the initial period and based on the statement shall pay the tax
24 due for the initial period. At the same time, for the first renewal period, the tax
25 certificate holder shall pay a renewal fee of ~~Forty-Five Dollars (\$45.00)~~ in an
26 amount set by resolution of the City Council and the tax based on the verified
27
28

1 statement of gross receipts or the verified statement of the cost of operations
2 should the taxable gross receipts be less than the cost of operations
3 projected to estimate gross receipts for the renewal period.

4
5 1. For each succeeding renewal period, the tax certificate holder
6 shall pay a renewal fee of ~~Forty-Five Dollars (\$45.00)~~ in an amount set by
7 resolution of the City Council and shall file a verified statement of gross
8 receipts, or a verified statement of the cost of operations should the taxable
9 gross receipts be less than the cost of operations, for the preceding twelve
10 (12) month period and shall pay a business tax computed on such statement
11 at the rate specified for the applicable business category.

12
13 2. At the time an application is made for a business tax certificate,
14 or at the time of a renewal of a business tax certificate, where the tax is
15 determined by a flat rate, the applicant or tax certificate holder shall pay an
16 application fee or renewal fee of ~~Forty-Five Dollars (\$45.00)~~ in an amount set
17 by resolution of the City Council in addition to the flat rate tax.

18
19 ~~3. The business tax period beginning July 1, 1990 shall end~~
20 ~~December 31, 1990. Businesses applying for a business tax certificate during~~
21 ~~the period July 1, 1990 through December 31, 1990 shall, at the time an~~
22 ~~application is made for a business tax certificate, pay an application fee of~~
23 ~~Forty-Five Dollars (\$45.00). At the commencement of the next business tax~~
24 ~~period, the tax certificate holder shall file with the City Treasurer, on a form~~
25 ~~provided by the Treasurer's Office, a verified statement of gross receipts or a~~
26 ~~verified statement of cost of operations should the taxable gross receipts be~~
27
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1 less than the cost of operations, for the initial period and based on the
2 statement shall pay the tax due for the initial period. At the same time, for the
3 renewal period, the tax certificate holder shall pay a renewal fee of Forty-Five
4 Dollars (\$45.00) and the tax based on the verified statement of gross receipts
5 or the verified statement of the cost of operations should the taxable gross
6 receipts be less than the cost of operations.
7

8 4. a. Businesses filing for a renewal of their business tax
9 certificate for the renewal period beginning July 1, 1990 and ending
10 December 31, 1990, shall compute their business tax as follows:
11

12 (1) For those businesses whose start date in Culver
13 City is prior to January 1, 1989, the business tax shall be based
14 on one-half ($\frac{1}{2}$) of the taxable gross receipts produced during
15 calendar year 1989 or on one-half ($\frac{1}{2}$) of the cost of operations
16 incurred during calendar year 1989 should the taxable gross
17 receipts be less than the cost of operations.
18

19 (2) For those businesses whose start date in Culver
20 City is prior to July 1, 1989 and after January 1, 1989, the
21 business tax shall be based on one-half ($\frac{1}{2}$) of the taxable gross
22 receipts produced during the period from their start date in
23 Culver City through December 31, 1989 or on one-half ($\frac{1}{2}$) of
24 the cost of operations incurred during the period from their start
25 date in Culver City through December 31, 1989 should the
26 taxable gross receipts be less than the cost of operations.
27
28

~~(3) For those businesses whose start date in Culver City is prior to January 1, 1990 and after July 1, 1989; the business tax shall be based on the taxable gross receipts produced from their start date in Culver City through December 31, 1989 or on the cost of operations incurred from their start date in Culver City through December 31, 1989 should the taxable gross receipts be less than the cost of operations.~~

~~b. Businesses filing for a renewal of their business tax certificate for the renewal period beginning July 1, 1990 and ending December 31, 1990 shall pay no renewal fee.~~

C. Business Planning Review Fee. At the time an application is made for a business tax certificate, or upon renewal if the business has changed location, the applicant shall pay a business planning review fee in an amount set by resolution of the City Council.

SECTION 2. Pursuant to Section 619 of the City Charter, this Ordinance shall take effect thirty (30) days after the date of its adoption. Pursuant to Sections 616 and 621 of the City Charter, prior to the expiration of fifteen (15) days after the adoption, the City Clerk shall cause this Ordinance, or a summary thereof, to be published in the Culver City News and shall post this Ordinance or a summary thereof in at least three places within the City.

SECTION 3. The City Council hereby declares that, if any provision, section, subsection, paragraph, sentence, phrase or word of this ordinance is rendered or declared invalid or unconstitutional by any final action in a court of competent jurisdiction or by

1 reason of any preemptive legislation, then the City Council would have independently
2 adopted the remaining provisions, sections, subsections, paragraphs, sentences, phrases
3 or words of this ordinance and as such they shall remain in full force and effect.

4 APPROVED AND ADOPTED this ____ day of _____, 2006.

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8 GARY SILBIGER, Mayor
City of Culver City, California

9
10 ATTEST:

APPROVED AS TO FORM:

11
12 CHRISTOPHER ARMENTA, City Clerk

CAROL A. SCHWAB, City Attorney