

RESOLUTION NO. 2022-056

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA ANA CALLING FOR THE PLACEMENT ON THE BALLOT OF A MEASURE FOR THE NOVEMBER 8, 2022 GENERAL MUNICIPAL ELECTION FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF AN ORDINANCE TO RESTRUCTURE NON-CANNABIS BUSINESS LICENSE TAX RATES AND PROVIDING FOR THE FILING OF ARGUMENT AND REBUTTAL STATEMENTS

WHEREAS, as a charter city, and subject to voter approval, the City of Santa Ana is authorized to levy business license taxes to raise revenue for municipal purposes, pursuant to Section 5 of Article XI of the California Constitution and Section 200 of the City Charter; and

WHEREAS, the City's business license tax rate structure appears in Chapter 21 of the Santa Ana Municipal Code; and

WHEREAS, the City wishes to restructure non-cannabis business license tax rates within the City of Santa Ana to improve tax equity among all business sizes, reflect current best practices, recognize the impact of home-based businesses and the new "gig" economy, and to provide a flexible tax holiday period for unlicensed, past due, or under-assessed businesses, with the intent to have a revenue-neutral fiscal impact to the City; and

WHEREAS, all taxes imposed by local government are deemed to be either general taxes or special taxes, pursuant to Section 2(a) of Article XIII C of the California Constitution; and

WHEREAS, business license taxes are a type of general taxes, which are defined as any tax imposed for general governmental purposes; and

WHEREAS, Section 2(b) of Article XIII C of the California Constitution provides that a local agency cannot impose, extend, or increase any general tax unless and until that tax is submitted to the electorate and approved by a majority vote at an election that is consolidated with a regularly scheduled general election for members of the governing body of the local government, except in cases of emergency declared by a unanimous vote of the governing body; and

WHEREAS, the City Council has called and given notice of a general municipal election to be held in the City of Santa Ana on November 8, 2022 to elect certain municipal officers and requested that the Orange County Board of Supervisors consolidate the City's general municipal election with the statewide general election; and

WHEREAS, pursuant to California Elections Code Section 9222, the City Council has authority to submit to voters a proposition for the repeal, amendment, or enactment of any ordinance, to be voted upon at any succeeding regular or special city election, and if the proposition submitted receives a majority of the votes cast on it at the election, the ordinance shall be repealed, amended, or enacted accordingly; and

WHEREAS, the City has determined to submit a proposed ordinance to voters at the November 8, 2022 general municipal election to restructure non-cannabis business license tax rates.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Santa Ana as follows:

Section 1. The above recitals are true and incorporated herein by reference.

Section 2. The following Ordinance shall be submitted to the voters for enactment at the City of Santa Ana's general municipal election to be held on November 8, 2022, with identification as determined in accordance with the California Elections Code:

<u>MEASURE : SANTA ANA BUSINESS LICENSE TAX EQUITY AND FLEXIBLE TAX HOLIDAY MEASURE</u>	Yes
Shall Chapter 21 of the Santa Ana Municipal Code be amended to restructure non-cannabis business license tax rates within the City of Santa Ana to improve tax equity among all business sizes, reflect current best practices, recognize the impact of home-based businesses and the new "gig" economy, and to provide a flexible tax holiday period for unlicensed, past due, or under-assessed businesses, with the intent to have a revenue-neutral fiscal impact to the City?	No

Section 3. The text of the Ordinance to be submitted to the voters is attached to this Resolution as Exhibit A and incorporated herein by this reference.

Section 4. If the proposition receives a majority of the votes cast on it at the election, the Ordinance shall be enacted accordingly.

Section 5. Pursuant to California Elections Code Section 9280, the City Council hereby directs the Clerk of the Council to transmit a copy of the Ordinance to the City Attorney, who shall prepare an impartial analysis of the measure, which shall not exceed 500 words in length.

Section 6. Pursuant to California Elections Code Section 9282, the City Council, or a member or members of the City Council authorized by that body, or an individual voter who is eligible to vote on the measure, or bona fide association of citizens, or a combination of voters and associations, may file a written argument for or against any city measure, which shall not exceed 300 words in length.

Section 7. Pursuant to California Elections Code Section 9287, if more than one argument for or more than one argument against the Ordinance is submitted to the Clerk of the Council within the time prescribed by law, the Clerk shall select one of the arguments in favor and one of the arguments against the Ordinance for printing and distribution to the voters, giving preference and priority, in the order named, to the arguments of the following:

- (a) The City Council, or member or members of the City Council authorized by that body.
- (b) The individual voter, or bona fide association of citizens, or combination of voters and associations, who are the bona fide sponsors or proponents of the measure.
- (c) Bona fide associations of citizens.
- (d) Individual voters who are eligible to vote on the measure.

Section 8. In accordance with California Elections Code Section 9285, when an argument in favor and an argument against the Ordinance have been selected to be printed in the voter information guide, the Clerk shall send a copy of the argument in favor of the measure to the authors of the argument against the measure and a copy of an argument against the measure to the authors of the argument in favor of the measure. The author or a majority of the authors may prepare and submit a rebuttal argument not exceeding 250 words. Rebuttal arguments shall be printed in the same manner as the direct arguments and shall immediately follow the direct argument which it seeks to rebut. This Section shall only apply to the election on the Ordinance to be held on November 8, 2022.

Section 9. In accordance with California Elections Code Section 10002, the City Council requests the Orange County Board of Supervisors to permit the county elections official to render specified services to the City relating to the conduct of an election, for which the City shall reimburse the County in full for the services performed upon presentation of a bill to the City. The Board of Supervisors is also requested to consent and agree to the consolidation of the City's general election with any other election occurring on November 8, 2022, and the City hereby consents to any such consolidation.

Section 10. The services requested by the City of the county elections official, or such other official as may be appropriate and authorized to perform, include: the preparation, printing, and mailing of sample ballots and polling place cards; the establishment or appointment of precincts, polling places, and elections officers; opening and closing of polling places, and making such publications as are required by law in

connection therewith; the furnishing of ballots, voting booths, and other necessary supplies or materials for polling places; the canvassing of the returns of the election and the furnishing of the results of such canvassing to the Clerk of the Council; and the performance of such other election services as may be requested by the City.

Section 11. All persons qualified to vote at municipal elections in the City on the day of election herein provided shall be qualified to vote on the Ordinance hereby submitted at the general municipal election.

Section 12. In all particulars not recited in the Resolution, the election shall be held and conducted as provided by law for holding general municipal elections in the City.

Section 13. Notice of the time and place of holding the general municipal election is given, and the Clerk of the Council is authorized, instructed, and directed to give further or additional notice of the election in the time, form, and manner as required by law.

Section 14. The Clerk of the Council shall receive the canvass as it pertains to the general municipal election and shall certify the results to the City Council, as required by law.

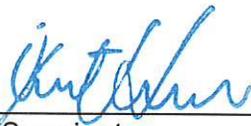
Section 15. Pursuant to California Elections Code Section 9295, this Resolution and the attached Ordinance will be available for public examination for no fewer than ten (10) calendar days prior to being submitted for printing in the sample ballot. The examination period will end on the day that is seventy-five (75) days prior to the date set for the election.

Section 16. If any section, subsection, sentence, clause, phrase or provision of this Resolution or the application thereof to any person or circumstances is held invalid or unconstitutional by any court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity of any other provision or applications, and to this end the provisions of this Resolution are declared to be severable. The City Council hereby declares that it would have passed this Resolution and each section, subsection, sentence, clause, phrase or provision thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases or provisions thereof be declared invalid or unconstitutional.

Section 17. This Resolution shall take effect immediately upon its adoption by a majority of the City Council.

Section 18. The Clerk of Council is hereby directed to certify to the passage and adoption of this Resolution and to file a certified copy of this Resolution with the Orange County Board of Supervisors and the Registrar of Voters of Orange County at least eighty-eight (88) days before the date of the election.

ADOPTED this 21st day of June, 2022.



Vicente Sarmiento
Mayor

APPROVED AS TO FORM:
Sonia R. Carvalho, City Attorney

By: John M. Funk
John M. Funk
Chief Assistant City Attorney

AYES:	Councilmembers	<u>Hernandez, Lopez, Mendoza, Penaloza, Phan, Bacerra, Sarmiento (7)</u>
NOES:	Councilmembers	<u>None (0)</u>
ABSTAIN:	Councilmembers	<u>None (0)</u>
NOT PRESENT:	Councilmembers	<u>None (0)</u>

CERTIFICATE OF ATTESTATION AND ORIGINALITY

I, Daisy Gomez, Clerk of the Council, do hereby attest to and certify the attached Resolution No. 2022 -056 to be the original resolution adopted by the City Council of the City of Santa Ana on June 21, 2022.

Date: 6/27/2022



Daisy Gomez
Clerk of the Council
City of Santa Ana

EXHIBIT A

ORDINANCE NO. NS _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SANTA ANA AMENDING ARTICLES IV, IX, AND X OF CHAPTER 21 OF THE SANTA ANA MUNICIPAL CODE TO RESTRUCTURE NON-CANNABIS BUSINESS LICENSE TAX RATES AND ADDING ARTICLE XIV TO CHAPTER 21 OF THE SANTA ANA MUNICIPAL CODE TO PROVIDE A FLEXIBLE TAX HOLIDAY FOR UNLICENSED, PAST DUE, OR UNDERASSESED BUSINESSES

The People of the City of Santa Ana do ordain as follows:

Section 1. As a charter city, and subject to voter approval, the City of Santa Ana is authorized to levy business license taxes to raise revenue for municipal purposes, pursuant to Section 5 of Article XI of the California Constitution, Section 200 of the City Charter, and Section 2(b) of Article XIII C of the California Constitution.

Section 2. By this Ordinance submitted for voter approval, the City wishes to restructure non-cannabis business license tax rates within the City of Santa Ana to improve tax equity among all business sizes, reflect current best practices, recognize the impact of home-based businesses and the new “gig” economy, and to provide a flexible tax holiday period for unlicensed, past due, or under-assessed businesses, with the intent to have a revenue-neutral fiscal impact to the City.

Section 3. Article IV (Exemptions) of Chapter 21 of the Santa Ana Municipal Code (Licenses), Sections 21-48 and 21-49, is hereby amended to read as follows:

Sec. 21-48. - Business licensing—Specified exemptions.

(a) A business license shall not be required for the conducting of any entertainment, concert, exhibition or lecture on scientific, historical, literary, religious or moral subjects whenever the receipts of any such activity are to be appropriated to any church or school or to any religious or benevolent purpose within the city.

(b) A business license shall not be required for any person under eighteen (18) years of age, who is a ~~citizen-resident~~ of the city, and who is enrolled in an institution of secondary education; provided, however, such person has no employee or employees working for him or her.

(c) A business license shall not be required for any attorney whose only business done in the city is in the courts operated in this city, nor for any doctor whose only business done in the city is surgery and/or consultation in a regularly established hospital in the city; provided, however, that the maintenance of an office, facility, or establishment within the city used in connection with any attorney's appearance in any court within the city, or any doctor's surgery or consultation performed at any hospital within the city shall not be hereby exempted from the city's business licensing requirements.

(d) A business license shall not be required for any other licensed person providing professional services not having a fixed place of business within the city and not engaged in other than the occasional furnishing of professional services wholly negotiated and contracted for outside the city.

(e) A business license shall not be required for any business done in the city where the business conducted is only occasional and incidental to a regularly established business conducted elsewhere.

(f) A business license shall not be required for any commercial traveler whose business is limited to goods, wares, and merchandise sold or dealt in at wholesale in this state, or for any salesman or agents representing vendors which have, do, or would normally supply goods for resale to licensees of the city.

(g) A business license shall not be required for any individual whose business is limited to providing in-home childcare to immediate or extended family members. The phrase "immediate or extended family members" shall mean such individual's direct children, children by adoption, children by marriage, grandchildren (direct, by adoption, or by marriage), nieces or nephews (direct, by adoption, or by marriage), and any foster children or other minor under eighteen (18) years of age living as part of the same residential household.

Sec. 21-49. - Business licensing—Specified exclusions.

Except as may be otherwise specifically provided in this Chapter, the terms hereof shall not be deemed to apply or construed to require the payment of a license tax by any of the following persons:

~~(1) Any public utility making franchise payments to the city, except to the extent said public utility engages in retail sales or services within the city not covered or otherwise authorized by such franchise,~~

(12) Banks, including national banking associations, federal credit unions, and financial corporations, to the extent that a city may not levy a license tax upon them under the provisions of Article XIII, Section 27 of the State Constitution.

(23) Insurance companies or associations engaged in the sale and servicing of insurance and their direct agents, including bailbond agents and life agents, but not including brokers or bailbond brokers or life and disability insurance analysts or insurance solicitors to the extent that a city may not levy a license tax upon them under the provisions of Article XIII, Section 28 of the State Constitution.

(34) Any governmental agency or subdivision and the employees thereof, to the extent they are engaged in the business of such governmental agencies or subdivisions.

(45) Any state alcoholic beverage licensee engaged in the manufacture, sale, purchase, possession, or transportation of alcoholic beverages within the state to the extent that a city may not levy a license tax upon them under provisions of Article XX, Section 22 of the State Constitution.

Section 4. Article IX (Miscellaneous) of Chapter 21 of the Santa Ana Municipal Code (Licenses), Section 21-113, is hereby amended to read as follows:

Sec. 21-113. - Telephone services.

Every person engaged in the business of providing telephone services shall pay an annual business fee according to Section 21-119(2) of this Chapter. ~~For the purpose of this section, "gross receipts" shall have the same meaning as in Section 21-3, except that only those receipts derived from providing telephone services within the city shall be included, and further excepting that only receipts resulting from intrastate telephone services shall be included.~~

Section 5. Article X (Rates and Schedules) of Chapter 21 of the Santa Ana Municipal Code, Sections 21-116 through 21-121, is hereby amended to read as follows:

ARTICLE X. - RATES AND SCHEDULES

Sec. 21-116. - Applicability of article.

The tax for any license required by any Section of this Chapter shall be set forth in this article for the particular business involved. The tax and the duration of the license shall be annual, quarterly, monthly, and daily as indicated in this article. The letter "A" following the tax shall indicate an annual rate; the letter "Q" shall indicate a quarterly rate; the letter "M" shall indicate a monthly rate; the letter "D" shall indicate a daily rate. No letter following the tax shall indicate a variable duration as determined in connection with other applicable provisions set forth elsewhere in the Santa Ana Municipal Code. In place of a tax, the letter "C" shall denote a specified charge. The applicability of the charge shall be determined by the Business License Tax Code provision establishing it. In the place of either a tax or charge, the letter "T" shall denote a specified qualifying threshold amount. The applicability of the qualifying threshold amount shall be determined by the Business License Tax Code provision establishing it.

Sec. 21-117. - New business license tax.

(a) A license tax for a new business shall be paid in advance or a deposit taken in lieu thereof prior to any new business activity being undertaken.

(b) All new businesses for whom flat fees are made the basis for fixing the amount of such license shall pay in advance an amount equal to one-quarter ($\frac{1}{4}$) of the annual fee therefor for each quarter and fraction of a quarter remaining during the period for which the new license is issued, except as otherwise specified hereinafter.

(c) All new businesses for whom the gross receipts of such business are made the basis for fixing the amount of such license shall pay their annual fee based on actual gross receipts received during the period for which the new license is issued. For any business which is commenced subsequent to April first, the renewal fee shall be based upon an annualization of the actual gross receipts received during the period for which the new license is issued. In the event an applicant fails to submit a report of the actual gross receipts received pursuant to Section 21-77, the fee shall be based on the collector's estimate of the actual gross receipts received pursuant to Section 21-79. In lieu of payment in advance, each applicant shall post a deposit in the amount hereinafter indicated.

(1) All new businesses beginning business on or after April first of the current year but before April first of the following year shall post a deposit of two hundred dollars (\$200.00).

(2) All new businesses beginning business on or after March first of the current year but before April first of current year shall post a deposit equivalent to one and one-twelfth ($1 \frac{1}{12}$) of the required deposit for all new businesses beginning April first.

Where an applicant's fee is determined to be in excess of the amount of the specified deposit, said deficiency shall be added without interest or penalty to the amount of the applicant's renewal fee as calculated pursuant to Sections 21-77 or 21-79. Where an applicant ceases to transact and carry on the business licensed on or before the expiration of the period for which the new license is issued, and where the applicant's fee is determined to be in excess of the amount of the specified deposit, the applicant shall remain liable for said deficiency which shall be deemed due and collectible at the same time and in the same manner as all other annual gross receipts fees due and payable upon renewal.

Where an applicant's fee is determined to be less than the amount of the specified deposit, said surplus shall be applied without interest as a credit against the amount of the applicant's renewal fee as calculated pursuant to Sections 21-77 or 21-79. Where an applicant ceases to transact and carry on the business licensed on or before the expiration of the period for which the new license is issued, and where the applicant's fee is determined to be less than the amount of the specified deposit, said surplus may be

requested by applicant as a refund; provided, however, that such request must be made in writing and must be made within one (1) year of the expiration of the initial license period.

(d) Notwithstanding subsection (b) above, unless an adjustment or exemption is obtained pursuant to this Chapter, the minimum tax pursuant to this section shall be ~~ten dollars (\$10.00) per year~~ in the amount as specified in Section 21-120n.

Sec. 21-118. - Same; nonresident businesses.

(a) All new businesses located elsewhere, excluding businesses engaged in the business of pushcart vending or in erecting, maintaining and selling of advertising space on off-premises commercial advertising signs in the city or engaged in the operation of coin-operated machines or devices, or engaged otherwise in vending operations, but transacting and carrying on business in the city, and for whom flat rates or variable flat rates are made the basis for fixing the amount of such license, shall have the option of paying the flat rate or variable flat rate amount or basing the amount of their tax upon their attributable gross receipts in accordance with Section 21-119(1), to which no basic tax rate amount shall be added, but for which a two-hundred-dollar-annual deposit shall be required to offset any tax due should applicant cease operation before the expiration of the license term. Provided further that all such businesses who so elect shall pay in advance an amount therefor as set forth in Section 21-117, subsection (c) above. Said deposit to be applied as a credit or to be taken as a refund in the same manner as is set forth in Section 21-117, subsection (c).

(b) All new businesses located elsewhere, but transacting and carrying on business in the city for whom gross receipts are made the basis for fixing the amount of such license, shall base their tax upon attributable gross receipts in a manner similar to that of all other similarly classified businesses for whom gross receipts are made the basis for fixing the amount of their license, to which no basic tax rate amount shall be added. Provided further that all such businesses shall pay in advance an amount therefor as set forth in Section 21-117, subsection (c) above. Said deposit to be applied as a credit, or to be taken as a refund in the same manner as is set forth in Section 21-117, subsection (c).

(c) Unless an adjustment of exemption is obtained pursuant to this Chapter, the minimum tax pursuant to this section shall be ~~ten dollars (\$10.00) per year~~ in the amount as specified in Section 21-120n.

Sec. 21-119. - Gross receipts tax rates.

Gross receipts tax rates for the different classifications are as follows:

(1) Classification "A"—All businesses for which no tax is specified elsewhere in this article, including, but not limited to: retail businesses and sales at retail, services (including real estate brokers, real estate developers, insurance brokers, life and disability insurance analysts, stock and bond brokers, commission agents, brokers or merchants,

~~building and loans, professional services, ambulance services,~~ and recreational services), hotels, motels, theaters, and food establishments:

For each separate place of business licensed, a basic rate of \$60.00, [subject to adjustment for inflation/deflation in accordance with section 21-120](#), plus:

~~\$0.500.65 per \$1,000.00 to \$100,000.00~~

~~0.30 per 1,000.00 to500,000.00~~

~~0.20 per 1,000.00 to1,000,000.00~~

~~0.15 per 1,000.00 over1,000,000.00~~

(2) Classification "B"—Manufacturing, processing, wholesale businesses and sales at wholesale, sales of gasoline and motor fuels, ~~and telephone services,~~ [and public utility services](#):

For each separate place of business licensed, a basic rate of \$60.00, [subject to adjustment for inflation/deflation in accordance with section 21-120](#), plus:

~~\$0.300.50 per \$1,000.00 to\$100,000.00~~

~~0.25 per 1,000.00 to300,000.00~~

~~0.20 per 1,000.00 to600,000.00~~

~~0.15 per 1,000.00 to1,000,000.00~~

~~0.10 per 1,000.00 over1,000,000.00~~

(3) Classification "C"—Rental of commercial real estate:

For the first property location licensed, a basic rate of \$60.00, [subject to adjustment for inflation/deflation in accordance with section 21-120](#), plus:

~~\$0.500.65 per \$1,000.00 to\$100,000.00~~

~~0.30 per 1,000.00 to\$500,000.00~~

~~0.20 per 1,000.00 to1,000,000.00~~

~~0.15 per 1,000.00 over1,000,000.00~~

For each additional property location licensed, a basic rate of \$10.00, [subject to adjustment for inflation/deflation in accordance with section 21-120](#), plus:

~~\$0.500.65 per \$1,000.00 to\$100,000.00~~

~~0.30 per 1,000.00 to\$500,000.00~~

~~0.20 per 1,000.00 to1,000,000.00~~

~~0.15 per 1,000.00 over1,000,000.00~~

(4) Classification "D"—~~Home based businesses: Junk yards, automobile wrecking yards and salvage yards; junk dealers, junk collectors, automobile dismantlers, junk salvagers, and junk recyclers:~~

for each separate place of business licensed, a basic rate of ~~\$100.00~~ \$15.00, subject to adjustment for inflation/deflation in accordance with section 21-120, plus:

~~\$0.500.65 per \$1,000.00 to\$100,000.00~~

~~—0.30 per 1,000.00 to500,000.00~~

~~—0.20 per 1,000.00 to1,000,000.00~~

~~—0.15 per 1,000.00 over1,000,000.00~~

Sec. 21-119.1 - Maximum Tax.

The maximum annual business license tax payable for any single business license required to be obtained pursuant to the Chapter shall not exceed \$100,000.00, which amount together with the basic rate amounts established under Section 21-119 shall be subject to annual adjustment in accordance with Section 21-120.

Sec. 21-119.~~42~~. - Holding companies and pass-through entities—~~Basic rate Minimum Tax~~ amount ~~only~~.

Whenever a business entity or other person functions as a holding company or pass-through entity and does not directly generate gross receipts within the city, but otherwise transacts and carries on business within the city, or maintains a business presence in the city, or is registered as a business entity with the California Secretary of State pursuant to the California Corporations Code as the same now exists or as may be hereafter amended from time-to-time with a designated or registered business entity address located in the city, then the business license tax liability of such business entity or person under Section 21-119 shall be limited to the ~~applicable basic rate~~ minimum tax amount ~~only~~.

Sec. 21-119.~~23~~. - Home-based businesses—Alternate tax.

(a) Persons liable under the terms of this Chapter for gross receipts business license taxes for business conducted from a home residence within the city and whose gross receipts therefrom do not exceed the annual amount specified in Section 21-120h(1)(a) per year shall have the right to elect an alternate flat rate business license tax as set forth in Section 21-120h of this Chapter for home based businesses and home based occupations, in lieu of the gross receipts tax which would otherwise be applicable. Such election shall be made in writing at the time of applicant's original application for a

business license or may be made once annually thereafter at the time of licensee's application for a renewal license.

(b) Home based businesses and home occupations eligible for election of an alternate flat rate tax assessment shall be deemed to be those businesses or occupations conducted from a home residence in the city whose business or occupational use of said residential premises meets the requirements for a home occupation permit as set forth in Sections 41-193.1 through 41-607 of this code as the same now exist or as they may be hereafter amended from time-to-time.

Sec. 21-119.43. - Election of an alternate tax assessment basis—Effect.

In every case where a licensee exercises a right under this Chapter to elect an alternate tax assessment basis the effect of said election shall be as follows:

(a) In the event an existing licensee elects to convert their annual license assessment to an alternate tax assessment basis with an annual term beginning one (1) or more calendar quarters before the commencement of their pre-existing tax assessment basis and ending one (1) or more calendar quarters after the conclusion of their pre-existing tax assessment basis, then their initial alternate tax assessment shall be subject to a quarterly proration to account for the reduced number of calendar quarters remaining in the term of the newly elected tax assessment.

(b) In the event an existing licensee elects to convert their annual license assessment to an alternate tax assessment basis with an annual term beginning one (1) or more calendar quarters after the commencement of their pre-existing tax assessment basis and ending one (1) or more calendar quarters after the conclusion of their pre-existing tax assessment basis, then their pre-existing tax assessment shall be retroactively increased prorata by the number of quarters necessary to account for the quarterly periods remaining between the conclusion of their pre-existing licensing term and the commencement of their alternate tax assessment licensing term.

Sec. 21-120. - Flat rate and variable flat rate tax schedules; [adjustment for inflation/deflation](#).

(a) Flat rate and variable flat rate taxes are as set forth in Section 21-120a through 21-120wz of this article.

[\(b\) Each tax, including each of its components, and any specified deposit amount required in lieu thereof, together with any other charges which are imposed pursuant to this chapter, but excluding the individual gross receipts tax rates set forth in section 21-119, shall be automatically adjusted on November 1, 2023, and on November 1 of each year thereafter, upward or downward, equivalent to the most recent change in the annual average of the consumer price index \(All Urban Consumers 1982-84 = 100\) as published by the United States Department of Labor for the Los Angeles-Long Beach-Anaheim metropolitan area as the same now exists or as shall be from time to time amended by the United States Department of Labor.](#)

(c) For purposes of calculating the annual inflator/deflator factor under this section, the base year shall be that year ending with the quarter ending June 30, 2022. Rates (tax rates, basic rate amounts, charges, specified deposit amounts, qualifying threshold amounts, maximum tax cap amounts) shall first be adjusted on November 1, 2023, and thereafter, based on the annually calculated change from the base year through to September 30 of each successive year. Said change shall be rounded off to the nearest whole dollar as follows: If the remaining fraction of a dollar is forty-nine one-hundredths of a dollar or less, such fraction shall be omitted. If the remaining fraction of a percent is fifty one-hundredths of a dollar or more, the next highest dollar shall be applied.

Sec. 21-120a. - Advertising services, ~~ambulance companies~~, amusement services.

(1) ADVERTISING SERVICE:

- (a) Distributing samples or posting bills \$~~100.00~~250.00 A
- ~~(b) Using vehicle containing loudspeakers 100.00 A~~
- ~~(c) Using amplifier or loudspeakers to advertise user's own
business only 35.00 A~~

~~(2) AMBULANCE COMPANY:~~

- ~~1 or 2 vehicles each 100.00 A~~
- ~~3 or more vehicles 300.00 A~~

~~(23)~~ AMUSEMENT SERVICES:

- (a) Amusement center (a location where mechanical devices or animals are maintained for furnishing rides or entertainment and which may also include vending stands):
 - ~~(i) Temporary amusement center
(10 days or less), per ride/stand \$ 25.00 D~~
 - ~~(iii) More than 10 days Other:~~
 - Base rate \$~~250.00~~500.00 M
 - Plus, for each ride or vending stand in excess of 10~~25.00~~60.00 Q
- (b) Sporting exhibitions~~50.00~~100.00 D
- (c) Carnival, circuses, concerts, tent shows and open air shows seating not more than 4,000 persons:
 - First day~~100.00~~200.00 D
 - Each additional day~~50.00~~100.00 D

(d) Carnival, circuses, concerts, tent shows and open air shows seating more than 4,000 persons:

First day~~250.00~~500.00 D
 Each additional day.....~~150.00~~300.00 D

Sec. 21-120b. - ~~"Bankrupt," "closing out," "fire" or "wreck" sales;~~ bBuilding tradesmen, ~~bus, limousine~~ and taxi companies.

~~(1) "BANKRUPT," "CLOSING OUT," "FIRE" OR "WRECK" SALES:~~

~~Any person who has a license issued under this Chapter continuously for one year prior to the sale, if the sale is conducted on the place of business covered by the license, and if the sale is limited to merchandise then on hand in said place of business and lasts no longer than thirty (30) days; provided such person so certifies to the collector prior to such sale there shall be no additional fee.~~

~~Otherwise\$200.00M~~

~~(12) BUILDING TRADESMEN, per individual\$35.00 A~~

~~(23) BUS, LIMOUSINE, or TAXI COMPANY, :~~

~~a. BUS, LIMOUSINE, per vehicle100.00 A~~

~~b. TAXI COMPANY, per vehicle35.00 A~~

~~1. Prior to July 1, 1998100.00 A~~

~~2. Effective July 1, 199830.00 A~~

Sec. 21-120c. - Catering trucks, change in location amendment charge, change in name amendment charge, christmas tree and pumpkin lots, contractors.

(1) CATERING TRUCKS, per vehicle~~\$100.00~~250.00 A

(2) CHANGE IN LOCATION AMENDMENT CHARGE, per license ... ~~10.00~~15.00 C

(3) CHANGE IN NAME AMENDMENT CHARGE, per license ~~10.00~~15.00 C

(4) CHRISTMAS TREE LOTS, per lot~~100.00~~8.00 DM

(5) PUMPKIN PATCH LOTS, per lot~~100.00~~8.00 DM

(6) CONTRACTOR—GENERAL CONTRACTOR, prorated quarterly per contractor~~120.00~~300.00 A

(7) CONTRACTOR—SPECIALTY and SUBCONTRACTOR, prorated quarterly per contractor~~110.00~~275.00 A

Sec. 21-120d. - Dances, ~~dance halls, day nurseries,~~ duplicate license charge.

~~(1) DANCE HALL, PUBLIC\$200.00 A~~

~~(2) DANCING PLACE, PUBLIC~~ ~~100.00~~ A

(31) DANCE, PUBLIC, per dance
~~-\$25.00~~ 35.00 D

~~(4) DAY NURSERY~~ ~~35.00~~ A;

(52) DUPLICATE LICENSE CHARGE, per license 10.00 C
Sec. 21-120f. - Firework stand.;

FIREWORK STAND, per stand ~~-\$100.00~~ 250.00 ;

Sec. 21-120g. - Gardeners or lawn maintenance workers.;

GARDENERS OR LAWN MAINTENANCE WORKER, per individual.....~~-\$35.00~~
A.;

Sec. 21-120h. - Home-based businesses, home occupations, hobby - gratuitous license charge.

(1) HOME-BASED BUSINESS/HOME OCCUPATION ~~\$165.00~~ 35.00 A

a. QUALIFYING THRESHOLD AMOUNT per licensee \$50,000.00 T

(2) HOBBY – GRATUITOUS LICENSE CHARGE, per license..... 10.00 C

Sec. 21-120i. - Independent contractors, ice cream trucks, itinerant merchants, insurance solicitors, initial period application processing charge.

(1) INDEPENDENT CONTRACTOR, per individual.....\$35.00 A

(2) INITIAL PERIOD APPLICATION PROCESSING CHARGE

Per license application 15.00 C

(3) ITINERANT MERCHANT ~~\$100.00~~ 250.00 Q

(4) INSURANCE SOLICITOR, per solicitor 35.00 A

(5) ICE CREAM TRUCKS ~~\$100.00~~ 250.00 A

Sec. 21-120j. - Janitorial and building maintenance services, junk collection.

(1) JANITORS AND BUILDING MAINTENANCE WORKERS,

Per individual.....\$35.00 A

(2) JUNK COLLECTION, per vehicle ~~\$100.00~~ 250.00 A

Sec. 21-120m. - Minimum gross receipts – qualifying threshold amount / gratuitous license charge.

MINIMUM GROSS RECEIPTS – QUALIFYING THRESHOLD AMOUNT /
GRATUITOUS LICENSE CHARGE

(a) QUALIFYING THRESHOLD AMOUNT per licensee ~~\$1,200.00~~ \$5,000.00 ~~AT~~

(b) GRATUITOUS LICENSE CHARGE, per license 10.00 C

Sec. 21-120n – New Business – minimum tax.

NEW BUSINESS – MINIMUM TAX

Per license\$10.00 A

Sec. 21-120o. - Off-premises commercial advertising signs.

OFF-PREMISE COMMERCIAL ADVERTISING SIGNS:

(1) Sign faces with gross dimensions equal to or less than three hundred (300)

square feet, per sign face ~~\$75.00~~ 190.00 A

(2) Sign faces with gross dimensions in excess of three hundred (300)

square feet, per sign face ~~\$100.00~~ 250.00 A

Sec. 21-120p. - ~~Pawnbrokers, Peddlers, and professional services,~~ pushcarts.

(1) ~~PAWNBROKER~~ ~~\$400.00~~ A

(~~2~~) PEDDLER, per peddler as principal ~~\$100.00~~ 250.00 A or 10.00 D

(~~3~~) PEDDLER, per peddler as independent contractor 35.00 A

(~~3~~) PRINCIPAL'S PEDDLER'S LICENSE ~~\$200.00~~ 400.00 A

per each person engaged in peddling in the city 35.00 A

(~~4~~) ~~Reserved.~~ PROFESSIONAL SERVICES:

(a) ~~Per location, plus~~ ~~\$100.00~~ A

(b) ~~Each practicing principal in excess of one~~ ~~100.00~~ A

(c) ~~Each licensed associate~~ ~~50.00~~ A

(d) ~~Each additional person~~ ~~10.00~~ A

(~~5~~) PUSHCARTS, per pushcart ~~200.00~~ 500.00 A

Sec. 21-120r. - Real estate agents, renewal application processing charge, rental of residential real estate: residential property rental; residential apartment rental; rooming house rental; residential mobile home property rental; revalidation application processing charge.

- (1) REAL ESTATE AGENT, per agent\$35.00 A
- (2) RENEWAL APPLICATION PROCESSING CHARGE
Per license renewal application 15.00 C
- (3) RESIDENTIAL PROPERTY RENTAL UNIT ~~25.00~~63.00 A
Plus per each property rental unit ~~5.00~~13.00 A
- (4) RESIDENTIAL APARTMENT RENTAL ~~25.00~~63.00 A
Plus per each apartment rental unit ~~5.00~~13.00 A
- (5) ROOMING HOUSE RENTAL ~~25.00~~63.00 A
Plus per each room rental unit ~~5.00~~13.00 A
- (6) RESIDENTIAL MOBILE HOME PROPERTY RENTAL ~~25.00~~63.00 A
Plus per each rental unit space ~~5.00~~13.00 A
- (7) REVALIDATION APPLICATION PROCESSING CHARGE
Per license revalidation application. 10.00 C

Sec. 21-120s. - Sealing of nonidentified or unlicensed machines; sharpening services; shoeshine stands, solicitors, swap meet exhibitor.

- (1) SEALING OF NONIDENTIFIED OR UNLICENSED MACHINES
Per machine.....\$10.00 C
- ~~(2) SHARPENING SERVICE, place to place \$ 35.00 A~~
- ~~(3) SHOESHINE STAND, per operator ~~15.00~~35.00 A~~
- ~~(4) SOLICITOR, per solicitor as principal ~~100.00~~250.00 A~~
- ~~(5) SOLICITOR, per solicitor as independent contractor 35.00 A~~
- ~~(6) PRINCIPAL'S SOLICITOR'S LICENSE ~~200.00~~400.00 A~~
Per each person engaged in soliciting in the city 35.00 A
- ~~(7) SWAP MEET EXHIBITOR, per participating exhibitor ~~1.00~~3.00 D~~

Sec. 21-120t. - Theatrical performance; tow trucks, trucking and general delivery.

- (1) THEATRICAL PERFORMANCE \$ ~~50.00~~120.00 D
- (2) TRUCKING AND GENERAL DELIVERY, per vehicle ~~50.00~~120.00 A
- (3) TOW TRUCKS, per vehicle ~~50.00~~120.00 A

Sec. 21-120v. - Vending and coin-operated machines.

COIN-OPERATED MACHINES OR DEVICES:

- (1) Per ~~\$0.10~~0.25 device and over \$20.00 A
 - (a) First Machine \$ 25.00 A
 - (b) Per additional device 13.00 A
- ~~(2) Per \$0.05 device and under,~~
 - (a) First machine 10.00 A
 - (b) Per additional device 5.00 A

Sec. 21-120w. - Warehouses, ~~watchmen and private police.~~

- (1) WAREHOUSE ~~\$100.00~~250.00 A
 - ~~(2) WATCHMEN or PRIVATE POLICEMEN, per individual 35.00 A~~
- Sec. 21-121. - ~~Adjustment for inflation/deflation~~Reserved.

Section 6. Article XIV (Tax Holiday) is hereby added to Chapter 21 of the Santa Ana Municipal Code (Licenses) to read in its entirety as follows.

ARTICLE XIV. - TAX HOLIDAY

Sec. 21-143. - Development and Administration of the Tax Holiday Program.

The City Manager and his or her designee shall develop and administer a Tax Holiday program as authorized and provided in this article.

Sec. 21-144. - Duration and Application of Program.

The Tax Holiday program shall be conducted for the period of twelve (12) months as specified hereinafter.

(a) All annual license renewals based upon a flat rate shall be for the twelve-month period beginning January first of the current year and shall expire on the thirty-first day of December of the current year.

(b) All annual license renewals based upon a variable flat rate shall be for the twelve-month period beginning July first of the current year and shall expire on the thirtieth day of June of the following year.

(c) All annual license renewals based upon gross receipts shall be for the twelve-month period beginning on April first of the current year and shall expire on the thirty-first day of March of the following year.

(d) All quarterly licenses shall be for the period of three (3) months beginning on the first day of January and ending on the thirty-first day of March; on the first day of April and ending on the thirtieth day of June; on the first day of July and ending on the thirtieth day of September; on the first day of October and ending on the thirty-first day of December.

Sec. 21-145. - Elements of program; requisites for compliance with program.

(a) The provisions of this article shall apply to any persons who are required to obtain a business license and pay a business license tax under Chapter 21 of the Santa Ana Municipal Code and who files a business license application and complies with the following program requisites:

(1) Substantially complies with the business license application procedure created and administered by the City Manager and his or her designee;

(2) For any persons with unlicensed businesses who pay in full all business license taxes for the current tax year within a ninety (90) day period shall then be excused from all back tax liability, including penalties and interest, as described in Section 21-15.

(3) For any persons with licensed businesses that are in arrears for business license taxes or under-assessed as a result of improperly underreporting business license tax liabilities and wish to cure an arrears or underreporting may do so. However, the principal amount of the arrears outstanding or the principal amount of the under-assessment must be paid in full in order to qualify for a penalty and interest Tax Holiday.

(b) For any business license taxes subject to a Tax Holiday under this program, the City Manager and his or her designee may enter into an installment payment agreement, in lieu of the complete payment required under subdivision 2 of subsection (a) of this section. Failure of a person paying a business license tax to fully comply with the terms of the installment payment agreement shall render the waiver of any penalties and interest applicable thereto null and void, unless the City Manager and his or her designee determines that the failure was due to reasonable cause and the person substantially complied with the terms of the installment agreement. An installment agreement under this article shall have a minimum term of six (6) months, by which date all arrears business license taxes, fees, and costs must be fully paid. The City Manager and his or her designee may use their discretion to alter any existing installment agreement to reflect the intent of the Tax Holiday.

Section 21-146. - Implementation of article.

The City Manager and his or her designee shall adequately publicize the Tax Holiday program, issue forms and instructions, and take all other necessary actions needed to implement this article. The City Manager and his or her designee shall have the discretion to create the application for the Tax Holiday program. The Finance and Management Services Agency shall have the discretion to determine whether a taxpayer has substantially complied with the requirements of the Tax Holiday program.

Section 7. Pursuant to Section 2(b) of Article XIII C of the California Constitution and California Elections Code Section 9217, if a majority of the voters voting in the election on this ordinance vote in its favor, the ordinance shall become a valid and binding ordinance of the City of Santa Ana. The ordinance shall be considered as adopted upon the date that the vote is declared by the City Council, and shall go into effect ten (10) days after that date.

Section 8. If any section, subsection, sentence, clause, phrase or portion of this ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance. The People of the City of Santa Ana hereby declare that they would have adopted this ordinance and each section, subsection, sentence, clause, phrase or portion thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, or portions be declared invalid or unconstitutional.

Section 9. Following certification by the Clerk of Council that the citizens of Santa Ana have approved this ordinance, the Mayor shall sign this ordinance and the Clerk shall cause the same to be entered in the book of original ordinances and shall cause the same, or a summary thereof, to be published as required by law.

PASSED, APPROVED, and ADOPTED by the People of the City of Santa Ana this 8th day of November, 2022

Vicente Sarmiento
Mayor

ATTEST:

Daisy Gomez
Clerk of the Council

APPROVED AS TO FORM:

Sonia R. Carvalho
City Attorney