CITY ATTORNEY'S IMPARTIAL ANALYSIS OF
MEASURE **_B_**

PROPOSED ORDINANCE OF THE CITY OF AVENAL ENACTING A VACANCY TAX, ADJUSTING TRANSIENT OCCUPANCY TAX RATE AND ADOPTING A PROGRESSIVE BUSINESS LICENSE TAX RATE STRUCTURE

The City's existing transient occupancy and business license tax ordinances were adopted decades ago. Measure **_B_** would update them and enact a vacancy tax on certain commercial properties and uninhabited residential properties which are not owner-occupied.

Upon voter approval of Measure **_B_**, Ordinance No. 2024-01 would: (1) Authorize the City to levy an excise tax upon the privilege of keeping commercial property unoccupied or unused for business activity, and keeping residential property uninhabited, for more than 183 days of a year; (2) Set the transient occupancy tax rate to 15 percent; and (3) Adopt progressive business license tax rates based upon gross annual receipts. For the taxes to be approved, a majority of the qualified voters of the City voting on this measure must vote in favor of the measure.

The vacancy tax rate would start at $250 per linear foot of frontage which is adjacent to a public right-of-way, which could increase to a maximum rate of $1,000 per linear foot for repeated vacancies of 3 years and longer. The allowed tax rate would be annually adjusted upward based upon the Consumer Price Index ("**CPI**") for all urban consumers in the San Francisco-Oakland-San Jose areas.

The new structure of business license taxes would range from a minimum flat tax of $13.95 for certain businesses, and gradually increase to a rate of 0.0039% for businesses grossing over $20 million during a tax year.

The City Council would be authorized to implement a tax rate lower than the maximum allowed by suspending collection of all or a portion of the tax, by unanimous resolution of the entire Council. The City Council would be authorized to enact ordinances which prescribe procedures for processing tax returns and appeals, tax enforcement, clarifying and defining the terms of taxes, and creating classes of persons who are exempt from each tax.

Measure **_B_** is a general tax under State law and, if enacted by the voters, the revenues received from the tax must be placed in the City's general fund and may be used for any lawful purpose, as directed by the City Council, including but not limited to: small business assistance programs; 9-1-1 emergency response; fire protection services; streets and roads repairs; support of senior and youth services; city parks; recreation programs; and any other city services for Avenal residents and the public.

If this measure is approved by the voters, Ordinance No. 2024-01 shall be adopted by the City Council on the date the City Council declares the election results. The ordinance will become effective (10) ten days thereafter.

This measure was added to the ballot by the City Council to allow for a public vote. The electors entitled to vote on this measure are the registered voters within City of Avenal. If the measure is not approved by a majority of the votes cast on the measure, Ordinance No. 2024-01 will not be adopted.

7/31/2024

MOSES DIAZ, City Attorney

The above statement is an impartial analysis of Ordinance or Measure **B**. If you desire a copy of the ordinance or measure, please call the elections official's office at 559-386-5766 and a copy will be mailed at no cost to you.