



City of South San Francisco

City Council

Resolution: RES 121-2024

P.O. Box 711 (City Hall, 400
Grand Avenue)
South San Francisco, CA

File Number: 24-746

Enactment Number: RES 121-2024

RESOLUTION CALLING FOR MUNICIPAL ELECTION ON A MEASURE TO MODERNIZE THE CITY OF SOUTH SAN FRANCISCO'S BUSINESS LICENSE TAX PROVISIONS AND REQUESTING: (1) THAT THE BOARD OF SUPERVISORS OF SAN MATEO COUNTY CONSOLIDATE THE MUNICIPAL ELECTION WITH THE REGULAR ELECTION TO BE HELD ON NOVEMBER 5, 2024; AND (2) THAT THE COUNTY REGISTRAR PERFORM CERTAIN ELECTION SERVICES IN CONNECTION WITH SUCH ELECTION INCLUDING CONDUCTING THE NOVEMBER 5, 2024 ELECTION FOR THE CITY OF SOUTH SAN FRANCISCO; AND (3) AUTHORIZING THE CITY CLERK TO ENTER INTO AN AGREEMENT FOR THE PROVISION OF ELECTION SERVICES AND REIMBURSE THE COUNTY FOR ELECTION SERVICE COSTS.

WHEREAS, the City of South San Francisco maintains a comprehensive system for licensing businesses operating in the City and levying a tax on licenses for the privilege of transacting and carrying on business in the City. The business licensing procedures, definitions, and tax rates are codified in Chapters 6.04, 6.08, 6.12, and 6.12 of the South San Francisco Municipal Code; and

WHEREAS, the City recognized in its 2024-25 budget that it is facing a potential structural deficit that must be addressed through a broad approach that includes both cost savings and enhanced revenue; and

WHEREAS, the potential structural deficit threatens the City's ability to maintain its current levels of service, including fire protection and paramedic emergency response; neighborhood police patrols and services; pothole, street and road maintenance; parks and recreation programs; and library programs and services; and

WHEREAS, revenue from the business license tax contributes to the maintenance of those services; and

WHEREAS, the business license tax was last updated in 2008 to increase the rates on some large businesses and implement a cap on the total amount of business license tax that any business pays annually. The business licensing procedures and tax rates have not been substantially updated to reflect changes in the business types or growth of some business sectors in the City; and

WHEREAS, to ensure that large businesses proportionately contribute to the services and facilities in the City and to protect small businesses from increased costs, the City is proposing to modernize and simplify the current business license tax; and

WHEREAS, the proposed changes to the business license tax are designed to attract, retain, and encourage business growth and job creation in South San Francisco; simplify oversight and compliance; and generate approximately \$2.6 million in annual funding for local services and facilities; and

WHEREAS, the proposed changes to the business license tax would not impact South San Francisco residents who do not own or operate a business in the City; and

WHEREAS, locally controlled funding from the business license tax could be used to maintain its current levels of service, including fire protection/paramedic emergency response; neighborhood police patrols and services; pothole, street and road maintenance; parks and recreation programs; and library programs and services; and

WHEREAS, the measure will help ensure that residents and local homeowners do not shoulder all of the costs of city services that also benefit businesses; and

WHEREAS, the measure includes yearly independent financial audits to verify that the taxes levied have been properly applied, exempted, collected, and remitted in accordance with the law; and,

WHEREAS, the State's budget deficit puts the City of South San Francisco under increasing threat to lose over \$3 million dollars in fiscal year 2024-25, which is projected to accrete to up to \$15 million in lost revenue by fiscal year 2032-33. The measure will help maintain essential services such as public safety, public health, emergency disaster preparation and response; and

WHEREAS, the proposed measure includes fiscal accountability protections to ensure funds are spent properly, including required public disclosure of all spending and mandatory annual audits; and

WHEREAS, all funds from the measure must stay in South San Francisco for local services and infrastructure and no funds may be taken away by the State; and

WHEREAS, the City now desires to adopt an Ordinance to modernize the business license tax by amending the licensing procedures, definitions, and tax rates; varying rates with the size of the business; and generating local revenue for local services and facilities, including fire protection and paramedic emergency response; neighborhood police patrols and services; pothole, street and road maintenance; parks and recreation programs; and library programs and services.

WHEREAS, the City Council of the City of South San Francisco desires to call a municipal election for the purpose of submitting to the voters a measure to modernize the business license tax for the purposes stated above, including adjusting rates by the size of the business so that large businesses pay their fair share; and

WHEREAS, the City Council desires to have the San Mateo County Registrar of Voters render certain services in connection with the general municipal election and authorize the City Clerk to enter into agreement for the provision of election services and reimburse the County for election service costs; and

WHEREAS, the City Council desires that the Board of Supervisors of San Mateo County consolidate the general municipal election with the regular election to be held on November 5, 2024, pursuant to the requirements of Section 10403 of the California Elections Code; and

WHEREAS, the South San Francisco City Council is authorized by California Elections Code Section 9222 and California Revenue and Taxation Code 7285.9 to place such a measure before the voters; and

WHEREAS, Government Code Section 53724, Business and Professions Code Section 16000, and California Constitution Article XIII C authorize the City to levy a business license tax for unrestricted general revenue purposes if the Council approves the resolution proposing the measure by two-thirds vote of the total membership and the ordinance proposing the tax is approved by a majority vote of City voters in an election on the issue.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of South San Francisco as follows:

SECTION 1. Call for Municipal Election.

(a) The City Council hereby calls a municipal election to be held on November 5, 2024, for the purpose of submitting to the electorate a ballot measure approving an ordinance modernizing and simplifying the City's business license tax, to continue from the effective date until changed, and to be used for unrestricted general revenue purposes of the City.

(b) Notice of the time and place of holding the election is to be given and the City Clerk is authorized to give further notice of the election as required by law.

SECTION 2. Consolidation with Statewide General Election

(a) The City Council orders the municipal election consolidated with the statewide general election on Tuesday, November 5, 2024.

(b) In accordance with Elections Code Sections 10002 and 10403, the City Council requests the County of San Mateo Board of Supervisors consolidate the municipal election with the statewide election.

(c) The question to be presented to the voters is as follows:

To maintain City services, such as: fire protection/paramedic emergency response; neighborhood police patrols and services; pothole, street and road maintenance; parks and recreation programs; library programs and services; and for general government use; shall the City of South San Francisco ordinance be adopted modernizing the business license tax, with increases in rates varying with the size of the business, as described in the ordinance, providing approximately \$2,600,000 annually, until ended by voters, with annual audits and citizens' oversight?	Yes
	No

(d) The measure shall be approved if a simple majority of voters voting on the above question vote in the affirmative.

(e) The City Council acknowledges that the consolidated election will be held and conducted in the manner prescribed in Election Code Section 10418.

SECTION 3. Conduct of Election

In accordance with Elections Code Section 10002, the City Council requests the County of San Mateo Board of Supervisors authorize the County Clerk to render all services necessary for the conduct of the election regarding the general tax measure and agrees to reimburse the County of San Mateo for the costs of conducting this election.

SECTION 4. Proposed Ordinance

(a) The ordinance authorizing the business license tax to be approved by the voters is as set forth in Exhibit A hereto.

(b) The City Council hereby approves the ordinance, the form thereof, and its submission to the voters of the City at the November 5, 2024, election.

(c) The ordinance simplifies and modernizes the current business license tax ordinance. The proposed tax is for general city purposes and will be deposited in the city's general fund. Tax rates vary with the size and type of business and are as set forth in the ordinance. The tax is collected by the City as part of initial business license issuance and annual license renewal.

(d) The City Council requests the County of San Mateo Board of Supervisors to order the County Clerk to set forth in the voter information portion of all sample ballots to be mailed to the qualified electors of the City the full text of the Ordinance and to mail with the sample ballots to the electors printed copies of the full text of the Ordinance, together with the primary arguments and supporters for and against the measure, and to provide absent voter ballots for the election for use by qualified electors of the City who are entitled thereto in the manner provided by law.

SECTION 5. Publication of Synopsis

The City Clerk is directed to publish a synopsis of the measure in the manner required by Elections Code Section 12111 at least one week before the election.

SECTION 6. Submission to County Officials

The City Clerk is directed to file a certified copy of this Resolution, with Attachments, with the County of San Mateo Board of Supervisors and the County Elections Official no later than the close of business on Friday, August 9, 2024.

SECTION 7. Impartial Analysis

The City Clerk is directed to transmit a copy of the measure to the City Attorney who is directed to prepare an impartial analysis of the measure in accordance with Elections Code Section 9280. The City Attorney shall file the impartial analysis with the City Clerk no later than August 20, 2024.

SECTION 8. Ballot Arguments

(a) Ballot arguments for or against the measure may be submitted in accordance with this resolution and applicable provisions of the law. The last day for filing primary argument is August 13, 2024, by 5:00pm.

(b) The City Council hereby authorizes the Mayor and/or designee to file a written argument not exceeding 300 words in favor of the measure. If a qualified argument against the measure is submitted, the Mayor and/or designee may file a rebuttal argument not exceeding 250 words. At the discretion of the subcommittee, the argument in favor and rebuttal, if any, may also be signed by other members of the City Council, bona fide associations of citizens, or by individual voters who are eligible to vote. The signers of the rebuttal argument may be different from those who signed the primary argument. Arguments and rebuttals shall otherwise conform to and comply with all applicable provisions of the Elections Code and be submitted by the deadline required by the County of San Mateo Elections Official.

(c) The provisions of Elections Code Section 9285 relating to rebuttal arguments shall apply to this election. The last day for filing of rebuttal arguments is August 20, 2024.

SECTION 9. Other Procedures

In all particulars not recited in this resolution, the election shall be held and conducted as provided by law for holding municipal elections. The City Council acknowledges that the consolidated election will be conducted in the manner prescribed in Elections Code Section 10418.

SECTION 10. Notice

The City Clerk is authorized and directed to give notice of the election and notice of measure as required by law. The City Clerk shall file a copy of this resolution with the County Elections Official and the Clerk of the Board of Supervisors forthwith.

SECTION 11. Compliance with the California Environmental Quality Act

Approval of this resolution is exempt from review under the California Environmental Quality Act (Public Resources Code § 21000 et seq. ("CEQA") and 14 Cal. Code Reg. § 15000 et seq. ("CEQA Guidelines")). The tax to be submitted to the voters by this resolution is a general tax that may only be used for specified governmental purpose(s). As such, under CEQA Guidelines section 15378(b)(4), the tax is not a project within the meaning of CEQA because it creates a government funding mechanism that does not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment. If revenue from the tax were used for a purpose that would have such effect, the City would undertake the required CEQA review for that particular project at the earliest feasible time prior to approval of the project, consistent with CEQA Guidelines Sections 15004 and 15352. Therefore, pursuant to CEQA Guidelines section 15060, CEQA analysis is not required.

BE IT FURTHER RESOLVED that the City Council of the City of South San Francisco authorizes the City Manager to take any other related actions consistent with the intention of this resolution, subject to approval as to form by the City Attorney.

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At a meeting of the City Council on 7/24/2024, a motion was made by Councilmember Nicolas, seconded by Councilmember Nagales, that this Resolution be approved. The motion passed.

Yes: 5 Mayor Coleman, Vice Mayor Flores, Councilmember Addiego,
Councilmember Nagales, and Councilmember Nicolas

Attest by 
Rosa Govea Acosta, City Clerk