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### City of Santa Ana, Santa Ana Business License Tax Equity And Flexible Tax Holiday Measure

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?

#### What your vote means

YES	NO
A “YES” vote on the measure is a vote in favor of restructuring non-cannabis business license tax rates.	A “NO” vote on the measure is a vote against restructuring non-cannabis business license tax rates.

#### For and against

FOR	AGAINST
Phil Bacerra City Councilmember - Ward 4  Johnathan Ryan Hernandez City Councilmember - Ward 5	<b>No argument against this measure was submitted.</b>



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## Full Text of Measure W City of Santa Ana

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;~~

~~(2) 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.~~

~~(3) 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.~~

~~(4) Any governmental agency or subdivision and the employees thereof, to the extent they are engaged in the business of such governmental agencies or subdivisions.~~

~~(5) 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.~~

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**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



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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 to ~~.....~~ 500,000.00
- 0.20 per 1,000.00 to ~~.....~~ 1,000,000.00
- 0.15 per 1,000.00 over ~~.....~~ 1,000,000.00

(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 to ~~.....~~ 300,000.00
- 0.20 per 1,000.00 to ~~.....~~ 600,000.00
- 0.15 per 1,000.00 to ~~.....~~ 1,000,000.00
- 0.10 per 1,000.00 over ~~.....~~ 1,000,000.00

(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 to ~~.....~~ 1,000,000.00
- 0.15 per 1,000.00 over ~~.....~~ 1,000,000.00

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 to ~~.....~~ 1,000,000.00
- 0.15 per 1,000.00 over ~~.....~~ 1,000,000.00

(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 to ~~.....~~ 500,000.00
- 0.20 per 1,000.00 to ~~.....~~ 1,000,000.00

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~~0.15 per 1,000.00 over ..... 1,000,000.00~~

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. 21-119.12. - 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

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(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 vehicle ..... 100.00 A

b. — ~~TAXI COMPANY,~~ per vehicle ..... 35.00 A

1. — ~~Prior to July 1, 1998~~ ..... 100.00 A

2. — ~~Effective July 1, 1998~~ ..... 30.00 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

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

~~(3)~~ DANCE, PUBLIC, per dance .....  
-~~\$25.00~~35.00 D

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

~~(5)~~ DUPLICATE LICENSE CHARGE, per license .....10.00 C  
Sec. 21-120f. - Firework stand,;

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

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

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~~(45)~~ ~~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

~~(56)~~ PUSHCARTS, per pushcart .....200.00500.00 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 .....5.0013.00 A
- (4) RESIDENTIAL APARTMENT RENTAL .....~~25.00~~63.00 A
  - Plus per each apartment rental unit .....5.0013.00 A
- (5) ROOMING HOUSE RENTAL .....~~25.00~~63.00 A
  - Plus per each room rental unit .....5.0013.00 A
- (6) RESIDENTIAL MOBILE HOME PROPERTY RENTAL .....~~25.00~~63.00 A
  - Plus per each rental unit space .....5.0013.00 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
- ~~(23)~~ SHOESHINE STAND; ~~per operator~~ .....~~15.00~~35.00 A
- ~~(34)~~ SOLICITOR, per solicitor as principal .....~~100.00~~250.00 A
- ~~(45)~~ SOLICITOR, per solicitor as independent contractor .....35.00 A
- ~~(56)~~ PRINCIPAL'S SOLICITOR'S LICENSE .....~~200.00~~400.00 A
  - Per each person engaged in soliciting in the city .....35.00 A
- ~~(67)~~ 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 ~~\$0.100.25~~ 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



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(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.



# Ballot Measures-W

**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.

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**Impartial Analysis  
City of Santa Ana  
Measure W**

Measure W was put on the ballot by a vote of the Santa Ana City Council. The Measure calls for the restructuring of non-cannabis business license tax rates. Currently, businesses with larger gross receipts pay a business license tax rate that is less than businesses with smaller gross receipts. The Measure would change business license tax rates to a flat fee per business classification plus an additional fee for every \$1,000 worth of gross receipts. The flat fee per business classification could be adjusted annually for inflation or deflation based upon changes to the consumer price index. The additional fee would apply to all businesses in the classification regardless of the amount of the gross receipts of the business. The Measure also eliminates the tax exclusion for public utilities making franchise payments and for private doctors with patient offices at a hospital. The Measure creates a business license tax exemption for businesses that only provide childcare services to their own immediate and extended family members residing within the City.

Measure W also adjusts flat and variable rates for defined businesses and removes some out dated business type categories. The Measure authorizes a business tax holiday program for unlicensed, past due, or under-assessed businesses to obtain a valid business license or satisfy unpaid or unassessed taxes.

Measure W requires a majority of the Santa Ana voters that vote in the election on November 8, 2022 to become law. If approved, the ordinance shall be considered as adopted upon the date that the vote is declared by the City Council, and shall go into effect 10 days after that date.

In summary:

A "YES" vote on the measure is a vote in favor of restructuring non-cannabis business license tax rates.

A "NO" vote on the measure is a vote against restructuring non-cannabis business license tax rates.

The above statement is an impartial analysis of Measure W. If you desire a copy of the measure, please call the City Clerk at (714) 647-6250 and a copy will be mailed at no cost to you.



## Argument in Favor of Measure W

Small businesses in Santa Ana have been paying a higher tax rate than big businesses for their business license. It's time for an equitable solution. Vote YES for a fair business license tax.

Today, it's expensive for businesses to get started. Vote YES to reduce the initial business tax deposit.

The City of Santa Ana's business license tax is confusing. Vote YES to simplify it.

Times have changed in the new "gig" economy. Vote YES to make paying the business license tax easier for home-based businesses.

Businesses have struggled through the pandemic. Let's make it easier to help unlicensed, underground businesses become legitimate licensed businesses. Vote YES for a tax holiday period that will allow licensed businesses to pay past-due taxes without penalty or interest and unlicensed businesses to pay their current-year business license tax without penalty or interest so they can get licensed.

This measure shifts the tax burden from small businesses to big businesses. Approximately 91% of businesses in the City would pay less tax.

This measure addresses the needs of our city's businesses and is doing something about it.

Vote YES to make it easier to get a business license in the City of Santa Ana. Vote YES to help our local businesses!

s/ Phil Bacerra  
City Councilmember - Ward 4

s/ Johnathan Ryan Hernandez  
City Councilmember - Ward 5

**No argument against this measure was submitted.**