

Meeting Date: 2/23/2016

Report Type: Consent

Report ID: 2016-00107

Title: (Pass for Publication) Ordinance Amending City Code Sections 3.100.090 and 3.112.090 Delegating Authority to the County of Sacramento to Collect Business Assessments

Location: Districts 5 and 6

Recommendation: 1) Review an ordinance amending Sections 3.100.090 and 3.112.090 of the City Code delegating authority to the County of Sacramento to collect business assessments; and 2) pass for publication the ordinance title as required by Sacramento City Charter section 32(c) for consideration on March 1, 2016.

Contact: Sini Makasini, Administrative Analyst, (916) 808-7967; Mark Griffin, Special Districts Manager, (916) 808-8788, Department of Finance

Presenter: None

Department: Finance

Division: Public Improvement Finance

Dept ID: 06001321

Attachments:

- 1-Description/Analysis
- 2-Background
- 3-Schedule of Proceedings
- 4-Ordinance (Redline)
- 5-Ordinance (Clean)

City Attorney Review

Approved as to Form
Michael W. Voss
2/8/2016 1:51:44 PM

Approvals/Acknowledgements

Department Director or Designee: Leyne Milstein - 2/3/2016 4:53:43 PM

Description/Analysis

Issue Detail: The City currently participates in two Business Improvement Areas (BIAs), which include businesses in both the City and the unincorporated County of Sacramento (County), the Franklin Boulevard BIA and for the Stockton Boulevard BIA. BIA assessments from businesses within city limits are collected as part of the City's Business Operation Tax (BOT) remittance process. Delinquencies are controlled by way of the BOT renewal process. However, businesses located in the unincorporated area of the County are "hand-billed," which results in a higher rate of delinquency and enforcement challenges as these businesses are located outside city limits. In this case, the County is a more appropriate agency to manage collections in these areas. Therefore, the proposed amending ordinance creates the option to enter into an agreement with Sacramento County to collect BIA assessments from businesses located in the unincorporated county. An agreement would authorize the county to collect unpaid assessments, and allow remedies that are consistent with local, state, and federal law, including but not limited to the use of collection techniques and the filing of small claims actions.

Policy Considerations: The proposed ordinance was considered by the Law and Legislation Committee on May 20, 2014. The Committee recommended the proposal be forwarded to the City Council for consideration. After several years of negotiation between the City and County, the details of collections have been solidified and will be presented in a memorandum of understanding (MOU) agreement for consideration with the adoption of the ordinance on March 1, 2016. The recommended actions will enhance the ability to collect BIA assessments within the unincorporated area of the County potentially increasing the collection of BIA assessments.

Environmental Considerations: The amending ordinance process does not constitute a "project" under the California Environmental Quality Act (CEQA), and is exempt from CEQA review (see CEQA Guidelines Sections 15378 (b)(2) and 15378 (b)(5)).

Rationale for Recommendation: Amending the ordinance will enable the County to collect BIA assessments upon businesses located in the unincorporated area of the County.

Financial Considerations: It is anticipated that the amending ordinance will increase the collections of BIA assessments for the Franklin Boulevard BIA (Fund 2212) and for the Stockton Boulevard BIA (Fund 2215).

Local Business Enterprise (LBE): Not applicable.

BACKGROUND

Currently, the City participates in two Business Improvement Areas (BIAs) that include businesses in both the City and the unincorporated County. The Franklin Boulevard BIA contains approximately 30% of its businesses, or 135 businesses, located outside of city limits, while the Stockton Boulevard BIA contains approximately 10% of its businesses or 25 businesses, located outside of city limits.

In comparison to the businesses located within the city, the businesses outside the city have higher rates of delinquencies due to their “hand-billed” process. For both BIA’s, we are estimating a delinquency value of 45% within the unincorporated county portion. In order to help capture loss revenue, the proposed amending ordinance creates the option to enter into an agreement with the County to collect BIA assessments from businesses located in the unincorporated County. In this case, the County would be the more appropriate agency to manage collections in these areas due to their existing resources under their own jurisdiction.

SCHEDULE OF PROCEEDINGS

Ordinance Amending City Code Section 3.100.090 and 3.112.090

May 20, 2014 Law and Legislation Committee

February 23, 2016 City Council – Pass for Publication

March 1, 2016 City Council – Adopt Ordinance

ORDINANCE NO. 2016-xxx

Adopted by the Sacramento City Council

March __, 2016

AN ORDINANCE AMENDING SECTIONS 3.100.090 AND 3.112.090 OF THE SACRAMENTO CITY CODE RELATING TO COLLECTION OF BUSINESS ASSESSMENTS IN THE FRANKLIN BOULEVARD AND STOCKTON BOULEVARD BUSINESS IMPROVEMENT AREAS

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

SECTION 1

Section 3.100.090 of the Sacramento City Code is amended to read as follows:

3.100.090 Payment of charge—Effective date.

The collection of the charges imposed hereunder shall be made at the same time and in the same manner as the general business operations tax under Chapter 3.08 ~~of this code, commencing January 2, 1986.~~ The city may enter into an agreement to delegate authority to the county of Sacramento to collect the charges imposed upon businesses located in the unincorporated area of the county of Sacramento. Thereafter, the county of Sacramento shall be authorized to collect unpaid assessments using collection techniques that are consistent with local, state, and federal law.

A special fund is created, known as the “Franklin Boulevard business improvement area fund,” and the charges imposed by this chapter shall be deposited in such fund.

SECTION 2

Section 3.112.090 of the Sacramento City Code is amended to read as follows:

3.112.090 Payment of charge—Effective date.

The collection of the charges imposed hereunder shall be made at the same time and in the same manner as the general business operations tax under Chapter 3.08 ~~of this code, commencing January 2, 1986.~~ The city may enter into an agreement to delegate authority to the county of Sacramento to collect the charges imposed upon businesses located in the unincorporated area of the county of Sacramento. Thereafter, the county of Sacramento shall be authorized to collect unpaid assessments using collection techniques that are consistent with local, state, and federal law.

A special fund is created, known as the "Stockton Boulevard business improvement area fund," and the charges imposed by this chapter shall be deposited in such fund.

Adopted by the City of Sacramento City Council on _____ by the following vote:

Ayes:

Noes:

Abstain:

Absent:

MAYOR

Attest:

City Clerk

Passed for Publication:

Published:

Effective:

ORDINANCE NO. 2016-xxx

Adopted by the Sacramento City Council

March __, 2016

**AN ORDINANCE AMENDING SECTIONS 3.100.090 AND 3.112.090 OF THE
SACRAMENTO CITY CODE RELATING TO COLLECTION OF BUSINESS
ASSESSMENTS IN THE FRANKLIN BOULEVARD AND STOCKTON BOULEVARD
BUSINESS IMPROVEMENT AREAS**

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

SECTION 1

Section 3.100.090 of the Sacramento City Code is amended to read as follows:

3.100.090 Payment of charge—Effective date.

The collection of the charges imposed hereunder shall be made at the same time and in the same manner as the general business operations tax under Chapter 3.08. The city may enter into an agreement to delegate authority to the county of Sacramento to collect the charges imposed upon businesses located in the unincorporated area of the county of Sacramento. Thereafter, the county of Sacramento shall be authorized to collect unpaid assessments using collection techniques that are consistent with local, state, and federal law.

A special fund is created, known as the “Franklin Boulevard business improvement area fund,” and the charges imposed by this chapter shall be deposited in such fund.

SECTION 2

Section 3.112.090 of the Sacramento City Code is amended to read as follows:

3.112.090 Payment of charge—Effective date.

The collection of the charges imposed hereunder shall be made at the same time and in the same manner as the general business operations tax under Chapter 3.08. The city may enter into an agreement to delegate authority to the county of Sacramento to collect the charges imposed upon businesses located in the unincorporated area of the county of Sacramento. Thereafter, the county of Sacramento shall be authorized to collect unpaid assessments using collection techniques that are consistent with local, state, and federal law.

A special fund is created, known as the "Stockton Boulevard business improvement area fund," and the charges imposed by this chapter shall be deposited in such fund.

Adopted by the City of Sacramento City Council on _____ by the following vote:

Ayes:

Noes:

Abstain:

Absent:

MAYOR

Attest:

City Clerk

Passed for Publication:

Published:

Effective: