



Local Ballot Measure: EE

Measure EE

City of Santa Rosa

Measure Question

Simple Majority Needed to Pass

To maintain locally controlled funding for services, such as repairing potholes/maintaining streets; maintaining youth violence prevention, drug/gang intervention programs; keeping city parks clean safe/well maintained; and improving wildfire prevention/preparedness, shall City of Santa Rosa's general business tax measure be adopted increasing the maximum tax, adjusting rates and taxing short-term rental businesses, as described in the voter pamphlet, providing \$3,000,000 annually, until ended by voters, with all funds staying local?

What Your Vote Means

YES	NO
A "yes" vote on Measure EE is a vote to change the current general business tax as described above.	A "no" vote on Measure EE is a vote to reject the proposed changes to the current general business tax.

For and Against Measure EE

FOR	AGAINST
Mark Stapp Vice Mayor, City of Santa Rosa Michael Yates President Teamsters Local 665 Ross Liscum Local Real Estate Broker Daniel Martinez Business Owner Mark Walsh Business Owner	NO ON EE AND FF Eric Fraser, Chair Adina Flores



Local Ballot Measure: EE

City Attorney's Impartial Analysis of Measure EE

The Santa Rosa City Council has placed this measure on the ballot. If voters approve it, Measure EE would amend City Code provisions that require businesses operating in Santa Rosa to contribute to City services through an annual general business tax. Santa Rosa's general business tax has not been adjusted since its adoption in 1990.

Under the current general business tax, most businesses are grouped into classifications by business type, with a tax rate for each category ranging from \$0.34 to \$1.68 per \$1,000 in gross receipts. Those businesses pay a \$25 minimum tax for the first \$25,000 in gross receipts plus a tax on gross receipts above \$25,000 based on the business classification's tax rate, up to a \$3,000 maximum tax. Certain other types of businesses pay a flat tax rather than a tax based on gross receipts. Nonprofits, residential landlords having up to 3 rental units, and certain other exempt businesses are not taxed. Cannabis businesses pay a separate cannabis business tax, not the general business tax. The City Council may decrease the general business tax but may not increase taxes without voter approval.

If adopted, beginning January 1, 2025, Measure EE would change the current general business tax by:

- Changing the tax structure based on gross receipts to the following tiers for all business classifications:
 - Tier 1: Gross Receipts of \$100,000 or less, tax = \$200
 - Tier 2: Gross Receipts of \$100,000.01 to \$500,000, tax = \$500
 - Tier 3: Gross Receipts of \$500,000.01 to \$1,000,000, tax = \$800
 - Tier 4: Gross Receipts of \$1,000,000.01 or more, tax = \$1,000 plus a tax on gross receipts above \$1,000,000 based on the current tax rate for the business classification, up to an increased maximum tax of \$10,000 that will be adjusted annually for inflation
- Adjusting current flat taxes for inflation annually beginning December 2025
- Requiring all short-term rental operators to pay business tax like other lodging businesses.

Measure EE would not remove any existing exemption except that short-term rental businesses would be taxed. Measure EE would not change the cannabis business tax.

If adopted, Measure EE is estimated to raise \$3,000,000 annually until ended by voters. All funds generated would go in the City's general fund and could be used for any general government purpose, including but not limited to keeping City parks clean, safe and well maintained; repairing potholes; maintaining streets; enhancing senior/youth programs; and/or providing emergency/public safety services. Tax revenues cannot be taken away by the State.

Any funds generated by Measure EE would be subject to the City's existing charter-required annual independent audit of City revenues and expenditures.

A "yes" vote on Measure EE is a vote to change the current general business tax as described above.

A "no" vote on Measure EE is a vote to reject the proposed changes to the current general business tax.

To be adopted, a simple majority of voters voting on Measure EE must approve the measure.

s/ Teresa. L. Stricker
City Attorney

Continue to next page for arguments



Local Ballot Measure: EE

Arguments and rebuttals are the opinions of the authors. They are printed exactly as submitted, including errors.

Argument in Favor of Measure EE	Rebuttal to Argument in Favor of Measure EE
Vote Yes on Measure EE to protect essential services in Santa Rosa without increasing taxes on residents. Measure EE ensures that businesses in our city contribute their fair share to maintaining the quality of life we all enjoy. Through extensive outreach by the city, a consensus was reached with various members of the business community on the proposed changes. This collaboration has led to a balanced solution and fixes a tax structure that has not been updated since the 1990s. For decades, Santa Rosa's business tax has remained unchanged, even as our community's needs have evolved. Measure EE updates this tax structure, ensuring that the largest businesses contribute proportionally to the essential services they rely on, such as public safety and street repairs. This measure also safeguards small businesses from unnecessary tax increases, promoting a balanced approach where everyone contributes their fair share to support our community. Crucially, Measure EE doesn't increase taxes on residents or homeowners. It also ensures that short-term rental businesses contribute equally, just like other lodging establishments. Funds generated by Measure EE will be dedicated to repairing potholes, maintaining Santa Rosa's 512 miles of local streets, and keeping our city parks clean, safe, and well-maintained. Measure EE includes strong fiscal accountability measures, requiring public disclosure of all spending and annual audits to ensure every dollar is spent properly. All funds raised by Measure EE will stay in Santa Rosa, with none diverted to the State. Join us, vote Yes on Measure EE to secure the future of Santa Rosa's essential services without increasing taxes on residents. Vote Yes on Measure EE. s/ Mark Stapp Vice Mayor, City of Santa Rosa s/ Michael Yates President Teamsters Local 665 s/ Ross Liscum Local Real Estate Broker s/ Daniel Martinez Business Owner s/ Mark Walsh Business Owner	Vote No on Measure EE. Proponents of Measure EE must take voters and residents as fools: they lie and the cost of living soars. City language deciphered: This measure is nowhere near what was discussed 7/9/2024 in Council regarding "proportionality". Backroom deals ("extensive outreach") saved some businesses tens of millions of dollars while increasing costs for 10,000+ small businesses by millions. Passed on to consumers, these taxes will burden our families. If approved, other local jurisdictions may follow suit, adding to the costs for contractors, home services, everything. Santa Rosa's tax is on gross revenue, far exceeding what other cities in the North Bay charge. This measure drives up consumer costs while chasing businesses from Santa Rosa. Mismanagement must be addressed before adding any new taxes. We have uncovered waste and corruption of the current Business License Tax program that must be cleaned up by the City first. The City is lying to you by promising this money will be spent on parks and roads. General Taxes flow to the General Fund. Spending is most likely used for budget, unfunded pensions, executive compensation, mismanagement, and corruption. Help us draw the line on government waste and corruption. Demand accountability and reform now! Vote No on Measure EE! PS: Their mention of short-term rental businesses (STRs) is a ruse built from a crafted false narrative. Research shows STRs already pay their required taxes, including Business License Tax. Any expansion of taxes on STRs in this measure accounts for less than 2% of the anticipated revenue. NOONEEFF.COM s/ Eric Fraser, Managing Director



Local Ballot Measure: EE

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Argument Against Measure EE	Rebuttal to Argument Against Measure EE
Voters should reject increasing the Santa Rosa Business License Tax. All consumers will see their prices increase, as businesses pass these costs on, along with additional costs for administration and compliance. 800% Increase for all small businesses The existing program is currently mismanaged with thousands of businesses unregistered, including those owned by City Council members, many with City contracts, and other political insiders. Many professionals and businesses will leave Santa Rosa, or choose not to locate here, since neighboring cities do not have a Business License Tax. Doctors and medical professionals, especially those serving low-income residents, are being targeted. Expect the cost of home repairs, and other essential services to skyrocket. The proposal was rushed through in a half-baked fashion with political insiders hammering out details in backroom deals (including those already evading the Business License Tax). Santa Rosa is once again using short-term rentals (STR) as a ploy to incite voters to accept this half-baked proposal. STR property managers already register and pay a Business License Tax, and STR permits are limited to one per person. The proposal will continue to exclude all residential property owners with 3 units or less used for long-term and mid-term rentals. Most properties with STR permits also offer their properties for longer term leases. The Council and senior staff have driven Santa Rosa to the brink of bankruptcy. Managing the chronic financial problems starts with accountability using independent audits, holding grifters and the incompetent responsible, and serving up public information with transparency. Now is not the time to add more revenue into a mismanaged program. This measure is so bad, the City's own contractors who created this defective proposal will profit handsomely win or lose. Draw the line around government corruption and mismanagement and vote No on this half-baked proposal. For more information visit: NoOnEEFF.com NO ON EE AND FF s/ Eric Fraser, Chair s/ Adina Flores	Don't be misled by the scare tactics and misinformation. The opponents of Measure EE are spreading inaccurate information about the measure. Their claims are not simply misleading, they're harmful to our community. The truth is, nearly every city in Sonoma County has a business license tax, and Santa Rosa's hasn't been updated in more than three decades – not even for inflation. To address this, city staff and local elected officials engaged with dozens of representatives and owners across all business sectors, small and large, in order to craft a fair and sensible update to our business license tax. This process was transparent and inclusive, reflecting the input of our civically-engaged business community. Contrary to the opposition's claims, Measure EE was the result of careful deliberation with stakeholders, ensuring that the new tax structure is more equitable. Small and medium-sized businesses will see only minor increases, while the largest businesses – those most capable of contributing – will pay more in line with their size and impact. Measure EE is about fairness and ensuring that Santa Rosa has the resources to improve public safety, maintain our streets, and enhance our parks – all essential services that benefit both residents and businesses. This measure has broad support from our local business community and is critical to keeping Santa Rosa strong and vibrant. Don't let two misguided activists undermine our city's future. Help improve public safety, our parks and our roads and streets – vote Yes on Measure EE. For more information go to: www.YesonEE.vote Thank you. s/ Mark Stapp Vice Mayor, City of Santa Rosa s/ Michael Yates President Teamsters 665 s/ Ross Liscum Local Real Estate Broker



Local Ballot Measure: EE

Full Text of Measure EE

ORDINANCE NO. _____

ORDINANCE OF THE CITY OF SANTA ROSA AMENDING CHAPTER 6-04 OF THE SANTA ROSA CITY CODE, ENTITLED "GENERAL BUSINESS TAX," TO INCREASE THE MAXIMUM TAX TO \$10,000 ANNUALLY, ADJUST TAX RATES AND TAX SHORT-TERM RENTAL BUSINESSES

THE PEOPLE OF THE CITY OF SANTA ROSA DO ENACT AS FOLLOWS:

Section 1. Chapter 6-04 – General Business Tax of the Santa Rosa City Code is hereby repealed and replaced to read as follows:

"CHAPTER 6-04 GENERAL BUSINESS TAX

6-04.010. Definitions.

For the purposes of this chapter, the following words and phrases shall have the meanings respectively ascribed to them in this section:

Person. As used in this chapter, "person" includes all domestic and foreign corporations, associations, syndicates, joint stock corporations, partnerships of every kind, clubs, Massachusetts business or common law trusts, societies, and individuals transacting and carrying on any business in the City, other than as an employee.

City. As used in this chapter, "City" means the City of Santa Rosa, a certified California chartered City.

Business. As used in this chapter, "business" includes professions, trades, and occupations and all and every kind of calling carried on with or without the intent of making a profit.

Cannabis industry tax. As used in this chapter, "cannabis industry tax" means any tax due pursuant to Chapter 6-10 of this Code.

City. As used in this chapter, "City" means the City of Santa Rosa, a certified California chartered City.

Collector. As used in this chapter, "collector" means the City Revenue and Collections Officer, Director of Administrative Services or other City staff/officer charged with the administration of this chapter.

Gross receipts. As used in this chapter, "gross receipts" includes the total of amounts actually received or receivable from sales and the total amounts actually received or receivable for the performance of any act or service, of whatever nature it may be, for which charge is made or credit allowed, whether or not such act or service is done as a part of or in connection with the sale of materials, goods, wares or merchandise. Included in "gross receipts" shall be all receipts, cash, credits, and property of any kind or nature, without any deduction therefrom on account of the cost of the property sold, the cost of materials used, labor or service costs, interest paid or payable, or losses or other expenses whatsoever. Excluded from "gross receipts" shall be the following:

- (1) Cash discounts allowed and taken on sales;
- (2) Any tax required by law to be included in or added to the purchase price and collected from the consumer or purchaser;
- (3) Such part of the sale price of property returned by purchasers upon rescission of the contract of sale as is refunded either in cash or by credit;
- (4) Amounts collected for others where the business is acting as an agent or trustee to the extent that such amounts are paid to those for whom collected, provided the agent or trustee has furnished the collector with the names and addresses of the others and the amounts paid to them;

- (5) Receipts of refundable deposits, except that refundable deposits forfeited and taken into income of the business shall not be excluded;
- (6) As to a real estate agent or broker, the sales price of real estate sold for the account of others except that portion which represents commission or other income to the agent or broker;
- (7) Receipts from the manufacture, sale, purchase or transportation of alcoholic beverages.

Person. As used in this chapter, "person" includes all domestic and foreign corporations, associations, syndicates, joint stock corporations, partnerships of every kind, clubs, Massachusetts business or common law trusts, societies, and individuals transacting and carrying on any business in the City, other than as an employee.

Rental of Residential Property. A person shall be considered to be in the business of renting residential property if they rent for consideration more than three dwelling units, be they single-family dwellings or units in multifamily residences, within the City limits of the City.

Sale. As used in this chapter, "sale" includes the transfer, in any manner or by any means whatsoever, of title to real or personal property for a consideration; the serving, supplying, or furnishing for a consideration of any property; and a transaction whereby the possession of property is transferred and the seller retains the title as security for the payment of the price shall likewise be deemed a sale. The definitions in this subsection shall be deemed to include any transaction which is or which, in effect, results in a sale within the contemplation of law.

Short-Term Rental Business. A person shall be considered to be in the Short-Term Rental business if they rent for consideration a Short-Term Rental, as defined in Chapter 20-48 of the City Code, that is located within the City limits of the City.

Sworn statement. As used in this chapter, "sworn statement" means an affidavit sworn to before a person authorized to take oaths, or a declaration or certification made under penalty of perjury in accordance with California law.

Collector. As used in this chapter, "collector" means the City Revenue and Collections Officer, Director of Administrative Services or other City staff/officer charged with the administration of this chapter.

Tax certificate. As used in this chapter, "tax certificate" means the physical documentation verifying payment of tax, issued by the collector, indicating tax period covered.

Cannabis industry tax. As used in this chapter, "cannabis industry tax" means any tax due pursuant to Chapter 6-10 of this Code.

6-04.020. Revenue measure.

This chapter is enacted solely to raise revenue for municipal purposes, and is not adopted or intended for regulation.

6-04.030. Effect on other ordinances and City laws.

- (A) Except as provided in subsection (D), persons required to pay a tax for transacting and carrying on any business under this chapter shall not be relieved from the payment of any license tax, permit, charge, assessment, or fee for the privilege of doing such business required under other laws or regulations of the City, and shall remain subject to the provisions of such other laws and regulations.
- (B) The terms of this chapter shall not be deemed or construed to apply to any public utility which pays a franchise or similar tax to the City.



Local Ballot Measure: EE

Full Text of Measure EE (Continued)

- (C) The City Council may by resolution establish a charge or fee to reimburse the City for all or a portion of its costs of processing applications and renewals for a business tax certificate. Persons required to pay a tax for transacting and carrying on any business under this chapter shall not be relieved from the payment of any such charge or fee.
- (D) Persons required to pay a tax pursuant to Chapter 6-10 of this Code shall also register the cannabis business pursuant to Section 6-10.060 of this Code, but shall be exempt from the general business tax required under this chapter for any such cannabis business.

6-04.040. Tax payment required.

There is hereby imposed upon any business conducted within the City a business tax in the amounts prescribed in this chapter. It is unlawful for any person to transact and carry on any business, trade, profession, calling or occupation in the City without first having paid such business tax to the City.

This section shall not be construed to require any person to obtain a tax certificate prior to doing business within the City if such requirement conflicts with applicable statutes of the United States or of the State of California. Persons not so required to obtain a tax certificate prior to doing business within the City nevertheless shall be liable for payment of the tax imposed by this chapter.

6-04.050. Branch establishments.

A separate business tax must be paid for each branch establishment or location of the business transacted and carried on and for each separate type of business at the same location, and each tax certificate shall be for only the business at the location so specified and conducted in the manner designated, provided that warehouses and distributing plants used in connection with and incidental to a business under the provisions of this chapter shall not be deemed to be separate places of business or branch establishments.

6-04.060. Evidence of doing business.

When any person shall by use of signs, circulars, cards, telephone book, or newspapers, advertise, hold out, or represent that he or she is in business in the City, or when any person holds an active license or permit issued by a governmental agency indicating that he or she is in business in the City, and such person fails to deny by a sworn statement given to the collector that he or she is not conducting a business in the City, after being requested to do so by the collector, then these facts shall be considered prima facie evidence that he or she is conducting a business in the City.

6-04.070. Constitutional apportionment.

None of the taxes provided for by this chapter shall be applied so as to occasion an undue burden upon interstate commerce or be violative of the equal protection and due process clauses of the Constitutions of the United States and the State.

In any case where this business tax is believed by an applicant to place an undue burden upon interstate commerce or be violative of such constitutional clauses, he or she may apply to the collector for an adjustment of the tax. Such application must be made within six months after payment of the prescribed tax. The applicant shall, by sworn statement and supporting testimony, show the method of business and the gross volume or estimated gross volume of business and such other information as the collector may deem necessary in order to determine the extent, if any, of such undue burden or violation. The collector shall then conduct an investigation, and shall fix as the tax for the applicant an amount that is reasonable and nondiscriminatory, or if the tax has already been paid, shall order a refund of the amount over and above the tax so fixed. In fixing the tax to be charged, the collector shall have the power to base the tax upon a percentage of gross receipts or any other measure which will assure that the tax assessed shall be uniform with that assessed on businesses of like nature, so long as the

amount assessed does not exceed the tax as prescribed by this chapter. Should the collector determine the gross receipts measure of tax to be the proper basis, he or she may require the applicant to submit a sworn statement of the gross receipts and pay the amount of tax therefor, provided that no additional tax during any one calendar year shall be required after the business shall have paid an amount equal to the annual tax as prescribed in this chapter.

6-04.080. Exemptions.

- (A) Nothing in this chapter shall be deemed or construed to apply to any person transacting and carrying on any business which is exempt from the payment of such taxes as are herein prescribed by virtue of the Constitution or applicable statutes of the United States or of the State.

Any person claiming an exemption pursuant to this section shall file a sworn statement with the collector stating the facts upon which exemption is claimed and in the absence of such statement substantiating the claim, such person shall be liable for the payment of the taxes imposed by this chapter.

- (B) The provisions of this chapter shall not be deemed or construed to require the payment of a tax to construct, manage or carry on any business, occupation or activity upon and within the County fairgrounds during the time of holding of the official County fair in and upon the County fairgrounds.
- (C) The provisions of this chapter shall not be deemed or construed to apply to any non-profit, charitable, religious, benevolent, congressional chartered veterans organization or fraternal organization or to projects conducted solely for non-profit purposes or local community benefit.
- (D) The provisions of this chapter shall not be deemed or construed to apply to any person or persons dealing solely in farm products produced by them or on land owned by them.
- (E) The provisions of this chapter shall not be deemed or construed to require the payment of any tax to construct, manage or carry on any business, occupation or activity upon the premises or within Sonoma County's Santa Rosa Veterans Memorial Building.
- (F) The provisions of this chapter shall not be deemed or construed to require the payment of any general business tax by any person required to pay a tax under Chapter 6-10 of this Code.

6-04.090. Contents.

Every person required to pay a tax under the provisions of this chapter shall make application to the collector and upon the payment of the prescribed tax, the collector shall issue to such person a certificate which shall contain the following information:

- (A) The name of the person to whom the certificate is issued;
- (B) The name of the business;
- (C) The place where such business is to be transacted and carried on;
- (D) The date of the expiration of such tax certificate; and
- (E) Such other information as may be necessary for the enforcement of the provisions of this chapter.

6-04.100. Application—Initial.

- (A) Upon a person making application for the first business tax certificate for a newly established or acquired business, such person shall furnish to the collector a sworn statement, upon a form provided by the collector, setting forth the following information:

- (1) The exact nature or kind of business;



Local Ballot Measure: EE

Full Text of Measure EE (Continued)

- (2) The place where such business is to be carried on, and if the same is not to be carried on at any permanent place of business, the places of residence of the owners of same;
- (3) In all cases where the amount of tax to be paid is measured by gross receipts, the application shall set forth such information as may be therein required and as may be necessary to determine the amount of the tax to be paid by the applicant;
- (4) Any further information which the collector may require.
- (B) If the amount of the tax to be paid by the applicant is measured by gross receipts, he or she shall estimate the gross receipts for the period covered. Such estimate, if accepted by the collector as reasonable, shall be used in determining the amount of tax to be paid by the applicant; provided, however, the amount of the tax so determined shall be tentative only, and such person shall, within 60 days after the expiration of the period covered, furnish the collector with a sworn statement, upon a form prescribed by the collector, showing the applicant's actual gross receipts during the period covered, and the tax for such period shall be finally ascertained and paid in the manner provided by this chapter for the ascertaining and paying of such taxes, after deducting from the payment found to be due the amounts initially paid.
- (C) In all cases, the applicant shall, upon filing his or her application, pay no less than the prescribed minimum tax in advance, without being prorated, to cover the remaining portion of the current reporting period.
- (D) The collector shall not issue to any such person another business tax certificate for the same or any other business, until such person shall have furnished to him or her a sworn statement and paid the tax as herein required.
- forth in any statement or application, or to permit any statement or application, or copy of either, or any book containing any abstract or particulars thereof to be seen or examined by any person; provided that nothing in this section shall be construed to prevent:
- (A) The disclosure to, or the examination of records and equipment by, another City official, employee, or agent for collection of taxes for the sole purpose of administering or enforcing any provisions of this chapter, or collecting taxes imposed hereunder;
- (B) The disclosure of information and/or the results of an examination of records of a particular taxpayer, or relating to a particular taxpayer, in judicial proceedings brought to determine the existence and/or the amount of any tax liability of the particular taxpayer to the City or to the City Attorney for the defense of the City or any employee or official thereof, against a claim filed by the taxpayer against the City or any employee or official thereof;
- (C) The disclosure after the filing of a written request to that effect, to the taxpayer him or herself, or to his or her successors, receivers, trustees, executors, administrators, assignees and guarantors, if directly interested, of information as to the items included in the measure of any paid tax, any unpaid tax or amounts of tax required to be collected, interest and penalties; further provided, however, that the City Attorney approves each such disclosure and that the collector may refuse to make any disclosure referred to in this subsection when in his or her opinion the public interest would suffer thereby;
- (D) The disclosure of the names and business addresses of persons to whom tax certificates have been issued, and the general type or nature of their business;
- (E) The disclosure by way of public meeting or otherwise of such information as may be necessary to the City Council in order to permit it to be fully advised as to the facts when a taxpayer files a claim for refund of taxes, or submits an offer of compromise with regard to a claim asserted against him or her by the City for delinquent taxes, or when acting upon any other matter;
- (F) The disclosure of general statistics regarding taxes collected or business done in the City;
- (G) The disclosure of information and records as may be required under State law applicable to chartered cities or required by subpoena served on the City.

6-04.110. Application—Renewal.

In all cases, the applicant for the renewal of a business tax certificate shall submit to the collector for his or her guidance in ascertaining the amount of the tax to be paid by the applicant, a sworn statement, upon a form prescribed by the collector, setting forth such information concerning the applicant's business during the preceding year as may be required by the collector to enable him or her to ascertain the amount of the tax to be paid by said applicant pursuant to the provisions of this chapter.

6-04.120. Statements and records.

No sworn statements shall be conclusive on the City as to the matters set forth therein, nor shall the filing of the same preclude the City from collecting by appropriate action such sum as is actually due and payable hereunder. Such sworn statement and each of the several items therein contained shall be subject to audit and verification by the collector, his or her deputies, or authorized employees of the City, who are hereby authorized to examine, audit, and inspect such books and records of any taxable business, as may be necessary in their judgment to verify or ascertain the amount of tax due.

All persons subject to the provisions of this chapter shall keep complete records of business transactions, including sales, receipts, purchases, and other expenditures, and shall retain all such records for examination by the collector. Such records shall be maintained for a period of at least three years. No person required to keep records under this section shall refuse to allow authorized representatives of the collector to examine said records at reasonable times and places.

6-04.130. Information confidential.

It is unlawful for the collector or any person having an administrative duty under the provisions of this chapter to make known in any manner whatever the business affairs, operations, or information obtained by an investigation of records and equipment of any person required to submit such information to the tax collector, or any other person visited or examined in the discharge of official duty, or the amount or source of income, profits, losses, expenditures, or any particular thereof, set

6-04.140. Failure to file statement or corrected statement.

If any person fails to file any required statement within the time prescribed, or if, after demand therefor made by the collector, he or she fails to file a corrected statement, the collector may determine the amount of tax due from any such person by means of such information as he or she may be able to obtain. In case such determination is made, the collector shall give notice of the amount so assessed by serving it personally or by depositing it in the United States Post Office in the City, postage prepaid, addressed to the person so assessed at his or her last known address.

6-04.150. Appeal.

Any person aggrieved by any decision of the collector with respect to the business tax requirements may appeal to the Council by filing a written appeal thereof with the Clerk within 15 days of after the mailing of the decision or determination. The Council shall hear the appeal within 45 days of the date of its filing. The Clerk of the Council shall give 15 days' notice to the person filing the appeal of the time and place of hearing by serving the notice personally or by depositing it in the United States Post Office at Santa Rosa, California, postage prepaid, addressed as shown on the appeal papers. The Council shall have authority to determine all questions raised on such appeal. No such determination shall conflict with any substantive provision of this chapter.



Local Ballot Measure: EE

Full Text of Measure EE (Continued)

6-04.160. Tax certificate nontransferable.

Changed Location and Ownership. No certificate issued pursuant to this chapter shall be transferable; provided, that where a certificate is issued to a certain business at a specific address, such business may, upon application therefor, have the certificate amended to indicate some other location to which the business is or is to be moved; provided further, that a transfer, whether by sale or otherwise, to another person under such circumstances that the real or ultimate ownership after the transfer is substantially similar to the ownership existing before the transfer, shall not be prohibited by this section. For the purpose of this section stockholders, bondholders, partnerships, or other persons holding an interest in a corporation or other entity herein defined to be a person are regarded as having the real or ultimate ownership of such corporation or other entity.

6-04.170. Duplicate certificate.

A duplicate certificate may be issued by the collector to replace any certificate previously issued hereunder which has been lost or destroyed upon the certificate holder filing statement of such fact.

6-04.180. Posting and keeping business tax certificate.

- (A) Any person transacting and carrying on business at a fixed place of business in the City shall keep the certificate posted in a conspicuous place upon the premises where such business is carried on.
- (B) Any person transacting and carrying on business but not operating at a fixed place of business in the City shall keep the certificate upon his or her person at all times while transacting and carrying on the business for which it is issued.

6-04.190. Tax—How and when payable.

All business tax certificates issued pursuant to this chapter shall expire, unless renewed, on the date on which the tax is payable next succeeding the issuance or last renewal of such certificate.

Unless otherwise specifically provided, all annual taxes under the provisions of this chapter shall be due and payable in advance, on the first day of January, and shall be considered delinquent if unpaid after the last day of February. The date on which taxes become delinquent may be extended by the collector, upon good cause shown, to a date not later than March 31st.

A person opening a new business any time during the year shall apply for a business tax certificate upon commencement of the business and shall be delinquent if taxes due under the provisions of this chapter are not paid on or before the last day of the month in which business commenced. The delinquency date may be extended by the collector, upon good cause shown, for a period not to exceed 60 days.

Except as otherwise herein provided, taxes, other than annual taxes required hereunder, shall be due and payable each day or period covered, in advance.

6-04.200. Delinquent taxes—Penalties and interest.

- (A) For failure to pay a tax when due a penalty of 15 percent of said tax shall be added to the tax.
- (B) For failure to pay a tax when due, interest on the delinquent tax (exclusive of penalty) at the rate of 0.84 percent per month shall be added to the tax for each month or portion of a month that tax, penalty and interest is not paid.

6-04.210. Refunds.

No refund of erroneously paid taxes collected under this chapter shall be allowed in whole or in part unless a claim for refund is filed with the collector within a period of three years from the last day of the calendar month following the period for which the payment was made, and all such claims for refund of the amount of the payment must be filed with the collector in the manner prescribed by him or her. Upon the filing of such a

claim and when determination that a payment had been made, the collector may refund the amount overpaid.

6-04.220. Business tax—Gross receipts.

Every person who engages in business in the City, except those covered in Section 6-04.230 of this chapter, shall pay a tax based upon gross receipts resulting from business activities within the City limits of the City at the following rates and ratios for the following classifications:

(A) Business Classification—Group 1—Taxing Ratio 1:

Retailing
Wholesaling
Manufacturing
Corporate Headquarters

Gross Receipts of \$ 0.00—25,000, \$25.00, plus 34 cents per 1,000 portion thereof for each 1,000 over \$25,000.00;

Gross Receipts	Tax
\$0.00 - \$100,000	\$200
\$100,000.01 - \$500,000	\$500
\$500,000.01 - \$1,000,000	\$800
\$1,000,000.01 and over	\$1,000 plus 34 cents per \$1,000 portion thereof for each \$1,000 over \$1,000,000.00

(B) Business Classification—Group 2—Taxing Ratio 2.5:

Services
Health Care Centers
Rental of Residential Property
Rental of Non-Residential Property
Short-Term Rental Businesses
Public Utilities

Gross Receipts of \$ 0.00—25,000, \$25.00 plus 84 cents per 1,000 or portion thereof for each 1,000 over 25,000;

Gross Receipts	Tax
\$0.00 - \$100,000	\$200
\$100,000.01 - \$500,000	\$500
\$500,000.01 - \$1,000,000	\$800
\$1,000,000.01 and over	\$1,000 plus 84 cents per \$1,000 portion thereof for each \$1,000 over \$1,000,000.00

(C) Business Classification—Group 3—Taxing Ratio 3.25:

Contractors
Land Developers
Recreation and Entertainment

Gross Receipts of \$0.00—25,000, \$25.00 plus \$1.09 per 1,000 or portion thereof for each 1,000 over 25,000;

Gross Receipts	Tax
\$0.00 - \$100,000	\$200
\$100,000.01 - \$500,000	\$500
\$500,000.01 - \$1,000,000	\$800
\$1,000,000.01 and over	\$1,000 plus \$1.09 per \$1,000 portion thereof for each \$1,000 over \$1,000,000.00

(D) Business Classification—Group 4—Taxing Ratio 5:

Professions



Local Ballot Measure: EE

Full Text of Measure EE (Continued)

Gross Receipts of \$ 0.00 — 25,000, \$25.00 plus \$1.68 per 1,000 or portion thereof for each 1,000 over 25,000.

Gross Receipts	Tax
\$0.00 - \$100,000	\$200
\$100,000.01 - \$500,000	\$500
\$500,000.01 - \$1,000,000	\$800
\$1,000,000.01 and over	\$1,000 plus \$1.68 per \$1,000 portion thereof for each \$1,000 over \$1,000,000.00

(E) If the specific business is not listed herein, the collector will determine the classification of the business.

(F) In any case where a person believes that his or her individual business is not assigned to the proper classification under this section because of circumstances peculiar to it, as distinguished from other businesses of the same kind, he or she may apply to the collector for reclassification. Such application shall contain such information as the collector may deem necessary and require in order to determine whether the applicant's individual business to the classification shown to be proper on the basis of such investigation. The proper classification is that classification which, in the opinion of the collector, most nearly fits the applicant's individual business. The reclassification shall not be retroactive, but shall apply at the time of the next regularly ensuing calculation of the applicant's tax. No business shall be classified more than once in one year.

(G) Corporate Headquarters. In lieu of gross receipts, corporate and administrative headquarters shall use the cost of operations to determine the amount of tax due. Specifically, the following expenses incurred in the maintenance of such operation at that location; total gross payroll, utilities and rent. Expenses shall not include payroll taxes, employer contributions for employee benefits or depreciation.

(H) Newspapers, Radio and Television Stations. Gross receipts for newspapers, radio and television stations shall be levied pursuant to subsection A of this section provided that gross receipts for newspapers, radio and television stations shall be allowed a discount of 15 percent. The above discount shall first be calculated and the product of such calculation shall constitute applicable gross receipts for imposition of the business tax under Section 6-04.220 of this chapter.

(I)(A) ~~Rental of Residential Property. A person shall be considered to be in the business of renting residential property if they rent for consideration more than three dwelling units, be they single family dwellings or units in multifamily residences, within the City limits of the City.~~

6-04.230. Business tax—Flat rate.

Every person transacting and carrying on the businesses herein enumerated shall pay a tax as follows:

(A) Special Event. Every person staging an event within the City limits of the City shall pay a flat fee of \$150.00 per day. An event shall be defined as any entertainment, sports or sales event staged at a specific location for a period of not more than 90 consecutive days.

(B) Peddler. Every person not having a regularly established place of business within the City limits who travels from place to place, door to door for the purpose of selling their goods, wares or merchandise with the intention of continuing such business in the City for a period of not more than 90 consecutive days shall pay an annual tax based on gross receipts attributable to sales within the City under subsection A of this section or alternately may pay a tax of \$30.00 per month in advance. The person so engaged shall not be relieved from the provisions of this section by reason

of associating a temporary or transient business with, as a part of, or in the name of any local dealer, trader or merchant.

(C) Delivery/Pick Up. Every person not having a fixed place of business within the City who enters the City to deliver or pick up passengers, goods, wares, or merchandise of any kind by vehicle, or who enters the City to provide any service by the use of vehicle shall pay an annual tax based on gross receipts attributable to the operation of said business within the City limits under subsection B of this section. If unable to calculate gross receipts attributable to operations within the City, said business shall have the option of paying taxes based on the number of times entry for the purpose(s) enumerated above is made into the City.

Entries	Tax
1 to 120	\$30.00
121 to 240	60.00
241 to 360	90.00
361 to 480	120.00
481 and over	150.00

(D) Beginning in December 2025, the flat rate will be adjusted annually each December using the Consumer Price Index for all Urban Consumers in the San Francisco/Bay Area. The annual adjustment shall be no more than four percent (4%) and no less than two percent (2%).

6-04.240. Outside businesses.

Every person not having a fixed place of business within the City who engages in business within the City and is not subject to the provisions of Section 6-04.230 of this chapter shall pay a tax at the same rate prescribed herein for persons engaged in the same type of business from and having a fixed place of business in the City.

6-04.250. Minimum/maximum tax.

(A) The maximum tax payable by businesses enumerated in and subject to the taxing provision of under this chapter shall be \$3,000.00\$10,000.

(B) Beginning in December 2025, the maximum tax payable under this chapter will be adjusted annually each December using the Consumer Price Index for all Urban Consumers in the San Francisco/Bay Area. The annual adjustment shall be no more than four percent (4%) and no less than two percent (2%).

6-04.260. Rules and regulations.

The collector may adopt rules and regulations not inconsistent with the provisions of this chapter as may be necessary or desirable to aid in the enforcement of the provisions of this chapter. A copy of any such rules and regulations shall be available for public inspection in the collector's office.

6-04.270. Enforcement.

It shall be the duty of the Collector to enforce each and all of the provisions of this chapter, and the Santa Rosa Police and Santa Rosa City Code Enforcement Officers shall render such assistance in the enforcement hereof as may be required by the Collector or the City Manager or designee.

At the direction of the Collector, the Collector's assistants and any City Police or Code Enforcement Officer shall have the power and authority to



Local Ballot Measure: EE

Full Text of Measure EE (Continued)

enter free of charge, at any reasonable time, any place of business within the City to request to see its business tax certificate. Any person having such certificate in his or her possession or under his or her control who fails to exhibit the same upon such a request, shall be guilty of a misdemeanor punishable pursuant to Section 1-28.010 of this Code.

6-04.280. Certificate not an authorization for a business.

No tax certificate issued under the provisions of this chapter is an authorization for, nor shall it be construed as authorizing, the conduct or continuance of any illegal or unlawful business.

6-04.290. Tax a debt.

The amount of any tax and penalty imposed by the provisions of this chapter shall be deemed a debt owed to the City. An action may be commenced in the name of the City in any court of competent jurisdiction, for the amount of any delinquent tax and penalties and interest thereon.

6-04.300. Remedies cumulative.

All remedies prescribed under this chapter shall be cumulative and the use of one or more remedies by the City shall not bar the use of any other remedy for the purpose of enforcing the provisions hereof.

6-04.310. Effect of chapter on past actions—Unexpired tax certificates.

Neither the adoption of this chapter nor the superseding of any portion of any provision of this code thereby shall in any manner affect the prosecution of a violation of any City code provisions committed prior to the effective date of the ordinance codified in this chapter, nor shall it be construed as a waiver of any license or any penal provision applicable to any such violation, nor shall it be construed to affect the validity of any bond or cash deposit required by any ordinance to be posted, filed, or deposited, and all rights and obligations thereunto appertaining shall continue in full force and effect.

Where a certificate of tax paid has been issued to any person by the City and the term of such certificate has not expired, then the tax prescribed for said business by this chapter shall not be payable until the expiration of the term of such unexpired certificate.

6-04.320. Violations.

Any person who violates any provision of this chapter or who other than by a sworn statement, knowingly or intentionally misrepresents to any officer or employee of the City any material fact herein required to be provided is guilty of a misdemeanor. A person who on a sworn statement states as true a material fact which he or she knows to be false is guilty of perjury.

6-04.340. Amendment or repeal.

This chapter may be amended or repealed by the City Council without a vote of the People except that, as required by Article XIIC of the California Constitution, any amendment that increases the amount or rate of tax beyond the levels authorized under Sections 6-04.220 and 6-04.230 under this chapter may not take effect unless approved by a vote of the People."

Section 2. Environmental Determination. The Council finds the rate increase adopted by the ordinance is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3) and 15378 in that there is no possibility that such an increase may have a significant effect on the environment.

Section 3. Severability. If any provision of this ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the ordinance and the application of such provision to other persons or circumstances shall not be affected thereby.

Section 4. Effective Date. This ordinance, following its adoption by majority vote of the City Council, its publication, and approval by a majority of the voters of the City of Santa Rosa voting thereon at an election called for that purpose, shall become effective on January 1, 2025.

This ordinance was introduced by the Council of the City of Santa Rosa on August 6, 2024.

IN COUNCIL DULY PASSED this ____ day of _____, 2024.

AYES:

NOES:

ABSENT:

ABSTAIN/RECUSE:

ATTEST: _____ APPROVED: _____
City Clerk Mayor

APPROVED AS TO FORM: _____
City Attorney