



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 08/02/2022

ITEM NO: 18

DATE: July 29, 2022
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Adopt a Resolution of the Council of the Town of Los Gatos for Model 3, Calling a Municipal Election for November 8, 2022, Requesting that the County Consolidate the Municipal Election with the General Election on November 8, 2022, and Submitting to the Qualified Electors of the Town at the November 8, 2022 Consolidated General Election a Measure to Amend Chapter 14 of the Los Gatos Town Code Relating to Business License Taxes

RECOMMENDATION:

Adopt a Resolution of the Council of the Town of Los Gatos for Model 3, calling a municipal election for November 8, 2022, requesting that the County consolidate the municipal election with the general election on November 8, 2022, and submitting to the qualified electors of the Town at the November 8, 2022 consolidated general election a measure to amend Chapter 14 – Licenses and Miscellaneous Business Regulations (Chapter 14) of the Los Gatos Town Code relating to business license taxes.

BACKGROUND:

On September 13, 2021, the Town Finance Commission reviewed the Town’s Business License Tax Program and recommended that the Town Council authorize the Town Manager to issue a Request for Proposal (RFP) for consultant services to evaluate and recommend modernization options for the Town’s Business License Tax Program. The Business License Tax supports all municipal services that are enjoyed by the businesses, including but not limited to streets, other infrastructure, and public safety.

On October 19, 2021, the Town Council received the Finance Commission recommendation and directed staff to engage a consultant to review the Town's 1991 Business Tax Ordinance and recommend options for modernizing the Ordinance.

PREPARED BY: Arn Andrews Assistant Town Manager Holly Young Town Manager Administrative Analyst

Reviewed by: Town Manager, Town Attorney, and Interim Finance Director

BACKGROUND (continued):

On December 17, 2021, the Town issued an RFP for Business License Tax consulting services. Hinderliter, deLlamas & Associates (HdL) Companies was selected given their significant experience in business license review and analysis, including having performed dozens of tax study and modernization programs in California.

HdL submitted their Business License Analysis and Ordinance Review (Report) to the Town on June 8, 2022.

On June 13, 2022, the Finance Commission discussed the HdL Report and voted unanimously to move forward to continue research and public outreach on business license tax modernization.

On June 21, 2022, the Town Council unanimously directed staff to continue conducting research and public outreach and prepare options for proposed ballot measure language for Council consideration on August 2, 2022.

DISCUSSION:

Per Council direction, staff has been coordinating extensive business outreach and working with HdL to refine potential business license modernization models. Following are summaries of both efforts:

Business Outreach

The Town set up a dedicated webpage at www.LosGatosCA.gov/BLModernization with information regarding the current business license tax program, background on modernizing the tax, discussions to date, the options being considered, and the timeline for a ballot measure. The Town also set up a unique email address of BLModernization@losgatosca.gov for public comment and received several communications on this topic from a variety of businesses (see Attachment 1).

The Town hosted a community workshop on July 25, 2022 at 7:00 p.m. via teleconference. The Town publicized the potential business license modernization ballot measure and the July 25 informational workshop via the Town website homepage, weekly Newsletter, multiple posts on the Town's official social media accounts (Nextdoor, Facebook, Instagram, Twitter, and LinkedIn), and a postcard mailing. The postcard went out to every business the Town has on file and was mailed to a total of 5,167 valid business addresses with receipt occurring between July 15 and 21.

The community meeting provided an opportunity for Town residents and businesses to learn more about the potential business license modernization, discuss each of the proposed options

DISCUSSION (continued):

under consideration, ask questions, and provide feedback. The materials from the webinar are available at www.LosGatosCA.gov/BLModernization. Though lightly attended, the community answered a series of Zoom poll questions following the initial staff presentation:

- 75% felt the Town should update the business license tax.
- 100% felt the Town business license program should be equitable.
- 100% preferred the proposed Model 3.

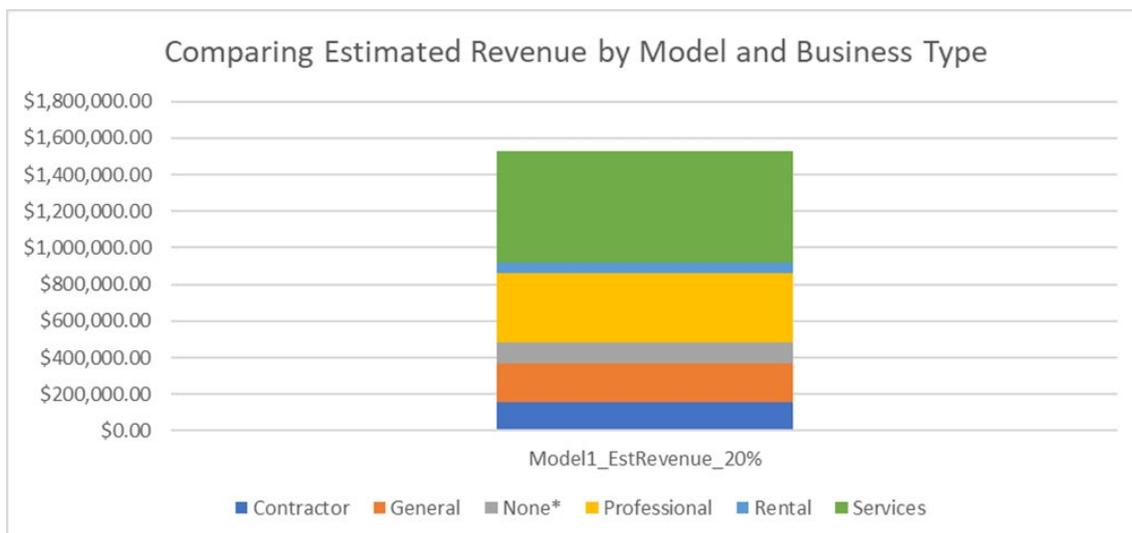
After further discussion and a question and answer session, the poll was launched again with an additional participant and the following results:

- 60% felt the Town should update the business license tax.
- 100% felt the Town business license program should be equitable.
- 20% preferred the proposed Model 1 and 80% preferred the proposed Model 3.

In addition to the community meeting and other outreach efforts, staff sent emails directly to the five largest businesses discussed within Model 3 and also had separate discussions with community stakeholders including the Los Gatos Chamber of Commerce and Netflix.

Analysis of Potential Models

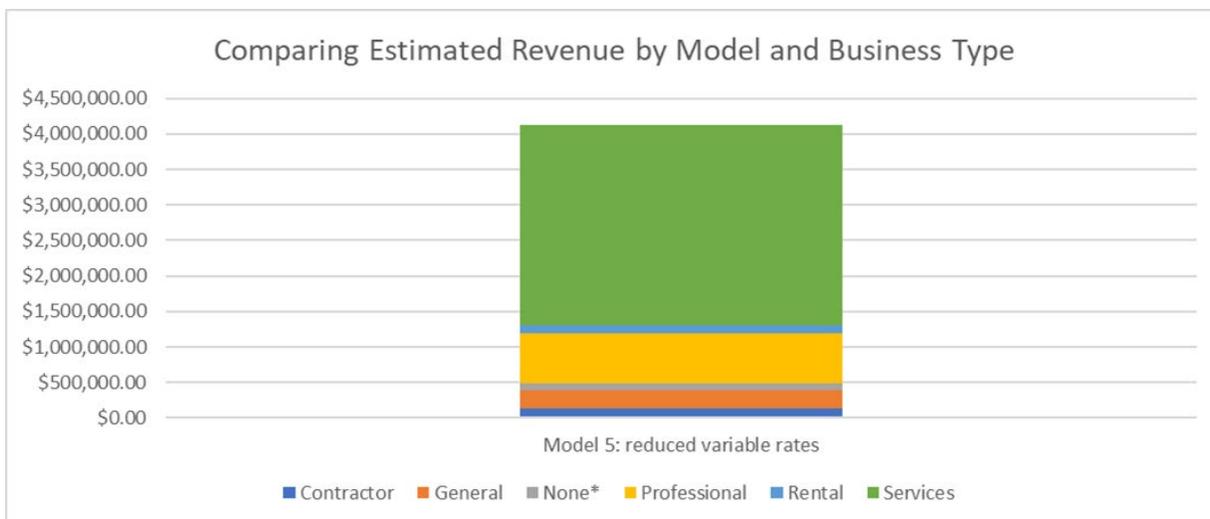
Model 1 – Would retain the existing structure while modifying the tax amounts for each category by 20%. The drawback of Model 1 is that the tax remains regressive. In fact, because it would increase the flat fees, it becomes more regressive. In addition, since 1991, inflation has risen approximately 117% or five times as much as the recommended increase. The advantage of this model is that the increases for each business type are minimal. This Model would increase revenues approximately \$255,000 annually primarily from the Services category (\$101,000).



DISCUSSION (continued):

Model 2 – Introduces the concept of converting the Town tax to a gross-receipts model for all businesses. This means that every business would pay based on their gross receipts, utilizing different single rates for five different business classifications. This Model also lowered the annual base rate to a uniform \$25 flat rate for the first \$25,000 to provide some additional tax relief for smaller businesses. This model affords the most flexibility for increasing revenues while accommodating certain business categories with differing rates. This Model would increase revenues approximately \$2,861,000 annually primarily from the Services category (\$2,321,000).

| Categories | Base Rate | Gross Receipts Tax Rate |
|-------------------------------|--|-------------------------|
| General Commerce/Retail | \$25 Flat Rate per Business (first \$25,000 in Gross) | 0.0005 X Gross |
| Services | | 0.001 X Gross |
| Contractor | | 0.001 X Gross |
| Professional | | 0.002 X Gross |
| Rental Commercial/Residential | | 0.002 X Gross |

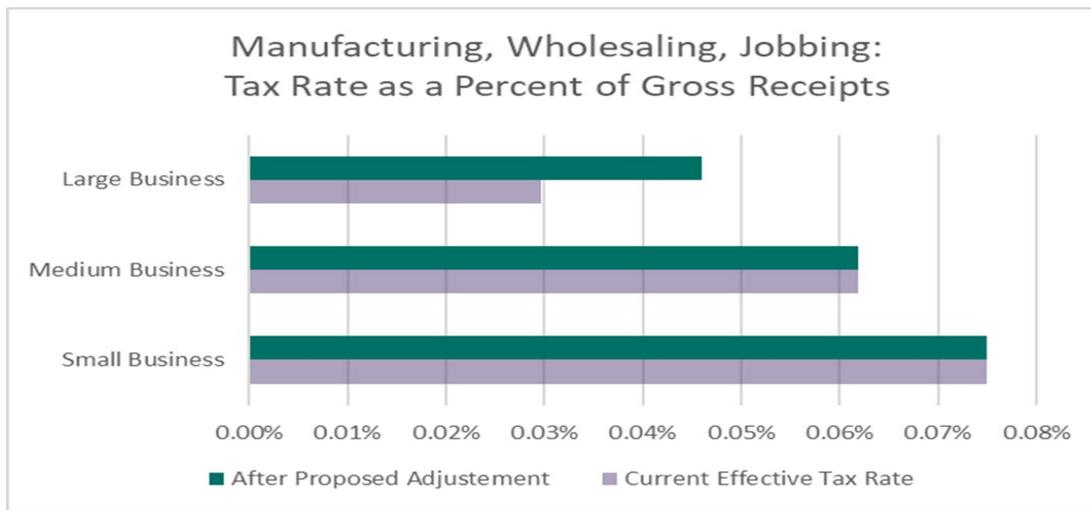


Model 3 - Maintains the existing gross-receipts structure for Manufacturing, Wholesaling, and Jobbing except for updating the rate of \$75.00 for each \$550,000 more than \$12,000,000 to \$300 for each \$550,000 more than \$12,000,000. For purposes of this schedule, Manufacturing refers to any manufacturing or processing of goods, wares, merchandise, articles, or commodities. Wholesaling refers to the sale of goods, wares, or merchandise for the purpose of resale. Jobbing is the business of selling goods, wares, or merchandise to wholesale

DISCUSSION (continued):

merchants for resale at wholesale. This model also includes the E-commerce category which includes commercial transactions conducted electronically on the internet.

This model would have the least change to the existing structure, only impacting businesses with gross receipts above \$12,000,000, while helping to offset some of the inequities associated with the lower effective tax rates of larger businesses presented earlier. This Model would increase revenues approximately \$1,100,000 annually.



Finance Commission Alternative Model

On July 28, 2022, the Finance Commission held a Special Meeting to discuss the results of community outreach and business feedback and the three models under consideration. At the conclusion of their discussion, the three resident Commission members present voted to provide the Town Council with an alternative Model. The proposed Model is an enhanced version of Model 1. The Commission Model would increase all flat fees and the gross receipts tax schedules for E-Commerce, Manufacturing, Wholesaling, and Jobbing and Retailing 100% to account for inflation. In addition, the Commission expanded the Retailing gross receipts table to include two additional payment levels above the current \$2,000,000 (and above) threshold. The following table illustrates the additional payment levels.

DISCUSSION (continued):

| At Least | But Less Than | Tax |
|-------------|-----------------------------|---------|
| \$1,900,000 | \$4,000,000 | \$1,950 |
| \$4,000,000 | \$8,000,000 | \$3,900 |
| \$8,000,000 | \$16,000,000 (and above) | \$7,800 |

Like Model 1, the drawback of this Model is that the tax remains regressive. This model would make up most of the inflation since 1991. This Model would increase revenues approximately \$1,600,000.

Ballot Initiative Process

A ballot measure to modernize the Business License Tax requires a 4/5 vote of the Town Council to place it on the ballot. A General Tax can be expended on any program, service, or capital need at the discretion of the local government's governing body. A simple majority vote (50 percent of voters plus one additional voter) is required for approval of a general tax.

A resolution with corresponding ballot language and its draft ordinance have been prepared for each of the three models. For Model 1, see Attachment 2; for Model 2, see Attachment 3; and for Model 3, see Attachment 4. If the Council decides to move forward with one of the models, then the Council should adopt the resolution it would like, which would submit the Council's ballot measure to voters at the November 8, 2022 regular municipal election. Provided below is the ballot language for the three models.

Model 1

| | |
|--|-----|
| Shall the measure to fund critical Town needs such as public safety by imposing a 20% increase to all flat fees and the gross receipts tax schedules for E-Commerce, Manufacturing, Wholesaling, and Jobbing and Retailing , raising about \$255,000 yearly for general fund purposes until ended by voters, and which have not been increased since 1991, be adopted? | YES |
| | NO |

DISCUSSION (continued):

Model 2

| | |
|--|-----|
| Shall the measure to fund critical Town needs such as public safety by incorporating gross receipts reporting for all businesses at rates between \$0.50 and \$2.00 per \$1,000 after a \$25.00 flat fee for the first \$25,000 in gross receipts, replacing the existing regressive taxing system of flat fees and gross receipts, raising \$2.3 million yearly for general fund purposes until ended by voters, and increasing equity among small, medium and larger businesses, be adopted? | YES |
| | NO |

Model 3

| | |
|---|-----|
| Shall the measure to fund critical Town needs such as public safety by amending the gross receipts tax schedule for E-Commerce, Manufacturing, Wholesaling, and Jobbing for businesses with gross receipts above \$12,000,000 from \$75 per each \$550,000 in excess of \$12.0 million to \$300 per each \$550,000 in excess of \$12.0 million, raising about \$1.0 million yearly for general fund purposes until ended by voters, and increasing equity , be adopted? | YES |
| | NO |

Should the Town Council choose to pursue a ballot measure, final approval including the ballot measure language will need to be submitted to the Santa Clara County Registrar of Voters by August 12, 2022. Provided below are ballot measure milestone dates:

- August 12, 2022: Last day for Resolutions calling a measure
- August 12, 2022: Deadline for submitting primary arguments in favor of or against a measure
- August 17, 2022: Last day to amend or withdraw a measure
- August 19, 2022: Town Attorney submits impartial analysis to the Town Clerk
- August 19, 2022: Deadline for submitting rebuttal arguments to primary arguments in favor of and against a measure.

The proposed resolutions authorize the Mayor, or his designee(s), to prepare a written argument in favor of the proposed measure on behalf of the Town Council. At the Mayor’s discretion, the Argument may also be signed by bona fide associations or by individual voters eligible to vote in Los Gatos.

CONCLUSION:

Based on business and community feedback to date staff recommends that the Town Council adopt the resolution for Model 3 and call a municipal election for November 8, 2022, requesting that the County consolidate the municipal election with the general election on November 8, 2022 and submitting to the qualified electors of the Town at the November 8, 2022 consolidated general election a measure to amend Chapter 14 of the Los Gatos Town Code.

COORDINATION:

This staff report was coordinated with the Town Manager, Town Attorney, and Finance Director.

FISCAL IMPACT:

If approved by voters in November, the estimated additional revenue generated by the three models is between approximately \$255,000 and \$2,800,000 annually. These funds would be locally generated and therefore be safe from seizure by the State. In addition, they would enable the Town to invest in services and infrastructure that the community values. The cost of the ballot measure is approximately \$59,000 and incorporated in the FY 2022/23 adopted budget.

ENVIRONMENTAL ASSESSMENT:

In accordance with CEQA Guidelines Section 15378(b)(4), placement of a ballot measure on the ballot to amend the Town's business license tax is not a project subject to CEQA, because it is a government fiscal activity.

Attachments:

1. Public Comment
2. Model 1 Resolution with corresponding Ordinance as Attachment A
3. Model 2 Resolution with corresponding Ordinance as Attachment A
4. Model 3 Resolution with corresponding Ordinance as Attachment A

Dear Town Council:

I have three comments regarding your proposed Models for the Business License Modernization program.

1) If you charge smaller businesses what they perceive to be too much or considerably more than they have been paying, some may decide not to get a business license. Especially small Mom and Pop and home based businesses. You will chase them undercover and then lose that revenue. New businesses may decide to go elsewhere. You must make Los Gatos business friendly and welcoming.

2) Locate and require at home businesses to have a business license. Many people now work from home, yet have no license.

3) Basing a license fee on gross receipts is unfair because the fee is based on overall sales receipts, not the profit made.

Example: A Ferrari dealer sells expensive cars and a used car dealer sells inexpensive cars. The Ferrari dealer could sell a few cars and have a large gross receipts record. The used car dealer could sell a lot of cars, have a higher overall profit, but a much lower gross receipts total, thus pay less for a business license than the Ferrari dealer. If you base the license fee on gross receipts, you could potentially be penalizing the person that sells more expensive products than someone who sells less expensive products.

Thank you for asking for feedback.

Sincerely,

Dennis Grist

Grist Construction

Hello:

I am a small business owner so the potential changes to fix the regressive tax structure is welcome. My concern as a citizen of Los Gatos is that ramping up the tax on large businesses, like Netflix, should be considered very carefully and not be too aggressive. The whole dollar amount contributed by Netflix and other large organizations, regardless of the tax rate in terms of percentage, I would imagine makes up a material portion of the cash coming into the Town of Los Gatos to support the many programs, services, and infrastructure.

Said more simply, don't scare away or anger the big tax contributors with a material increase in tax rates. As evidenced by many large companies in the Bay Area over the past few years, they will take action and move to TX or FL, or some other tax-friendly jurisdiction.

Kind regards,

Casey Pittock

I am not in favor of raising the business license tax. If you must do this Model 4 would be preferred. I am a small business with fluctuating revenues which make financial planning difficult. Raising the BL tax based on gross receipts would cause me great financial harm as ALL COSTS within the business are closely scrutinized to ensure that we can continue to operate during economic downturns. A large BL tax increase would be difficult for my small business to absorb as we have multiple entities that we must pay fees to in order to operate in California's highly regulatory and competitive environment.

Michael Shields, CCIM

Apartment / Investment Broker / Founder

[Silicon Valley Multifamily Group](#)

To Whom It May Concern,

If there are any tax increases, I would ask you to exclude the medical specialties. Our reimbursements are going down and we can't even recruit new doctors to this area. Most of the primary care doctors in practice in Los Gatos have dropped Medicare or have gone concierge. In 10 years there will be an even worse shortage of specialists in this area. So please consider excluding Medical businesses from this tax hike.

Dr. Manjula Noone

Just received notification of potential increases in our Town's business license fees. If I read this correctly, currently I am paying \$975/year for my license. If my gross receipts are \$25,000,000 annually according to the charts I'm seeing, that results in a license fee of \$37,500...I believe that is outrageous. You know that in the automobile business, we don't have the same margins that another retailer might have. To base the fee solely on gross receipts is highly unfair. There should be some sort of setoff regarding the sales tax that a business generates for the town. I would embrace a slightly higher annual fee, but nothing like what I'm seeing. There should be a cap on the fee, certainly no more than \$2000/year.

John Moore

Moore Buick GMC

How would the modernization in models 2-4 look like in practical terms:

- For example, would the town licensing process get coupled to the CA and/ or federal tax return of the business?
- And of which year? It seems the past year would make sense, then the town license renewal would continue to take place at the end of the year, based on the return of the past year.
- If it is meant for the actual year of the town license, what would happen if the business has filed for an extension?

Overall, as a two-people husband-and-wife consulting business, we understand and support the rationale behind the modernization plans. The details will just have to be worked out.

Thank you for your consideration.

Gabi Neubauer

Dr. Gabi Neubauer

VP Semiconductor Technologies

AFGN LightVantage

Hi Los Gatos, I work from home and have a HR Consulting Business.

Will our fees be based on our gross income? If we earn 60k what will the estimated business license fee be?

If the fees are NOT based on gross income what will the fees be based on in the future?

I don't like the idea of having to pay more money, the pandemic has taken its toll on my business and now we are dealing with inflation.

This is not the time to be raising fees!! I am sure alot of businesses will feel the same.

Let me know. Thanks, Sylvia Carrillo

Sylvia Carrillo, PHR

Human Resources Consultant

Hello-

Thank you for information re business license modernization. A few inputs I have - 1) not raise the business taxes for small business, 2) please have a form to update via website, 3) send out business tax reminders PRIOR to December as it can be a scramble to pay at end of the year (if have website to pay fees would eliminate some of this stress). Thank you!

Warm Regards-

Julie Williams

Resolution No. _____

Resolution of the Council of the Town of Los Gatos
Calling a Municipal Election for November 8, 2022,
Requesting that the County Consolidate the Municipal Election
with the General Election on November 8, 2022 and
Submitting to the Qualified Electors of the Town at the
November 8, 2022 Consolidated General Election a Measure
to Amend Chapter 14 of the Los Gatos Town Code

R E C I T A L S

A. WHEREAS, the Town’s business license tax ordinance was adopted in 1968 and the amount of the tax has not increased since 1991.

B. WHEREAS, the Town Council desires to adjust the business license tax to increase revenue to fund critical Town needs

C. WHEREAS, a proposed ordinance attached hereto and incorporated herein by reference as Attachment “A” (“the Ordinance”) would amend Chapter 14 of the Los Gatos Town Code to revise the license tax on businesses operating in the Town of Los Gatos.

D. WHEREAS, a statewide general election is scheduled for November 8, 2022. The Town Council wishes to call a municipal election for the Town to be held on November 8, 2022 and to request the County of Santa Clara to consolidate the municipal election with the statewide general election.

The Town Council of the Town of Los Gatos now resolves as follows:

Section 1. Findings. The Town Council finds and determines that each of the findings set forth above are true and correct.

Section 2. Calling the Election. The Council calls for a municipal election to be held on November 8, 2022 (“the Election”).

Section 3. Measure. Pursuant to Government Code Section 53724 and Elections Code Section 9222, the Town Council hereby submits the Ordinance attached hereto as Attachment A to the voters at the Election and orders the following question to be submitted to the voters at the Election:

| | | |
|--|-----|--|
| Shall the measure to fund critical Town needs such as public safety by imposing a 20% increase to all flat fees and the gross receipts tax schedules for E-Commerce, | YES | |
|--|-----|--|

| | | |
|---|----|--|
| Manufacturing, Wholesaling, and Jobbing and Retailing raising about \$255,000 yearly for general fund purposes until ended by voters, and which have not been increased since 1991, be adopted? | NO | |
|---|----|--|

This question requires the approval of a majority of those casting votes.

Section 4. Notice of Election. Notice of the time and place of holding the election is hereby given, and the Town Clerk is authorized, instructed, and directed to give further or additional notice of the election, in time, form, and manner as required by law.

Section 5. Impartial Analysis. Pursuant to California Elections Code Section 9280, the Town Council hereby directs the Town Clerk to transmit a copy of the measure to the Town Attorney. The Town Attorney shall prepare an impartial analysis of the measure, not to exceed 500 words in length, showing the effect of the measure on the existing law and the operation of the measure, and transmit such impartial analysis to the Town Clerk on or before 4:00 p.m. on August 19, 2022.

In the event the entire text of the Measure is not printed on the ballot, nor in the voter information portion of the sample ballot, there shall be printed immediately below the impartial analysis, in no less than 10-font bold type, the following: **“The above statement is an impartial analysis of Ordinance or Measure __. If you desire a copy of the ordinance or measure, please call the Town Clerk at 408-354-6888 and a copy will be emailed at no cost to you.”**

Section 6. Ballot Arguments. Pursuant to Elections Code Section 9286 et. seq., August 12, 2022, at 4:00 p.m. shall be the deadline for submission of arguments in favor of, and arguments against, this measure. Arguments in favor or against the measure shall not exceed 300 words in length. The Mayor, or his designee(s), is hereby authorized to prepare a written argument in favor of the proposed measure on behalf of the Town Council. At the Mayor’s discretion, the Argument may also be signed by bona fide associations or by individual voters who are eligible to vote in the Town of Los Gatos. Each argument shall be signed, filed with the Town Clerk, and include the printed name(s) and signature(s) of the author(s) submitting the argument. If more than one argument for or against is received, the priorities established by Elections Code Section 9287 shall control.

Section 7. Rebuttal Arguments. Subdivision (a) of section 9285 of the Elections Code shall apply to the Election and shall control the submission of any rebuttal arguments for this measure. If an argument in favor and an argument against the measure have been selected to be printed in the voter information guide, the Clerk shall send a copy of the argument in favor of the measure to the authors of the argument against the measure and a copy of an argument against the measure to the authors of the argument in favor of the measure. The rebuttal authors or persons designated by them may prepare and submit rebuttal arguments not to exceed 250 words in length. Rebuttal arguments must be submitted not later than August 19, 2022, by 4:00 p.m.

Section 8. Consolidation Request. The Council of the Town of Los Gatos requests that the Board of Supervisors of Santa Clara County consolidate the municipal election and the election on this measure with the November 8, 2022 statewide general election. The Council further requests that the Board of Supervisors of Santa Clara County include on the ballots and sample ballots, all qualified measures submitted by the Town Council to be submitted to the qualified electors of the Town of Los Gatos. The Council acknowledges that the election will be held and conducted according to procedures in the Elections Code, including Section 10418.

Section 9. Request for County Services. Pursuant to Section 10002 of the California Elections Code, the Council of the Town of Los Gatos hereby requests the Board of Supervisors of Santa Clara County to permit the Registrar of Voters to render services to the Town of Los Gatos relating to the conduct of the Town’s Municipal and Special Elections which are called to be held on Tuesday, November 8, 2022. The services shall be of the type normally performed by the Registrar of Voters in assisting the clerks of municipalities in the conduct of elections including, but not limited to, checking registrations, mailing ballots, hiring election officers, and arranging for polling places, receiving absentee voter ballot applications, mailing and receiving absent voter ballots, and opening and counting ballots, providing and distributing election supplies, and furnishing voting machines.

Section 10. Transmittal of Resolution. The Town Clerk is hereby directed to submit forthwith an original copy of this resolution including the measure attached hereto as Attachment “A” to the Santa Clara County Board of Supervisors and a certified copy to the Registrar of Voters.

Section 11. Placement on the Ballot. The Town Clerk is hereby authorized and directed to take all steps necessary to place the measure on the ballot and the full text of the Measure shall not be printed in the voter pamphlet. A statement shall be printed in the ballot pursuant to Section 9280 of the Elections Code advising voters that they may obtain a copy of this resolution and the Measure, at no cost, upon request made to the Town Clerk, as well as a link to the ballot measure materials on the Town’s website.

INTRODUCED AND PASSED:

AYES:

NOES:

ABSENT:

ABSENTIONS:

ATTEST:

Town Clerk

APPROVED AS TO FORM:

Town Attorney

APPROVED:

Mayor

Town Manager

Interim Director of Finance

Ordinance No. _____

Ordinance of the Town of Los Gatos
Amending Chapter 14 of the Town Code

The People of the Town of Los Gatos ordain as follows:

Section 1. Chapter 14 of the Los Gatos Town Code is hereby amended by adding, deleting, and modifying provisions as set forth in this section below. Additions are indicated by underscoring and deletions are indicated by ~~strike-through type~~. Portions of the Chapter not included in this Ordinance or not shown in underscoring or strike-through type are not changed.

Chapter 14
LICENSES AND MISCELLANEOUS BUSINESS REGULATIONS

ARTICLE I. IN GENERAL

Sec. 14.10.010. Definitions.

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

Business means professions, trades and occupations and every kind of calling carried on for profit or livelihood, including the business of renting or leasing apartments.

E-commerce means commercial transactions conducted electronically on the Internet.

Fixed place of business means the premises occupied for the particular purpose of conducting the business thereat, and regularly kept open for that purpose, with a competent person in attendance for the purpose of attending to such business. Included in such term is the premises rented or leased by persons owning apartments located in the Town.

Gross receipts means the total amount of the sale price of all sales and the total amount charged or received for the performance of any act, service or employment of whatever nature it may be, for which a charge is made or credit allowed, whether or not such service, act or employment is done as a part of or in connection with the sale of materials, goods, wares or merchandise. Included in such term shall be all receipts, cash, credits and property of any kind or nature, and any amount for which credit is allowed by the seller to the purchaser without any deduction therefrom on account of the cost of the property sold, the cost of the materials used, labor, or service costs, interest paid or payable or losses or other expenses whatsoever.

Excluded from such term shall be cash discounts allowed and taken on sales, any tax required by law to be included in, or added to, the purchase price and collected from the consumer or purchaser, and 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.

Home occupation has the same meanings as it does in the zoning ordinance.

Jobbing business means any business conducted solely for the purpose of selling goods, wares or merchandise in job lots to wholesale merchants for resale at wholesale to the trade by such wholesale merchants.

Quarter means a period of three (3) calendar months. The quarters begin on the first day of January, April, July and October of each year. The quarter shall include fractions thereof.

Real estate broker means the managing broker and/or partner of any real estate office.

Retail business means any business conducted for the purpose of selling, or offering to sell, any goods, wares or merchandise, other than as a part of a wholesale business and jobbing business.

Tax ~~and license~~-collector is the Finance Director or designee.

Vehicle means any device in, upon or by which any person or property is or may be transported or drawn upon a public street or highway, except devices moved by human power or used exclusively upon stationary rails or tracks.

Wholesale business means any business conducted solely for the purpose of selling goods, wares or merchandise in wholesale lots to retail merchants for resale at retail to the trade by such retail merchants.

(Code 1968, § 15-1; Ord. No. 1929, § I, 1-19-93; Ord. No. 2026, §§ V, VI, 2-18-97)

Cross reference(s)—Definitions and rules of construction generally, § 1.10.015; zoning ordinance definitions, § 29.10.020.

Sec. 14.10.040. Statements required—Upon application for original business license.

- (a) Upon a person making application for the first business license under this chapter, or for a newly established business, in all cases where the amount of business license tax to be paid is based upon gross receipts or is graduated according to some other sliding scale, such person shall furnish to the Tax ~~and License~~-Collector, for guidance in ascertaining the amount of business license tax to be paid by the applicant, a written statement upon a form provided by the Tax ~~and License~~-Collector, signed and certified under penalty of perjury to be true and correct.
- (b) If the amount of the business license tax to be paid by the applicant is based upon the amount of gross receipts, the applicant shall estimate the amount of gross receipts for the period to be covered by the business license for the purpose of determining the licensing bracket which will be applicable for the period to be covered by the license to be issued. Such estimate, if accepted by the Tax ~~and License~~-Collector as reasonable, shall be used in determining the amount of business license tax to be paid by the applicant. The tax so determined shall be tentative only and such person shall, by not later than January 31st ~~May fifteenth~~ ~~next~~ following the period for which the license was issued, furnish the Tax ~~and License~~-Collector with a certified or sworn statement upon a form furnished by the Tax Collector, containing the data required to show the licensing bracket properly applicable to such person during the period of such business license, and the business license tax for such period shall be finally ascertained and paid in the manner provided in this chapter, after

deducting from the payment found to be due the amount paid at the time such first business license was issued. The Tax ~~and License~~-Collector shall not issue to any such person another license for the same or any other business until such person shall have furnished the written statement and paid the business license tax as required in this chapter.

(c) If the amount of the business license tax to be paid by the applicant is graduated according to some sliding scale other than gross receipts, the applicant shall furnish to the Tax ~~and License~~-Collector for guidance in ascertaining the amount of business license tax to be paid, a certified or sworn statement upon a form provided by the Tax ~~and License~~-Collector setting forth such information as may be therein required and as may be necessary properly to determine the amount of business license tax to be paid by the applicant and which statement shall show, among other things, the number of vehicles or tonnage thereof or the number of seats, chairs, rooms, tables or other units used or involved in such person's business as of the time of filing such application. Such person shall thereupon pay the required license tax in advance, computed in accordance with the information contained in such statement.

(d) Repealed.

(Code 1968, § 15-7; Ord. No. 1929, § IV, 1-19-93; Ord. No. 2026, §§ VIII, IX, 2-18-97)

Sec. 14.10.095. Term.

A business license issued under this chapter shall expire at the end of the term year for which the license or renewal is issued unless the license is renewed for an additional period.

(Code 1968, § 15-18; Ord. No. 2026, § XIII, 2-18-97)

ARTICLE II. LICENSES

DIVISION 2. SCHEDULES

Sec. 14.20.110. Gross receipts tax.

Every person doing business in the Town, except a person whose business is taxed under the terms of section 14.20.115, shall pay an annual business license tax based on the gross receipts of the business. The tax is levied according to one (1) or both of the following schedules. When the business activities of one (1) person, taxable under the provisions of this section, involve both retail and e-commerce, manufacturing, wholesaling or jobbing transactions, the total gross income is apportioned between the two (2) schedules, according to its source.

RETAILING

| At Least | But Less Than | Tax |
|------------------|-------------------|------------------------------------|
| \$ 0 | \$ 50,000 | \$ 75.00 <u>\$90.00</u> |
| <u>\$ 50,000</u> | <u>\$ 100,000</u> | 112.00 <u>\$135.00</u> |

| | | |
|--------------|------------------------|-------------------------------------|
| \$ 100,000 | \$ 150,000 | 150.00 <u>\$180.00</u> |
| \$ 150,000 | \$ 200,000 | 187.50 <u>\$225.00</u> |
| \$ 200,000 | \$ 250,000 | 225.00 <u>\$270.00</u> |
| \$ 250,000 | \$ 300,000 | 262.50 <u>\$315.00</u> |
| \$ 300,000 | \$ 350,000 | 300.00 <u>\$360.00</u> |
| \$ 350,000 | \$ 400,000 | 337.50 <u>\$405.00</u> |
| \$ 400,000 | \$ 450,000 | 375.00 <u>\$450.00</u> |
| \$ 450,000 | \$ 500,000 | 412.50 <u>\$495.00</u> |
| \$ 500,000 | \$ 600,000 | 450.00 <u>\$540.00</u> |
| \$ 600,000 | \$ 700,000 | 487.50 <u>\$585.00</u> |
| \$ 700,000 | \$ 800,000 | 525.00 <u>\$630.00</u> |
| \$ 800,000 | \$ 900,000 | 562.50 <u>\$675.00</u> |
| \$ 900,000 | \$ 1,000,000 | 600.00 <u>\$720.00</u> |
| \$ 1,000,000 | \$ 1,100,000 | 637.50 <u>\$765.00</u> |
| \$ 1,100,000 | \$ 1,200,000 | 675.00 <u>\$810.00</u> |
| \$ 1,200,000 | \$ 1,300,000 | 712.50 <u>\$855.00</u> |
| \$ 1,300,000 | \$ 1,400,000 | 750.00 <u>\$900.00</u> |
| \$ 1,400,000 | \$ 1,500,000 | 787.50 <u>\$945.00</u> |
| \$ 1,500,000 | \$ 1,600,000 | 825.00 <u>\$990.00</u> |
| \$ 1,600,000 | \$ 1,700,000 | 862.50 <u>\$1,035.00</u> |
| \$ 1,700,000 | \$ 1,800,000 | 900.00 <u>\$1,080.00</u> |
| \$ 1,800,000 | \$ 1,900,000 | 937.50 <u>\$1,125.00</u> |
| \$ 1,900,000 | \$ 2,000,000 and above | 975.00 <u>\$1,170.00</u> |

E-COMMERCE, MANUFACTURING, WHOLESALING AND JOBBING

| <i>At Least</i> | <i>But Less Than</i> | <i>Tax</i> |
|-----------------|----------------------|--------------------------------------|
| \$ 0 | \$ 200,000 | \$ 150.00 <u>\$180.00</u> |

| | | |
|--------------|---------------|------------------------------|
| \$ 200,000 | \$ 300,000 | 187.50 <u>\$225.00</u> |
| \$ 300,000 | \$ 400,000 | 262.50 <u>\$315.00</u> |
| \$ 400,000 | \$ 500,000 | 337.50 <u>\$405.00</u> |
| \$ 500,000 | \$ 600,000 | 450.00 <u>\$540.00</u> |
| \$ 600,000 | \$ 800,000 | 562.50 <u>\$675.00</u> |
| \$ 800,000 | \$ 1,000,000 | 675.00 <u>\$810.60</u> |
| \$ 1,000,000 | \$ 1,200,000 | 787.50 <u>\$945.00</u> |
| \$ 1,200,000 | \$ 1,400,000 | 900.00 <u>\$1,080.00</u> |
| \$ 1,400,000 | \$ 1,600,000 | 1,012.50 <u>\$1,215.00</u> |
| \$ 1,600,000 | \$ 1,800,000 | \$1,125.00 <u>\$1,350.00</u> |
| \$ 1,800,000 | \$ 2,000,000 | 1,237.50 <u>\$1,485.00</u> |
| \$ 2,000,000 | \$ 2,500,000 | 1,350.00 <u>\$1,620.00</u> |
| \$ 2,500,000 | \$ 3,000,000 | 1,462.50 <u>\$1,755.00</u> |
| \$ 3,000,000 | \$ 3,500,000 | 1,575.00 <u>\$1,890.00</u> |
| \$ 3,500,000 | \$ 4,000,000 | 1,687.50 <u>\$2,025.00</u> |
| \$ 4,000,000 | \$ 4,500,000 | 1,800.00 <u>\$2,160.00</u> |
| \$ 4,500,000 | \$ 5,000,000 | 1,912.50 <u>\$2,295.00</u> |
| \$ 5,000,000 | \$ 5,500,000 | 2,025.00 <u>\$2,430.00</u> |
| \$ 5,500,000 | \$ 6,000,000 | 2,137.50 <u>\$2,565.00</u> |
| \$ 6,000,000 | \$ 6,500,000 | 2,250.00 <u>\$2,700.00</u> |
| \$ 6,500,000 | \$ 7,000,000 | 2,362.50 <u>\$2,834.40</u> |
| \$ 7,000,000 | \$ 7,500,000 | 2,175.00 <u>\$2,970.00</u> |
| \$ 7,500,000 | \$ 8,000,000 | 2,587.50 <u>\$3,105.00</u> |
| \$ 8,000,000 | \$ 8,500,000 | 2,700.00 <u>\$3,240.00</u> |
| \$ 8,500,000 | \$ 9,000,000 | 2,812.50 <u>\$3,375.00</u> |
| \$ 9,000,000 | \$ 9,500,000 | 2,925.00 <u>\$3,510.00</u> |
| \$ 9,500,000 | \$ 10,000,000 | 3,037.50 <u>\$3,645.00</u> |

| | | |
|----------------------|----------------------|---|
| <u>\$ 10,000,000</u> | <u>\$ 10,500,000</u> | 4,500.00 <u>\$5,400.00</u> |
| <u>\$ 10,500,000</u> | <u>\$ 11,000,000</u> | 4,612.50 <u>\$5,535.00</u> |
| <u>\$ 11,000,000</u> | <u>\$ 11,500,000</u> | 4,725.00 <u>\$5,670.00</u> |
| <u>\$ 11,500,000</u> | <u>\$ 12,000,000</u> | 4,837.50 <u>\$5,805.00</u> |
| <u>\$ 12,000,000</u> | | 4,837.50 <u>\$5,805.00</u> |
| | | plus \$75.00 <u>\$90.00</u> for each \$550,000 or fraction thereof in excess of \$12,000,000 |

(Code 1968, § 15-27; Ord. No. 1857, §§ I, II, 6-3-91)

Sec. 14.20.115. License taxes for specified businesses.

Every person doing any of the kinds of business specified in this section shall pay the business license tax specified. The fees are annual unless otherwise specified.

Advertising signs

Signposting and painting~~\$ 420.00~~ \$504.00

Amusements

Shows, concerts, and the like (per day)~~42.00~~ \$50.00

Circuses, menageries and the like:

Less than 2,000 seating capacity

First day~~420.00~~ \$504.00

Each succeeding day~~\$ 52.50~~ \$63.00

More than 2,000 seating capacity

First day~~630.00~~ \$756.00

Each succeeding day~~105.00~~ \$126.00

Sideshows (per day): \$50.00

~~Entrance fee not exceeding \$0.10~~~~21.00~~

~~Entrance fee exceeding \$0.10~~~~42.00~~

Circus procession or parade (each)~~210.00~~ \$252.00

Carnivals (per day)~~42.00~~ \$50.00

Ferris wheels, merry-go-rounds, and the like (per month)~~210.00~~ \$252.00

Public dances (per dance)~~21.00~~ \$25.00

Apartment rental and mobile home parks (per unit)~~7.50~~ \$9.00

The term "apartment" includes all buildings or groups of buildings on the same premises, composed of a total of three (3) or more dwelling units

Auctioneers~~112.50~~ \$135.00

Billiard and pool rooms (per table)~~52.50~~ \$63.00

Boardinghouses

Boardinghouses licensed by the state or county as boardinghouses for pensioners, and who board pensioners exclusively, are exempt from the business license tax.

For first 4 boarders~~21.00~~ \$25.00

For each person over 4~~4.50~~ \$5.30

Cleaning and dyeing laundry delivery

Vehicles (annual, per vehicle)~~168.00~~ \$202.00

The tax applies to those who have no fixed place of business in the town.

Contractors (annual)~~224.00~~ \$269.00

A separate fee for each type of work activity, such as general engineering, building, plumbing, plastering, painting, masonry, termite service, installation or other specialty, in addition to any sales or jobbing license fee. Contractors with businesses not located in Los Gatos but doing a short-term work activity may pay the daily fee when the job including inspection is finished within a day.

A contractor must show proof of a valid California Contractor's License or a signed Declaration of Exemption from California Contractor's License law.

Contractors (daily)~~105.00~~ \$126.00

Day care facilities

Day care facilities provide day care for children under eighteen (18) years of age who are unrelated to the licensee.

Small family day care home (a facility providing day care for six (6) children or less, including resident children)No fee

Large family day care home (a facility providing day care for seven (7) to twelve (12) children, including resident children)No fee

Nursery school (a facility providing day care for thirteen (13) or more children)No fee

Hospitals, rest homes, and the like:

Annual, or~~\$140.00~~ \$168.00

Per bed, if that is larger~~10.00~~ \$12.00

Hotels and motels (annual, per guest room)~~7.50~~ \$9.00

Business activities other than renting rooms, conducted in connection with a hotel, are taxed separately.

House movers

Annual license~~105.00~~ \$126.00

Additional, per structure moved~~84.00~~ \$101.00

Itinerant photographers(annual)~~210.00~~ \$252.00

Itinerant vendors (daily)~~105.00~~ \$126.00

The words "itinerant vendor" mean any person, both principal and agent, who engages in a temporary and transient business in the Town selling goods, wares and merchandise with the intention of continuing such business in the Town for a period of not more than ninety (90) days, and who, for the purpose of carrying on such business, hires, leases or occupies any room, building or structure for the exhibition or sale of such goods, wares, or merchandise, or from which room, building or structure the sales shall be made or business solicited by means of samples or delivery from house to house. The person so engaged is not relieved from the provisions of this section by reason of associating temporarily with any local dealer, trader, merchant or auctioneer, or by conducting temporary or transient business in connection with, or as a part of, or in the name of any local dealer, trader, merchant or auctioneer. The provisions of this section do not apply to commercial travelers or selling agents selling their goods to dealers, whether selling for present or future deliveries, by sample or otherwise, nor to hawkers on the street, nor peddlers from vehicles, nor to persons selling fruit, vegetables, butter, eggs, or other fruit or ranch products.

Junk collectors (annual, per vehicle)~~\$ 84.00~~ \$101.00

Junk collector means any person who has no fixed place of business in the Town and who engages in or carries on the business of collecting, buying or selling any old rags, sacks, bottles, cans, papers, metals or other articles of junk.

Junk dealers (annual)~~420.00~~ \$504.00

Junk dealer means any person who has a fixed place of business in the Town, and who engages in or carries on the business of buying or selling, either at wholesale or retail, any old rags, sacks, bottles, cans, papers, metals or other articles of junk.

Peddlers

Peddlers of wares other than food, per person, per day~~21.00~~ \$25.00

Peddlers of food, except lunch wagon operators:

Using a vehicle (per vehicle, annual) ~~210.00~~ \$252.00

Not using a vehicle, carrying wares by hand~~42.00~~ \$50.00

Lunch wagon operators (per vehicle, annual)~~210.00~~ \$252.00

Peddlers engaged in the business of selling any personal property at a sale conducted by an organization exempt from the business license tax under the provisions of [section 14.10.030](#) of this chapter shall pay a license tax of ~~\$7.50~~ 9.00 per day. This rule applies only when all fees, commissions or other remuneration of any kind paid by the peddler to the organization conducting, sponsoring or promoting the sale is devoted exclusively to the business license tax-exempt purposes of the organization and the organization has obtained prior approval from the Town Council to conduct the sale, ~~per day \$7.50~~.

A "peddler" is every person not having a regularly established place of business in the Town who travels from place to place, or has a stand upon any public street, alley or other public place, doorway or any building, unenclosed or vacant lot, or parcel of land, who sells, offers for sale, any goods, wares or merchandise in the peddler's possession.

Professional and semiprofessional occupations

Per professional ~~or semiprofessional~~ person~~200.00~~ \$240.00

Support staff ~~Additional~~ per employee~~15.00~~ \$18.00

Professional services are occupations in the service sector requiring special training in the arts or sciences. Some professional services require the practitioner to hold professional degrees or licenses and possess specific skills. Other professional services involve providing specialist business support to businesses of all sizes and in all sectors. Professional Services means the business is offering any professional, scientific, or technical service including, but not limited to legal advice and representation; accounting, bookkeeping, and payroll services; architectural, engineering, and specialized design services; computer services; consulting services; research and development services; advertising services; photographic services; translation and interpretation services; veterinary services; and other professional, scientific, and technical services. Professional or semiprofessional business or service occupations include, but are not limited to, the following:

- Accountant
- Advertising counsel
- Appraiser
- Architect
- Artist
- Assayer
- Attorney-at-law
- Auditor
- Bacteriologist
- Broker; stock or bond
- Chemist

Chiropodist
Chiropractor
Dental hygienist
Dentist
Designer or decorator
Detective or investigative personnel
Draftsperson
Drugless practitioner
Electrologist
~~Engineer: civil, mining, electrical, construction~~
~~Engineer: structural, consulting, mechanical, hydraulic~~
Engraver
Feed, grain and fruit broker
Geologist
Illustrator or showcard writer
Landscape architect
Lapidary
Lithographer
Licensed financial planner
Licensed investment counselor
~~Masseuse or masseur~~
Marriage therapist
Massage therapist
Nurse
Oculist, optician or optometrist
Osteopath
Physical therapist
Physician
Property management
Real estate brokers
Surgeon
Surveyor

Taxidermist

Veterinarian

X-ray, dental or medical laboratory

Support staff include, but are not limited to the following: receptionist, office assistant, real estate agents

Service occupations~~\$100.00~~ \$120.00

Service occupations include, but are not limited to the following: appliance, home furnishing or radio and television installation, janitorial and building maintenance, landscape installation and maintenance, secretarial service, security guards, etc.

Shooting galleries~~105.00~~ \$126.00

Solicitors (per business)~~210.00~~ \$252.00

A solicitor is one who engages in the business of going from house to house, place to place or in or along the streets within the Town selling or taking orders for, or offering to sell or take orders for, goods, wares, merchandise, advertising or other things of value for future delivery, or for services to be performed in the future.

Taxicabs

Per business~~150.00~~ \$180.00

Additional per taxi~~22.50~~ \$27.00

Theaters and concert halls~~105.00~~ \$126.00

Trucking (annual, per vehicle)~~140.00~~ \$168.00

Persons other than peddlers who sell or deliver food or any other goods by means of a vehicle, and who have no fixed place of business in the Town. Persons who make no more than two deliveries or sales per quarter are exempt from the foregoing tax. All other motor vehicle delivery business, whether the business operates on a regular route or between fixed termini or not:

For one vehicle~~45.00~~ \$54.00

For each additional vehicle~~22.00~~ \$26.00

(Ord. No. 1755, §§ 1—3, 7-5-88; Ord. No. 1857, §§ I, II, 6-3-91; Ord. No. 1929, § X, 1-19-93; Ord. No. 2026, § XV, 2-18-97; Ord. No. 2320, § III, 9-7-21)

~~Sec. 14.20.120. Credit for businesses in Parking and Business Improvement Area.~~

~~(a) Any business located and operating within a parking and business improvement area established pursuant to Streets and Highway Code section 36500 and following shall receive a credit on the annual license tax as set forth in this section if:~~

~~(1) An assessment pursuant to the parking and business improvement area district ordinance has been levied on the business by the Town for the license year; and~~

~~(2) The business has paid its parking and business improvement area district assessment for the prior year.~~

~~(b) Each person doing any of the kinds of businesses identified as "Contractor," "Hospitals, rest homes, and the like," "Professional and semiprofessional occupations," "Service occupations," and "Trucking" in section 14.20.115 shall receive a credit equal to fifty (50) percent of the annual business license tax.~~

~~(c) Every person doing any other kind of business shall receive a credit equal to thirty three and a third (33 $\frac{1}{3}$) percent of the annual business license tax.~~

~~(Ord. No. 1857, §§ I, II, 6-3-91; Ord. No. 1970, § I, 2-22-94)~~

Sec. 14.20.125. Exemption for contractors to the town.

~~Any business whose income from business in the Town is not more than five hundred dollars (\$500.00) during any calendar year and is derived solely from contracts with the Town is exempt from payment of the business license taxes set forth in this article for that calendar year.~~

~~(Ord. No. 1983, § II, 7-5-94)~~

Section 2. Severability. Should any provision of this Ordinance, or its application to any person or circumstance, be determined by a court of competent jurisdiction to be unlawful, unenforceable, or otherwise void, that determination shall have no effect on any other provision of this Ordinance or the application of this Ordinance to any other person or circumstance and, to that end, the provisions hereof are severable. It is hereby declared to be the intention of the electorate that they would have adopted this Ordinance had such unconstitutional, illegal, or invalid provision, sentence, clause section, or part thereof not been included herein.

Section 3. California Environmental Quality Act. This Ordinance is exempt from the California Environmental Quality Act, Public Resources Code section 21000 et seq., under, including without limitation, Public Resources Code section 21065, and CEQA Guidelines sections 15378(b)(4) and 15061(b)(3), as it can be seen with certainty that there is no possibility that the activity authorized herein may have a significant effect on the environment.

Section 4. Council Implementation. The Town Council of the Town of Los Gatos shall adopt any and all laws it deems necessary to implement this Ordinance.

Section 5. Council Amendments. The Town Council of the Town of Los Gatos is authorized to amend Chapter 14 of the Los Gatos Town Code in any manner that does not increase the rate of any tax or otherwise constitutes a tax increase for which voter approval is required by Article XIII C of the California Constitution, including adopting exemptions, waivers, or reductions of the tax.

Section 6. Administrative Regulations and Delegation. The Town Manager is authorized to adopt rules and regulations consistent with this measure as needed to implement this measure and Chapter 14 of the Los Gatos Town Code and to develop all related forms and

other materials and to take any other steps as needed to implement this measure and Chapter 14 and to make such interpretations of this measure and Chapter 14 as the Town Manager may consider necessary to achieve the purposes of this measure and Chapter 14. The Town Manager may delegate any authority within their discretion pursuant to this measure as they deem reasonably necessary.

Section 7. Liberal Construction. This Ordinance shall be liberally construed to effectuate its purposes.

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Resolution No. _____

Resolution of the Council of the Town of Los Gatos
Calling a Municipal Election for November 8, 2022,
Requesting that the County Consolidate the Municipal Election
with the General Election on November 8, 2022 and
Submitting to the Qualified Electors of the Town at the
November 8, 2022 Consolidated General Election a Measure
to Amend Chapter 14 of the Los Gatos Town Code

R E C I T A L S

A. WHEREAS, the Town’s business license tax ordinance was adopted in 1968 and the amount of the tax has not increased since 1991.

B. WHEREAS, the current business license tax is regressive in that smaller businesses pay a higher effective tax rate than larger businesses.

C. WHEREAS, the Town Council desires to adjust the business license tax to both increase revenue and provide a more equitable tax structure.

D. WHEREAS, a proposed ordinance attached hereto and incorporated herein by reference as Attachment “A” (“the Ordinance”) would amend Chapter 14 of the Los Gatos Town Code to revise the license tax on businesses operating in the Town of Los Gatos.

E. WHEREAS, a statewide general election is scheduled for November 8, 2022. The Town Council wishes to call a municipal election for the Town to be held on November 8, 2022 and to request the County of Santa Clara to consolidate the municipal election with the statewide general election.

The Town Council of the Town of Los Gatos now resolves as follows:

Section 1. Findings. The Town Council finds and determines that each of the findings set forth above are true and correct.

Section 2. Calling the Election. The Council calls for a municipal election to be held on November 8, 2022 (“the Election”).

Section 3. Measure. Pursuant to Government Code Section 53724 and Elections Code Section 9222, the Town Council hereby submits the Ordinance attached hereto as Attachment A to the voters at the Election and orders the following question to be submitted to the voters at the Election:

| | | |
|---|-----|--|
| Shall the measure to fund critical Town needs such as public safety by incorporating gross receipts reporting for all businesses at rates between \$0.50 and \$2.00 per \$1000 after a \$25.00 flat fee for the first \$25,000 in gross receipts, replacing the existing regressive taxing system of flat fees and gross-receipts, raising \$2.3 million yearly for general fund purposes until ended by voters, and increasing equity among small, medium and larger businesses, be adopted? | YES | |
| | NO | |

This question requires the approval of a majority of those casting votes.

Section 4. Notice of Election. Notice of the time and place of holding the election is hereby given, and the Town Clerk is authorized, instructed, and directed to give further or additional notice of the election, in time, form, and manner as required by law.

Section 5. Impartial Analysis. Pursuant to California Elections Code Section 9280, the Town Council hereby directs the Town Clerk to transmit a copy of the measure to the Town Attorney. The Town Attorney shall prepare an impartial analysis of the measure, not to exceed 500 words in length, showing the effect of the measure on the existing law and the operation of the measure, and transmit such impartial analysis to the Town Clerk on or before 4:00 p.m. on August 19, 2022.

In the event the entire text of the Measure is not printed on the ballot, nor in the voter information portion of the sample ballot, there shall be printed immediately below the impartial analysis, in no less than 10-font bold type, the following: **“The above statement is an impartial analysis of Ordinance or Measure __. If you desire a copy of the ordinance or measure, please call the Town Clerk at 408-354-6888 and a copy will be emailed at no cost to you.”**

Section 6. Ballot Arguments. Pursuant to Elections Code Section 9286 et. seq., August 12, 2022, at 4:00 p.m. shall be the deadline for submission of arguments in favor of, and arguments against, this measure. Arguments in favor or against the measure shall not exceed 300 words in length. The Mayor, or his designee(s), is hereby authorized to prepare a written argument in favor of the proposed measure on behalf of the Town Council. At the Mayor’s discretion, the Argument may also be signed by bona fide associations or by individual voters who are eligible to vote in the Town of Los Gatos. Each argument shall be signed, filed with the Town Clerk, and include the printed name(s) and signature(s) of the author(s) submitting the argument. If more than one argument for or against is received, the priorities established by Elections Code Section 9287 shall control.

Section 7. Rebuttal Arguments. Subdivision (a) of section 9285 of the Elections Code shall apply to the Election and shall control the submission of any rebuttal arguments for this measure. If an argument in favor and an argument against the measure have been selected to be printed in the voter information guide, the Clerk shall send a copy of the argument in favor of the measure to the authors of the argument against the measure and a copy of an argument against

the measure to the authors of the argument in favor of the measure. The rebuttal authors or persons designated by them may prepare and submit rebuttal arguments not to exceed 250 words in length. Rebuttal arguments must be submitted not later than August 19, 2022, by 4:00 p.m.

Section 8. Consolidation Request. The Council of the Town of Los Gatos requests that the Board of Supervisors of Santa Clara County consolidate the municipal election and the election on this measure with the November 8, 2022 statewide general election. The Council further requests that the Board of Supervisors of Santa Clara County include on the ballots and sample ballots, all qualified measures submitted by the Town Council to be submitted to the qualified electors of the Town of Los Gatos. The Council acknowledges that the election will be held and conducted according to procedures in the Elections Code, including Section 10418.

Section 9. Request for County Services. Pursuant to Section 10002 of the California Elections Code, the Council of the Town of Los Gatos hereby requests the Board of Supervisors of Santa Clara County to permit the Registrar of Voters to render services to the Town of Los Gatos relating to the conduct of the Town’s Municipal and Special Elections which are called to be held on Tuesday, November 8, 2022. The services shall be of the type normally performed by the Registrar of Voters in assisting the clerks of municipalities in the conduct of elections including, but not limited to, checking registrations, mailing ballots, hiring election officers, and arranging for polling places, receiving absentee voter ballot applications, mailing and receiving absent voter ballots, and opening and counting ballots, providing and distributing election supplies, and furnishing voting machines.

Section 10. Transmittal of Resolution. The Town Clerk is hereby directed to submit forthwith an original copy of this resolution including the measure attached hereto as Attachment “A” to the Santa Clara County Board of Supervisors and a certified copy to the Registrar of Voters.

Section 11. Placement on the Ballot. The Town Clerk is hereby authorized and directed to take all steps necessary to place the measure on the ballot and the full text of the Measure shall not be printed in the voter pamphlet. A statement shall be printed in the ballot pursuant to Section 9280 of the Elections Code advising voters that they may obtain a copy of this resolution and the Measure, at no cost, upon request made to the Town Clerk, as well as a link to the ballot measure materials on the Town’s website.

INTRODUCED AND PASSED:

AYES:

NOES:

ABSENT:

ABSENTIONS:

ATTEST:

Town Clerk

APPROVED AS TO FORM:

Town Attorney

APPROVED:

Mayor

Town Manager

Interim Director of Finance

Ordinance No. _____

Ordinance of the Town of Los Gatos
Amending Chapter 14 of the Town Code

The People of the Town of Los Gatos ordain as follows:

Section 1. Chapter 14 of the Los Gatos Town Code is hereby amended by adding, deleting, and modifying provisions as set forth in this section below. Additions are indicated by underscoring and deletions are indicated by ~~strike through type~~. Portions of the Chapter not included in this Ordinance or not shown in underscoring or strike-through type are not changed.

Chapter 14
LICENSES AND MISCELLANEOUS BUSINESS REGULATIONS

ARTICLE I. IN GENERAL

Sec. 14.10.010. Definitions.

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

Business means professions, trades and occupations and every kind of calling carried on for profit or livelihood, including the business of renting or leasing apartments.

Contractor means every person, firm, or corporation conducting, managing, or carrying on the business of contractor, subcontractor, or builder; or engaging in the construction or repair of any structures or infrastructure; or engaged in any engineering.

E-commerce means commercial transaction(s) conducted electronically on the Internet.

Fixed place of business means the premises occupied for the particular purpose of conducting the business thereat, and regularly kept open for that purpose, with a competent person in attendance for the purpose of attending to such business. Included in such term is the premises rented or leased by persons owning apartments located in the Town.

General Commerce/Retail means This category includes ~~retailers, wholesalers, manufacturers, jobbers, hoteliers, and restaurant businesses.~~

Gross receipts means the total amount of the sale price of all sales and the total amount charged or received for the performance of any act, service or employment of whatever nature it may be, for which a charge is made or credit allowed, whether or not such service, act or employment is done as a part of or in connection with the sale of materials, goods, wares or merchandise. Included in such term shall be all receipts, cash, credits and property of any kind or nature, and any amount for which credit is allowed by the seller to the purchaser without any

deduction therefrom on account of the cost of the property sold, the cost of the materials used, labor, or service costs, interest paid or payable or losses or other expenses whatsoever.

Excluded from such term shall be cash discounts allowed and taken on sales, any tax required by law to be included in, or added to, the purchase price and collected from the consumer or purchaser, and 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.

Home occupation has the same meanings as it does in the zoning ordinance.

Manufacturing means manufacturing or processing any goods, wares, merchandise, articles, or commodities.

~~*Jobbing business* means any business conducted solely for the purpose of selling goods, wares or merchandise in job lots to wholesale merchants for resale at wholesale to the trade by such wholesale merchants.~~

Jobber means any business conducted solely for the purpose of selling goods, wares or merchandise in job lots to wholesale merchants for resale at wholesale to the trade by such wholesale merchants.

Professional means any professional services, as that term is ordinarily and commonly used and understood, where individuals are engaged in the business of offering to the public professional or semiprofessional services for compensation, and shall include those professions generally requiring governmental certification or a professional degree, including but not limited to, the services rendered by a person engaged in the practice or profession of law, medicine, surgery, dentistry, ophthalmology, optometry, chiropractic medicine, osteopathy, chiropody, dentistry, laboratory technology, physical therapy, mortician services, psychology, psychotherapy, counseling, speech therapy, veterinary services, financial planning, investment advising, real estate sales, management, or development, engineering, surveying, geology, appraising, architecture, accounting, income tax preparation or consulting, bookkeeping.

Quarter means a period of three (3) calendar months. The quarters begin on the first day of January, April, July and October of each year. The quarter shall include fractions thereof.

Rental Commercial & Residential means any business that leases, rents, or provides use of real property to another individual or entity for compensation.

Restaurant means an establishment where meals, prepared foods, and/or beverages are served to customers.

~~*Real estate broker* means the managing broker and/or partner of any real estate office.~~

~~*Retail business* means any business conducted for the purpose of selling, or offering to sell, any goods, wares or merchandise, other than as a part of a wholesale business and jobbing business.~~

Services means any services in which an individual or individuals are engaged in the business of offering to the public services for compensation, including but not limited to, hair salons, nail salons, gardening services, and any other service not specifically included in another definition including e-commerce.

~~*Tax and license collector* is the Finance Director or designee.~~

Vehicle means any device in, upon or by which any person or property is or may be transported or drawn upon a public street or highway, except devices moved by human power or used exclusively upon stationary rails or tracks.

Wholesale means the sale of goods, wares, or merchandise for the purpose of resale in the regular course of business.

~~*Wholesale business* means any business conducted solely for the purpose of selling goods, wares or merchandise in wholesale lots to retail merchants for resale at retail to the trade by such retail merchants.~~

(Code 1968, § 15-1; Ord. No. 1929, § I, 1-19-93; Ord. No. 2026, §§ V, VI, 2-18-97)

Cross reference(s)—Definitions and rules of construction generally, § 1.10.015; zoning ordinance definitions, § 29.10.020.

Sec. 14.10.030. Certain businesses exempt from certain requirements of chapter.

(a) Nothing in this chapter shall be deemed or construed to apply to any of the following:

- (1) Any person transacting and carrying on any business exempt by virtue of the constitution or applicable statutes of the United States or of the State.
- (2) Any institution or organization which is conducted, managed, or carried on wholly for the benefit of charitable purposes or from which profit is not derived either directly or indirectly by any person.
- (3) The conducting of any entertainment, concert, exhibition, or lecture on scientific, historical, literary, religious or moral subjects within the Town whenever the receipts of any such entertainment, concert, exhibition, or lecture is to be appropriated to any church or school or veteran association, or to any religious or benevolent purpose.
- (4) The conducting of any entertainment, dance, concert, exhibition, or lecture by any religious, charitable, fraternal, educational, military, State, county, or municipal organization or association whenever the receipts of any such entertainment, dance, concert, exhibition, or lecture are to be appropriated for the purpose and objects for which such organization or association was formed, and from which profit is not derived either directly or indirectly by any person.
- (5) Charitable nonprofit corporations recognized by the Franchise Tax Board and granted California tax exemptions as such, attributable to business activities conducted in the course of and in conjunction with community-wide events when the event has specific approval of the Town Council, or is permitted under the special event permit process, and when the proceeds of the business activity are entirely devoted to the purposes of the organization.

~~(b) Every person commencing, transacting and carrying on in the Town any business in a home, whose annual gross receipts from such business are two thousand five hundred dollars (\$2,500.00) or less, shall be exempted from the payment of a license tax under this chapter, but shall be required to obtain and display a license and shall pay a license fee of twenty dollars (\$20.00). Where the annual gross receipts from such business exceeds two thousand five hundred dollars (\$2,500.00) the license tax as imposed in this chapter shall apply.~~

- (~~b~~e) No public utility making franchise payments to the Town shall be subject to the provisions of this chapter.
- (~~c~~d) Any person claiming an exemption pursuant to this section shall file a verified statement with the Tax ~~and License~~-Collector stating the facts upon which such exemption is claimed, and shall furnish such other information and documentary evidence as the Tax ~~and License~~ Collector may require in connection with such claim for exemption.
- (~~d~~e) The Tax ~~and License~~-Collector, upon a proper showing contained in the verified statement, and upon receipt of other information and documentary evidence required in connection with such claim for exemption, shall issue a license to such person claiming exemption under this section without payment to the Town of the license tax required by this chapter.
- (~~e~~f) The Town Council may revoke any license granted pursuant to the provisions of this section upon information that the licensee is not entitled to the exemption as provided in this section.
- (~~f~~g) Nothing in this section shall be deemed to exempt any organization or association from complying with any other provisions of this Code or any other ordinance of the Town requiring a permit from the Town Council or any Commission or officer of the Town to conduct, manage, or carry on any profession, trade, calling or occupation.

(Code 1968, § 15-5; Ord. No. 1929, § III, 1-19-93; Ord. No. 2026, § VII, 2-18-97)

Sec. 14.10.040. Statements required—Upon application for original business license.

- (a) Upon a person making application for the first business license under this chapter, or for a newly established business, in all cases where the amount of business license tax to be paid is based upon gross receipts or is graduated according to some other sliding scale, such person shall furnish to the Tax ~~and License~~-Collector, for guidance in ascertaining the amount of business license tax to be paid by the applicant, a written statement upon a form provided by the Tax ~~and License~~-Collector, signed and certified under penalty of perjury to be true and correct.
- (b) ~~If the amount of the license tax to be paid by the applicant is based upon the amount of gross receipts,~~ ~~†~~The applicant shall estimate the amount of gross receipts for the period to be covered by the business license for the purpose of determining the licensing bracket which will be applicable for the period to be covered by the license to be issued. Such estimate, if accepted by the Tax ~~and License~~-Collector as reasonable, shall be used in determining the amount of license tax to be paid by the applicant. The tax so determined shall be tentative only and such person shall, by not later than January 31st ~~May fifteenth next~~ following the period for which the license was issued, furnish the Tax ~~and License~~-Collector with a certified or sworn statement upon a form furnished by the Tax Collector, containing the data required to show the licensing bracket properly applicable to such person during the period of such business license, and the business license tax for such period shall be finally ascertained and paid in the manner provided in this chapter, after deducting from the payment found to be due the amount paid at the time such first business license was issued. The Tax ~~and License~~-Collector shall not issue to any such person another license for the

same or any other business until such person shall have furnished the written statement and paid the business license tax as required in this chapter.

~~(c) If the amount of the license tax to be paid by the applicant is graduated according to some sliding scale other than gross receipts, the applicant shall furnish to the Tax and License Collector for guidance in ascertaining the amount of license tax to be paid, a certified or sworn statement upon a form provided by the Tax and License Collector setting forth such information as may be therein required and as may be necessary properly to determine the amount of license tax to be paid by the applicant and which statement shall show, among other things, the number of vehicles or tonnage thereof or the number of seats, chairs, rooms, tables or other units used or involved in such person's business as of the time of filing such application. Such person shall thereupon pay the required license tax in advance, computed in accordance with the information contained in such statement.~~

~~(d) Repealed.~~

(Code 1968, § 15-7; Ord. No. 1929, § IV, 1-19-93; Ord. No. 2026, §§ VIII, IX, 2-18-97)

Sec. 14.10.095. Term.

A business license issued under this chapter shall expire at the end of the term year for which the license or renewal is issued unless the license is renewed for an additional period.

(Code 1968, § 15-18; Ord. No. 2026, § XIII, 2-18-97)

Sec. 14.10.100. Posting and keeping.

All licenses under this chapter shall be kept and posted in the following manner:

- (1) Any licensee transacting and carrying on business at a fixed place of business in the Town shall keep the license posted in a conspicuous place upon the premises where such business is carried on.
- (2) Any licensee transacting and carrying on business, but not operating at a fixed place of business in the Town, shall keep the license in possession at all times while transacting and carrying on such business, or if issued for taxicabs or trucking firms ~~under section 14.20.115~~, then the license shall be displayed prominently in the vehicle.

(Code 1968, § 15-19)

ARTICLE II. LICENSES

DIVISION 2. SCHEDULES

Sec. 14.20.110. Gross receipts tax.

Every person doing business in the Town, ~~except a person whose business is taxed under the terms of section 14.20.115~~, shall pay an annual business license tax based on the gross receipts of the business. The tax is levied based upon gross receipts at the following rates and in the following classifications: according to one (1) or both of the following schedules. When the business activities of one (1) person, taxable under the provisions of this section, involve both

retail and manufacturing, wholesaling or jobbing transactions, the total gross income is apportioned between the two (2) schedules, according to its source.

A. CLASSIFICATIONS:

1. Category 1 – General Commerce/Retail (\$0.50 per thousand of gross receipts above \$25,000, plus \$25.00 minimum tax rate)

This category includes retail, wholesale, manufacturing, and restaurant businesses.

2. Category 2 – Services (\$1.00 per thousand of gross receipts above \$25,000, plus \$25.00 minimum tax rate)

3. Category 3 – Contractor (\$1.00 per thousand of gross receipts above \$25,000, plus \$25.00 minimum tax rate)

4. Category 4 – Professional (\$2.00 per thousand of gross receipts above \$25,000, plus \$25.00 minimum tax rate)

5. Category 5 – Rental Commercial/Residential (\$2.00 per thousand of gross receipts above \$25,000, plus \$25.00 minimum tax rate):

B. In any case where a licensee or an applicant for a license 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 Tax Collector for reclassification. Such application shall contain such information as the Tax Collector may deem necessary and require in order to determine whether the applicant's individual business is properly classified. The Tax Collector shall then conduct an investigation following which he or she shall assign 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 Tax 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.

C. The Tax Collector shall notify the applicant of the action taken on the application for reclassification. Such notice shall be given by serving it personally or by mail to the applicants last known address.

RETAILING

| At Least | But Less Than | Tax |
|-------------|---------------------|----------|
| \$ 0 | \$ 50,000 | \$ 75.00 |
| — 50,000 | — 100,000 | 112.00 |
| — 100,000 | — 150,000 | 150.00 |
| — 150,000 | — 200,000 | 187.50 |
| — 200,000 | — 250,000 | 225.00 |
| — 250,000 | — 300,000 | 262.50 |
| — 300,000 | — 350,000 | 300.00 |
| — 350,000 | — 400,000 | 337.50 |
| — 400,000 | — 450,000 | 375.00 |
| — 450,000 | — 500,000 | 412.50 |
| — 500,000 | — 600,000 | 450.00 |
| — 600,000 | — 700,000 | 487.50 |
| — 700,000 | — 800,000 | 525.00 |
| — 800,000 | — 900,000 | 562.50 |
| — 900,000 | — 1,000,000 | 600.00 |
| — 1,000,000 | — 1,100,000 | 637.50 |
| — 1,100,000 | — 1,200,000 | 675.00 |
| — 1,200,000 | — 1,300,000 | 712.50 |
| — 1,300,000 | — 1,400,000 | 750.00 |
| — 1,400,000 | — 1,500,000 | 787.50 |
| — 1,500,000 | — 1,600,000 | 825.00 |
| — 1,600,000 | — 1,700,000 | 862.50 |
| — 1,700,000 | — 1,800,000 | 900.00 |
| — 1,800,000 | — 1,900,000 | 937.50 |
| — 1,900,000 | 2,000,000 and above | 975.00 |

MANUFACTURING, WHOLESALING AND JOBBING

| <i>At Least</i> | <i>But Less Than</i> | <i>Tax</i> |
|-----------------|----------------------|------------|
| \$ — 0 | \$ — 200,000 | \$ 150.00 |
| — 200,000 | 300,000 | 187.50 |
| — 300,000 | 400,000 | 262.50 |
| — 400,000 | 500,000 | 337.50 |
| — 500,000 | 600,000 | 450.00 |
| — 600,000 | 800,000 | 562.50 |
| — 800,000 | 1,000,000 | 675.00 |
| — 1,000,000 | 1,200,000 | 787.50 |
| — 1,200,000 | — 1,400,000 | 900.00 |
| — 1,400,000 | — 1,600,000 | 1,012.50 |
| \$ 1,600,000 | — \$ 1,800,000 | \$1,125.00 |
| — 1,800,000 | — 2,000,000 | 1,237.50 |
| — 2,000,000 | — 2,500,000 | 1,350.00 |
| — 2,500,000 | — 3,000,000 | 1,462.50 |
| — 3,000,000 | — 3,500,000 | 1,575.00 |
| — 3,500,000 | — 4,000,000 | 1,687.50 |
| — 4,000,000 | — 4,500,000 | 1,800.00 |
| — 4,500,000 | — 5,000,000 | 1,912.50 |
| — 5,000,000 | — 5,500,000 | 2,025.00 |
| — 5,500,000 | — 6,000,000 | 2,137.50 |
| — 6,000,000 | — 6,500,000 | 2,250.00 |
| — 6,500,000 | — 7,000,000 | 2,362.50 |
| — 7,000,000 | — 7,500,000 | 2,175.00 |
| — 7,500,000 | — 8,000,000 | 2,587.50 |

| | | |
|-------------|-------------|---|
| —8,000,000 | —8,500,000 | 2,700.00 |
| —8,500,000 | —9,000,000 | 2,812.50 |
| —9,000,000 | —9,500,000 | 2,925.00 |
| —9,500,000 | —10,000,000 | 3,037.50 |
| —10,000,000 | —10,500,000 | 4,500.00 |
| —10,500,000 | —11,000,000 | 4,612.50 |
| —11,000,000 | —11,500,000 | 4,725.00 |
| —11,500,000 | —12,000,000 | 4,837.50 |
| —12,000,000 | | 4,837.50 |
| | | plus \$75.00 for each \$550,000 or fraction thereof in excess of \$12,000,000 |

(Code 1968, § 15-27; Ord. No. 1857, §§ I, II, 6-3-91)

Sec. 14.20.115. License taxes for specified businesses.

Every person doing any of the kinds of business specified in this section shall pay the business license tax specified. The fees are annual unless otherwise specified.

Advertising signs

Signposting and painting \$ 420.00

Amusements

Shows, concerts, and the like (per day) 42.00

Circuses, menageries and the like:

Less than 2,000 seating capacity

First day 420.00

Each succeeding day \$ 52.50

More than 2,000 seating capacity

First day 630.00

Each succeeding day 105.00

Sideshow (per day):

~~Entrance fee not exceeding \$0.10~~21.00

~~Entrance fee exceeding \$0.10~~42.00

~~Circus procession or parade (each)~~210.00

~~Carnivals (per day)~~42.00

~~Ferris wheels, merry-go-rounds, and the like (per month)~~210.00

~~Public dances (per dance)~~21.00

~~Apartment rental and mobile home parks (per unit)~~7.50

~~The term "apartment" includes all buildings or groups of buildings on the same premises, composed of a total of three (3) or more dwelling units~~

~~Auctioneers~~12.50

~~Billiard and pool rooms (per table)~~52.50

~~Boardinghouses~~

~~Boardinghouses licensed by the state or county as boardinghouses for pensioners, and who board pensioners exclusively, are exempt from the business license tax.~~

~~For first 4 boarders~~21.00

~~For each person over~~44.50

~~Cleaning and dyeing laundry delivery~~

~~Vehicles (annual, per vehicle)~~168.00

~~The tax applies to those who have no fixed place of business in the town.~~

~~Contractors (annual)~~224.00

~~A separate fee for each type of work activity, such as general engineering, building, plumbing, plastering, painting, masonry, termite service, installation or other specialty, in addition to any sales or jobbing license fee. Contractors with businesses not located in Los Gatos but doing a short-term work activity may pay the daily fee.~~

~~A contractor must show proof of a valid California Contractor's License or a signed Declaration of Exemption from California Contractor's License law.~~

~~Contractors (daily)~~105.00

~~Day care facilities~~

~~Day care facilities provide day care for children under eighteen (18) years of age who are unrelated to the licensee.~~

~~Small family day care home (a facility providing day care for six (6) children or less, including resident children)~~No fee

~~Large family day care home (a facility providing day care for seven (7) to twelve (12) children, including resident children)~~No fee

~~Nursery school (a facility providing day care for thirteen (13) or more children)~~No fee

Hospitals, rest homes, and the like:

Annual, or \$140.00

Per bed, if that is larger 10.00

Hotels and motels (annual, per guest room) 7.50

Business activities other than renting rooms, conducted in connection with a hotel, are taxed separately.

House movers

Annual license 105.00

Additional, per structure moved 84.00

Itinerant photographers (annual) 210.00

Itinerant vendors (daily) 105.00

The words "itinerant vendor" mean any person, both principal and agent, who engages in a temporary and transient business in the Town selling goods, wares and merchandise with the intention of continuing such business in the Town for a period of not more than ninety (90) days, and who, for the purpose of carrying on such business, hires, leases or occupies any room, building or structure for the exhibition or sale of such goods, wares, or merchandise, or from which room, building or structure the sales shall be made or business solicited by means of samples or delivery from house to house. The person so engaged is not relieved from the provisions of this section by reason of associating temporarily with any local dealer, trader, merchant or auctioneer, or by conducting temporary or transient business in connection with, or as a part of, or in the name of any local dealer, trader, merchant or auctioneer. The provisions of this section do not apply to commercial travelers or selling agents selling their goods to dealers, whether selling for present or future deliveries, by sample or otherwise, nor to hawkers on the street, nor peddlers from vehicles, nor to persons selling fruit, vegetables, butter, eggs, or other fruit or ranch products.

Junk collectors (annual, per vehicle) \$ 84.00

Junk collector means any person who has no fixed place of business in the Town and who engages in or carries on the business of collecting, buying or selling any old rags, sacks, bottles, cans, papers, metals or other articles of junk.

Junk dealers (annual) 420.00

Junk dealer means any person who has a fixed place of business in the Town, and who engages in or carries on the business of buying or selling, either at wholesale or retail, any old rags, sacks, bottles, cans, papers, metals or other articles of junk.

Peddlers

Peddlers of wares other than food, per person, per day 21.00

Peddlers of food, except lunch wagon operators:

Using a vehicle (per vehicle, annual) — 210.00

~~Not using a vehicle, carrying wares by hand~~42.00

~~Lunch wagon operators (per vehicle, annual)~~210.00

~~Peddlers engaged in the business of selling any personal property at a sale conducted by an organization exempt from the business license tax under the provisions of section 14.10.030 of this chapter shall pay a license tax of \$7.50 per day. This rule applies only when all fees, commissions or other remuneration of any kind paid by the peddler to the organization conducting, sponsoring or promoting the sale is devoted exclusively to the business license tax-exempt purposes of the organization and the organization has obtained prior approval from the Town Council to conduct the sale, per day~~7.50

~~A "peddler" is every person not having a regularly established place of business in the Town who travels from place to place, or has a stand upon any public street, alley or other public place, doorway or any building, unenclosed or vacant lot, or parcel of land, who sells, offers for sale, any goods, wares or merchandise in the peddler's possession.~~

Professional and semiprofessional occupations

~~Per professional or semiprofessional person~~200.00

~~Additional per employee~~15.00

~~Professional or semiprofessional business or service occupations include, but are not limited to, the following:~~

~~Accountant~~

~~Advertising counsel~~

~~Appraiser~~

~~Architect~~

~~Artist~~

~~Assayer~~

~~Attorney at law~~

~~Auditor~~

~~Bacteriologist~~

~~Broker, stock or bond~~

~~Chemist~~

~~Chiropodist~~

~~Chiropractor~~

~~Dental hygienist~~

~~Dentist~~

~~Designer or decorator~~

~~Detective or investigative personnel~~

Draftsperson
Drugless practitioner
Electrologist
Engineer: civil, mining, electrical, construction
Engineer: structural, consulting, mechanical, hydraulic
Engraver
Feed, grain and fruit broker
Geologist
Illustrator or showcard writer
Landscape architect
Lapidary
Lithographer
Masseuse or masseur
Nurse
Oculist, optician or optometrist
Osteopath
Physician
Real estate brokers
Surgeon
Surveyor
Taxidermist
Veterinarian
X-ray, dental or medical laboratory

Service occupations \$100.00

Service occupations include, but are not limited to the following: appliance, home furnishing or radio and television installation, janitorial and building maintenance, landscape installation and maintenance, secretarial service, security guards, etc.

Shooting galleries 105.00

Solicitors (per business) 210.00

A solicitor is one who engages in the business of going from house to house, place to place or in or along the streets within the Town selling or taking orders for, or offering to sell or take orders for, goods, wares, merchandise, advertising or other things of value for future delivery, or for services to be performed in the future.

Taxicabs

Per business 150.00

Additional per taxi 22.50

Theaters and concert halls 105.00

Trucking (annual, per vehicle) 140.00

Persons other than peddlers who sell or deliver food or any other goods by means of a vehicle, and who have no fixed place of business in the Town. Persons who make no more than two deliveries or sales per quarter are exempt from the foregoing tax. All other motor vehicle delivery business, whether the business operates on a regular route or between fixed termini or not:

For one vehicle 45.00

For each additional vehicle 22.00

(Ord. No. 1755, §§ 1—3, 7-5-88; Ord. No. 1857, §§ I, II, 6-3-91; Ord. No. 1929, § X, 1-19-93; Ord. No. 2026, § XV, 2-18-97; Ord. No. 2320, § III, 9-7-21)

Sec. 14.20.120. Credit for businesses in Parking and Business Improvement Area.

- (a) ~~Any business located and operating within a parking and business improvement area established pursuant to Streets and Highway Code section 36500 and following shall receive a credit on the annual license tax as set forth in this section if:~~
- (1) ~~An assessment pursuant to the parking and business improvement area district ordinance has been levied on the business by the Town for the license year; and~~
 - (2) ~~The business has paid its parking and business improvement area district assessment for the prior year.~~
- (b) ~~Each person doing any of the kinds of businesses identified as "Contractor," "Hospitals, rest homes, and the like," "Professional and semiprofessional occupations," "Service occupations," and "Trucking" in section 14.20.115 shall receive a credit equal to fifty (50) percent of the annual business license tax.~~
- (c) ~~Every person doing any other kind of business shall receive a credit equal to thirty three and a third (33⅓) percent of the annual business license tax.~~

(Ord. No. 1857, §§ I, II, 6-3-91; Ord. No. 1970, § I, 2-22-94)

Sec. 14.20.125. Exemption for contractors to the town.

~~Any business whose income from business in the Town is not more than five hundred dollars (\$500.00) during any calendar year and is derived solely from contracts with the Town is exempt from payment of the business license taxes set forth in this article for that calendar year.~~

(Ord. No. 1983, § II, 7-5-94)

Section 2. Severability. Should any provision of this Ordinance, or its application to any

person or circumstance, be determined by a court of competent jurisdiction to be unlawful, unenforceable, or otherwise void, that determination shall have no effect on any other provision of this Ordinance or the application of this Ordinance to any other person or circumstance and, to that end, the provisions hereof are severable. It is hereby declared to be the intention of the electorate that they would have adopted this Ordinance had such unconstitutional, illegal, or invalid provision, sentence, clause section, or part thereof not been included herein.

Section 3. California Environmental Quality Act. This Ordinance is exempt from the California Environmental Quality Act, Public Resources Code section 21000 et seq., under, including without limitation, Public Resources Code section 21065, and CEQA Guidelines sections 15378(b)(4) and 15061(b)(3), as it can be seen with certainty that there is no possibility that the activity authorized herein may have a significant effect on the environment.

Section 4. Council Implementation. The Town Council of the Town of Los Gatos shall adopt any and all laws it deems necessary to implement this Ordinance.

Section 5. Council Amendments. The Town Council of the Town of Los Gatos is authorized to amend Chapter 14 of the Los Gatos Town Code in any manner that does not increase the rate of any tax or otherwise constitutes a tax increase for which voter approval is required by Article XIII C of the California Constitution, including adopting exemptions, waivers, or reductions of the tax.

Section 6. Administrative Regulations and Delegation. The Town Manager is authorized to adopt rules and regulations consistent with this measure as needed to implement this measure and Chapter 14 of the Los Gatos Town Code and to develop all related forms and other materials and to take any other steps as needed to implement this measure and Chapter 14 and to make such interpretations of this measure and Chapter 14 as the Town Manager may consider necessary to achieve the purposes of this measure and Chapter 14. The Town Manager may delegate any authority within their discretion pursuant to this measure as they deem reasonably necessary.

Section 7. Liberal Construction. This Ordinance shall be liberally construed to effectuate its purposes.

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Resolution No. _____

Resolution of the Council of the Town of Los Gatos
Calling a Municipal Election for November 8, 2022,
Requesting that the County Consolidate the Municipal Election
with the General Election on November 8, 2022 and
Submitting to the Qualified Electors of the Town at the
November 8, 2022 Consolidated General Election a Measure
to Amend Chapter 14 of the Los Gatos Town Code

R E C I T A L S

A. WHEREAS, the Town’s business license tax ordinance was adopted in 1968 and the amount of the tax has not increased since 1991.

B. WHEREAS, the current business license tax is regressive in that smaller businesses pay a higher effective tax rate than larger businesses.

C. WHEREAS, the Town Council desires to adjust the business license tax to both increase revenue to fund critical Town needs.

D. WHEREAS, a proposed ordinance attached hereto and incorporated herein by reference as Attachment “A” (“the Ordinance”) would amend Chapter 14 of the Los Gatos Town Code to revise the license tax on businesses operating in the Town of Los Gatos.

E. WHEREAS, a statewide general election is scheduled for November 8, 2022. The Town Council wishes to call a municipal election for the Town to be held on November 8, 2022 and to request the County of Santa Clara to consolidate the municipal election with the statewide general election.

The Town Council of the Town of Los Gatos now resolves as follows:

Section 1. Findings. The Town Council finds and determines that each of the findings set forth above are true and correct.

Section 2. Calling the Election. The Council calls for a municipal election to be held on November 8, 2022 (“the Election”).

Section 3. Measure. Pursuant to Government Code Section 53724 and Elections Code Section 9222, the Town Council hereby submits the Ordinance attached hereto as Attachment A to the voters at the Election and orders the following question to be submitted to the voters at the Election:

| | | |
|--|-----|--|
| Shall the measure to fund critical Town needs such as public safety by amending the gross receipts tax schedule for E-Commerce, Manufacturing, Wholesaling, and Jobbing for businesses with gross receipts above \$12,000,000 from \$75 per each \$550,000 in excess of \$12.0 million to \$300 per each \$550,000 in excess of \$12.0 million, raising about \$1.0 million yearly for general fund purposes until ended by voters, and increasing equity, be adopted? | YES | |
| | NO | |

This question requires the approval of a majority of those casting votes.

Section 4. Notice of Election. Notice of the time and place of holding the election is hereby given, and the Town Clerk is authorized, instructed, and directed to give further or additional notice of the election, in time, form, and manner as required by law.

Section 5. Impartial Analysis. Pursuant to California Elections Code Section 9280, the Town Council hereby directs the Town Clerk to transmit a copy of the measure to the Town Attorney. The Town Attorney shall prepare an impartial analysis of the measure, not to exceed 500 words in length, showing the effect of the measure on the existing law and the operation of the measure, and transmit such impartial analysis to the Town Clerk on or before 4:00 p.m. on August 19, 2022.

In the event the entire text of the Measure is not printed on the ballot, nor in the voter information portion of the sample ballot, there shall be printed immediately below the impartial analysis, in no less than 10-font bold type, the following: **“The above statement is an impartial analysis of Ordinance or Measure __. If you desire a copy of the ordinance or measure, please call the Town Clerk at 408-354-6888 and a copy will be emailed at no cost to you.”**

Section 6. Ballot Arguments. Pursuant to Elections Code Section 9286 et. seq., August 12, 2022, at 4:00 p.m. shall be the deadline for submission of arguments in favor of, and arguments against, this measure. Arguments in favor or against the measure shall not exceed 300 words in length. The Mayor, or his designee(s), is hereby authorized to prepare a written argument in favor of the proposed measure on behalf of the Town Council. At the Mayor’s discretion, the Argument may also be signed by bona fide associations or by individual voters who are eligible to vote in the Town of Los Gatos. Each argument shall be signed, filed with the Town Clerk, and include the printed name(s) and signature(s) of the author(s) submitting the argument. If more than one argument for or against is received, the priorities established by Elections Code Section 9287 shall control.

Section 7. Rebuttal Arguments. Subdivision (a) of section 9285 of the Elections Code shall apply to the Election and shall control the submission of any rebuttal arguments for this measure. If an argument in favor and an argument against the measure have been selected to be printed in the voter information guide, the Clerk shall send a copy of the argument in favor of the measure to the authors of the argument against the measure and a copy of an argument against

the measure to the authors of the argument in favor of the measure. The rebuttal authors or persons designated by them may prepare and submit rebuttal arguments not to exceed 250 words in length. Rebuttal arguments must be submitted not later than August 19, 2022, by 4:00 p.m.

Section 8. Consolidation Request. The Council of the Town of Los Gatos requests that the Board of Supervisors of Santa Clara County consolidate the municipal election and the election on this measure with the November 8, 2022 statewide general election. The Council further requests that the Board of Supervisors of Santa Clara County include on the ballots and sample ballots, all qualified measures submitted by the Town Council to be submitted to the qualified electors of the Town of Los Gatos. The Council acknowledges that the election will be held and conducted according to procedures in the Elections Code, including Section 10418.

Section 9. Request for County Services. Pursuant to Section 10002 of the California Elections Code, the Council of the Town of Los Gatos hereby requests the Board of Supervisors of Santa Clara County to permit the Registrar of Voters to render services to the Town of Los Gatos relating to the conduct of the Town’s Municipal and Special Elections which are called to be held on Tuesday, November 8, 2022. The services shall be of the type normally performed by the Registrar of Voters in assisting the clerks of municipalities in the conduct of elections including, but not limited to, checking registrations, mailing ballots, hiring election officers, and arranging for polling places, receiving absentee voter ballot applications, mailing and receiving absent voter ballots, and opening and counting ballots, providing and distributing election supplies, and furnishing voting machines.

Section 10. Transmittal of Resolution. The Town Clerk is hereby directed to submit forthwith an original copy of this resolution including the measure attached hereto as Attachment “A” to the Santa Clara County Board of Supervisors and a certified copy to the Registrar of Voters.

Section 11. Placement on the Ballot.

The Town Clerk is hereby authorized and directed to take all steps necessary to place the measure on the ballot and the full text of the Measure shall not be printed in the voter pamphlet. A statement shall be printed in the ballot pursuant to Section 9280 of the Elections Code advising voters that they may obtain a copy of this resolution and the Measure, at no cost, upon request made to the Town Clerk as well as a link to the materials on the Town’s website.

INTRODUCED AND PASSED:

AYES:

NOES:

ABSENT:

ABSENTIONS:

ATTEST:

Town Clerk

APPROVED AS TO FORM:

Town Attorney

APPROVED:

Mayor

Town Manager

Interim Director of Finance

Ordinance No. _____

Ordinance of the Town of Los Gatos
Amending Chapter 14 of the Town Code

The People of the Town of Los Gatos ordain as follows:

Section 1. Chapter 14 of the Los Gatos Town Code is hereby amended by adding, deleting, and modifying provisions as set forth in this section below. Additions are indicated by underscoring and deletions are indicated by ~~strike through type~~. Portions of the Chapter not included in this Ordinance or not shown in underscoring or strike-through type are not changed.

Chapter 14
LICENSES AND MISCELLANEOUS BUSINESS REGULATIONS

ARTICLE I. IN GENERAL

Sec. 14.10.010. Definitions.

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

Business means professions, trades and occupations and every kind of calling carried on for profit or livelihood, including the business of renting or leasing apartments.

E-commerce means commercial transactions conducted electronically on the internet
Internet.

Fixed place of business means the premises occupied for the particular purpose of conducting the business thereat, and regularly kept open for that purpose, with a competent person in attendance for the purpose of attending to such business. Included in such term is the premises rented or leased by persons owning apartments located in the Town.

Gross receipts means the total amount of the sale price of all sales and the total amount charged or received for the performance of any act, service or employment of whatever nature it may be, for which a charge is made or credit allowed, whether or not such service, act or employment is done as a part of or in connection with the sale of materials, goods, wares or merchandise. Included in such term shall be all receipts, cash, credits and property of any kind or nature, and any amount for which credit is allowed by the seller to the purchaser without any deduction therefrom on account of the cost of the property sold, the cost of the materials used, labor, or service costs, interest paid or payable or losses or other expenses whatsoever.

Excluded from such term shall be cash discounts allowed and taken on sales, any tax required by law to be included in, or added to, the purchase price and collected from the

consumer or purchaser, and 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.

Home occupation has the same meanings as it does in the zoning ordinance.

Jobbing business means any business conducted solely for the purpose of selling goods, wares or merchandise in job lots to wholesale merchants for resale at wholesale to the trade by such wholesale merchants.

Quarter means a period of three (3) calendar months. The quarters begin on the first day of January, April, July and October of each year. The quarter shall include fractions thereof.

Real estate broker means the managing broker and/or partner of any real estate office.

Retail business means any business conducted for the purpose of selling, or offering to sell, any goods, wares or merchandise, other than as a part of a wholesale business and jobbing business.

Tax and license collector is the Finance Director.

Vehicle means any device in, upon or by which any person or property is or may be transported or drawn upon a public street or highway, except devices moved by human power or used exclusively upon stationary rails or tracks.

Wholesale business means any business conducted solely for the purpose of selling goods, wares or merchandise in wholesale lots to retail merchants for resale at retail to the trade by such retail merchants.

(Code 1968, § 15-1; Ord. No. 1929, § I, 1-19-93; Ord. No. 2026, §§ V, VI, 2-18-97)

Cross reference(s)—Definitions and rules of construction generally, § 1.10.015; zoning ordinance definitions, § 29.10.020.

Sec. 14.10.040. Statements required—Upon application for original business license.

- (a) Upon a person making application for the first business license under this chapter, or for a newly established business, in all cases where the amount of business license tax to be paid is based upon gross receipts or is graduated according to some other sliding scale, such person shall furnish to the Tax ~~and License~~ Collector, for guidance in ascertaining the amount of business license tax to be paid by the applicant, a written statement upon a form provided by the Tax ~~and License~~ Collector, signed and certified under penalty of perjury to be true and correct.
- (b) If the amount of the business license tax to be paid by the applicant is based upon the amount of gross receipts, the applicant shall estimate the amount of gross receipts for the period to be covered by the business license for the purpose of determining the licensing bracket which will be applicable for the period to be covered by the license to be issued. Such estimate, if accepted by the Tax ~~and License~~ Collector as reasonable, shall be used in determining the amount of business license tax to be paid by the applicant. The tax so determined shall be tentative only and such person shall, by not later than January 31st ~~May fifteenth~~ next following the period for which the license was issued, furnish the Tax ~~and License~~ Collector with a certified or sworn statement upon a form furnished by the Tax

Collector, containing the data required to show the licensing bracket properly applicable to such person during the period of such business license, and the business license tax for such period shall be finally ascertained and paid in the manner provided in this chapter, after deducting from the payment found to be due the amount paid at the time such first business license was issued. The Tax ~~and License~~-Collector shall not issue to any such person another license for the same or any other business until such person shall have furnished the written statement and paid the business license tax as required in this chapter.

- (c) If the amount of the business license tax to be paid by the applicant is graduated according to some sliding scale other than gross receipts, the applicant shall furnish to the Tax ~~and License~~-Collector for guidance in ascertaining the amount of business license tax to be paid, a certified or sworn statement upon a form provided by the Tax ~~and License~~-Collector setting forth such information as may be therein required and as may be necessary properly to determine the amount of business license tax to be paid by the applicant and which statement shall show, among other things, the number of vehicles or tonnage thereof or the number of seats, chairs, rooms, tables or other units used or involved in such person's business as of the time of filing such application. Such person shall thereupon pay the required license tax in advance, computed in accordance with the information contained in such statement.

(d) Repealed.

(Code 1968, § 15-7; Ord. No. 1929, § IV, 1-19-93; Ord. No. 2026, §§ VIII, IX, 2-18-97)

Sec. 14.10.095. Term.

A business license issued under this chapter shall expire at the end of the term year for which the license or renewal is issued unless the license is renewed for an additional period.

(Code 1968, § 15-18; Ord. No. 2026, § XIII, 2-18-97)

ARTICLE II. LICENSES

DIVISION 2. SCHEDULES

Sec. 14.20.110. Gross receipts tax.

Every person doing business in the Town, except a person whose business is taxed under the terms of section 14.20.115, shall pay an annual business license tax based on the gross receipts of the business. The tax is levied according to one (1) or both of the following schedules. When the business activities of one (1) person, taxable under the provisions of this section, involve both retail and e-commerce, manufacturing, wholesaling or jobbing transactions, the total gross income is apportioned between the two (2) schedules, according to its source.

RETAILING

| At Least | But Less Than | Tax |
|-------------|-----------------------|----------|
| \$ 0 | \$ 50,000 | \$ 75.00 |
| \$50,000 | \$100,000 | \$112.00 |
| \$100,000 | \$150,000 | \$150.00 |
| \$150,000 | \$200,000 | \$187.50 |
| \$200,000 | \$250,000 | \$225.00 |
| \$250,000 | \$300,000 | \$262.50 |
| \$300,000 | \$350,000 | \$300.00 |
| \$350,000 | \$400,000 | \$337.50 |
| \$400,000 | \$450,000 | \$375.00 |
| \$450,000 | \$500,000 | \$412.50 |
| \$500,000 | \$600,000 | \$450.00 |
| \$600,000 | \$700,000 | \$487.50 |
| \$700,000 | \$800,000 | \$525.00 |
| \$800,000 | \$900,000 | \$562.50 |
| \$900,000 | \$1,000,000 | \$600.00 |
| \$1,000,000 | \$1,100,000 | \$637.50 |
| \$1,100,000 | \$1,200,000 | \$675.00 |
| \$1,200,000 | \$1,300,000 | \$712.50 |
| \$1,300,000 | \$1,400,000 | \$750.00 |
| \$1,400,000 | \$1,500,000 | \$787.50 |
| \$1,500,000 | \$1,600,000 | \$825.00 |
| \$1,600,000 | \$1,700,000 | \$862.50 |
| \$1,700,000 | \$1,800,000 | \$900.00 |
| \$1,800,000 | \$1,900,000 | \$937.50 |
| \$1,900,000 | \$2,000,000 and above | \$975.00 |

E-COMMERCE, MANUFACTURING, WHOLESALING AND JOBBING

| <i>At Least</i> | <i>But Less Than</i> | <i>Tax</i> |
|-----------------|----------------------|------------|
| \$ 0 | \$ 200,000 | \$ 150.00 |
| \$200,000 | \$300,000 | \$187.50 |
| \$300,000 | \$400,000 | \$262.50 |
| \$400,000 | \$500,000 | \$337.50 |
| \$500,000 | \$600,000 | \$450.00 |
| \$600,000 | \$800,000 | \$562.50 |
| \$800,000 | \$1,000,000 | \$675.00 |
| \$1,000,000 | \$1,200,000 | \$787.50 |
| \$1,200,000 | \$1,400,000 | \$900.00 |
| \$1,400,000 | \$1,600,000 | \$1,012.50 |
| \$1,600,000 | \$1,800,000 | \$1,125.00 |
| \$1,800,000 | \$2,000,000 | \$1,237.50 |
| \$2,000,000 | \$2,500,000 | \$1,350.00 |
| \$2,500,000 | \$3,000,000 | \$1,462.50 |
| \$3,000,000 | \$3,500,000 | \$1,575.00 |
| \$3,500,000 | \$4,000,000 | \$1,687.50 |
| \$4,000,000 | \$4,500,000 | \$1,800.00 |
| \$4,500,000 | \$5,000,000 | \$1,912.50 |
| \$5,000,000 | \$5,500,000 | \$2,025.00 |
| \$5,500,000 | \$6,000,000 | \$2,137.50 |
| \$6,000,000 | \$6,500,000 | \$2,250.00 |
| \$6,500,000 | \$7,000,000 | \$2,362.50 |
| \$7,000,000 | \$7,500,000 | \$2,475.00 |
| \$7,500,000 | \$8,000,000 | \$2,587.50 |

| | | |
|---------------------|---------------------|--|
| <u>\$8,000,000</u> | <u>\$8,500,000</u> | <u>\$2,700.00</u> |
| <u>\$8,500,000</u> | <u>\$9,000,000</u> | <u>\$2,812.50</u> |
| <u>\$9,000,000</u> | <u>\$9,500,000</u> | <u>\$2,925.00</u> |
| <u>\$9,500,000</u> | <u>\$10,000,000</u> | <u>\$3,037.50</u> |
| <u>\$10,000,000</u> | <u>\$10,500,000</u> | <u>\$4,500.00</u> |
| <u>\$10,500,000</u> | <u>\$11,000,000</u> | <u>\$4,612.50</u> |
| <u>\$11,000,000</u> | <u>\$11,500,000</u> | <u>\$4,725.00</u> |
| <u>\$11,500,000</u> | <u>\$12,000,000</u> | <u>\$4,837.50</u> |
| <u>\$12,000,000</u> | | <u>\$4,837.50</u> |
| | | plus \$75.00 <u>\$300.00</u> for each \$550,000 or fraction thereof in excess of \$12,000,000 |

(Code 1968, § 15-27; Ord. No. 1857, §§ I, II, 6-3-91)

Sec. 14.20.115. License taxes for specified businesses.

Every person doing any of the kinds of business specified in this section shall pay the business license tax specified. The fees are annual unless otherwise specified.

Advertising signs

Signposting and painting\$420.00

Amusements

Shows, concerts, and the like (per day)\$42.00

Circuses, menageries and the like:

Less than 2,000 seating capacity

First day\$420.00

Each succeeding day\$ 52.50

More than 2,000 seating capacity

First day\$630.00

Each succeeding day\$105.00

Sideshow (per day):\$42.00

~~Entrance fee not exceeding \$0.1021.00~~

~~Entrance fee exceeding \$0.1042.00~~

Circus procession or parade (each)\$210.00

Carnivals (per day)\$42.00

Ferris wheels, merry-go-rounds, and the like (per month)\$210.00

Public dances (per dance)\$21.00

Apartment rental and mobile home parks (per unit)\$7.50

The term "apartment" includes all buildings or groups of buildings on the same premises, composed of a total of three (3) or more dwelling units

Auctioneers\$112.50

Billiard and pool rooms (per table)\$52.50

Boardinghouses

Boardinghouses licensed by the state or county as boardinghouses for pensioners, and who board pensioners exclusively, are exempt from the business license tax.

For first 4 boarders\$21.00

For each person over 4\$4.50

Cleaning and dyeing laundry delivery

Vehicles (annual, per vehicle)\$168.00

The tax applies to those who have no fixed place of business in the town.

Contractors (annual)\$224.00

A separate fee for each type of work activity, such as general engineering, building, plumbing, plastering, painting, masonry, termite service, installation or other specialty, in addition to any sales or jobbing license fee. Contractors with businesses not located in Los Gatos but doing a short-term work activity may pay the daily fee when the job including inspection is completed within a day.

A contractor must show proof of a valid California Contractor's License or a signed Declaration of Exemption from California Contractor's License law.

Contractors (daily)\$105.00

Day care facilities

Day care facilities provide day care for children under eighteen (18) years of age who are unrelated to the licensee.

Small family day care home (a facility providing day care for six (6) children or less, including resident children)No fee

Large family day care home (a facility providing day care for seven (7) to twelve (12) children, including resident children)No fee

Nursery school (a facility providing day care for thirteen (13) or more children)No fee

Hospitals, rest homes, and the like:

Annual, or\$140.00

Per bed, if that is larger\$10.00

Hotels and motels (annual, per guest room)\$7.50

Business activities other than renting rooms, conducted in connection with a hotel, are taxed separately.

House movers

Annual license\$105.00

Additional, per structure moved\$84.00

Itinerant photographers(annual)\$210.00

Itinerant vendors (daily)\$105.00

The words "itinerant vendor" mean any person, both principal and agent, who engages in a temporary and transient business in the Town selling goods, wares and merchandise with the intention of continuing such business in the Town for a period of not more than ninety (90) days, and who, for the purpose of carrying on such business, hires, leases or occupies any room, building or structure for the exhibition or sale of such goods, wares, or merchandise, or from which room, building or structure the sales shall be made or business solicited by means of samples or delivery from house to house. The person so engaged is not relieved from the provisions of this section by reason of associating temporarily with any local dealer, trader, merchant or auctioneer, or by conducting temporary or transient business in connection with, or as a part of, or in the name of any local dealer, trader, merchant or auctioneer. The provisions of this section do not apply to commercial travelers or selling agents selling their goods to dealers, whether selling for present or future deliveries, by sample or otherwise, nor to hawkers on the street, nor peddlers from vehicles, nor to persons selling fruit, vegetables, butter, eggs, or other fruit or ranch products.

Junk collectors (annual, per vehicle)\$ 84.00

Junk collector means any person who has no fixed place of business in the Town and who engages in or carries on the business of collecting, buying or selling any old rags, sacks, bottles, cans, papers, metals or other articles of junk.

Junk dealers (annual)\$420.00

Junk dealer means any person who has a fixed place of business in the Town, and who engages in or carries on the business of buying or selling, either at wholesale or retail, any old rags, sacks, bottles, cans, papers, metals or other articles of junk.

Peddlers

Peddlers of wares other than food, per person, per day\$21.00

Peddlers of food, except lunch wagon operators:

Using a vehicle (per vehicle, annual) \$210.00

Not using a vehicle, carrying wares by hand\$42.00

Lunch wagon operators (per vehicle, annual)\$210.00

Peddlers engaged in the business of selling any personal property at a sale conducted by an organization exempt from the business license tax under the provisions of [section 14.10.030](#) of this chapter shall pay a license tax of ~~\$7.50~~ \$9.00 per day. This rule applies only when all fees, commissions or other remuneration of any kind paid by the peddler to the organization conducting, sponsoring or promoting the sale is devoted exclusively to the business license tax-exempt purposes of the organization and the organization has obtained prior approval from the Town Council to conduct the sale, ~~per day7.50.~~

A "peddler" is every person not having a regularly established place of business in the Town who travels from place to place, or has a stand upon any public street, alley or other public place, doorway or any building, unenclosed or vacant lot, or parcel of land, who sells, offers for sale, any goods, wares or merchandise in the peddler's possession.

Professional ~~and semiprofessional~~ occupations

Per professional ~~or semiprofessional~~ person\$200.00

Support staff ~~A~~additional per employee\$15.00

Professional services are occupations in the service sector requiring special training in the arts or sciences. Some professional services require the practitioner to hold professional degrees or licenses and possess specific skills. Other professional services involve providing specialist business support to businesses of all sizes and in all sectors. Professional Services means the business is offering any professional, scientific, or technical service including, but not limited to legal advice and representation; accounting, bookkeeping, and payroll services; architectural, engineering, and specialized design services; computer services; consulting services; research and development services; advertising services; photographic services; translation and interpretation services; veterinary services; and other professional, scientific, and technical services. Professional ~~or semiprofessional~~ business ~~or service~~ occupations include, but are not limited to, the following:

Accountant

Advertising counsel

Appraiser

Architect

Artist

Assayer

Attorney-at-law

Auditor

Bacteriologist
Broker; stock or bond
Chemist
Chiropodist
Chiropractor
Dental hygienist
Dentist
Designer or decorator
Detective or investigative personnel
Draftsperson
Drugless practitioner
Electrologist
~~Engineer: civil, mining, electrical, construction~~
~~Engineer: structural, consulting, mechanical, hydraulic~~
Engraver
Feed, grain and fruit broker
Geologist
Illustrator or showcard writer
Landscape architect
Lapidary
Lithographer
Licensed financial planner
Licensed investment counselor
~~Masseuse or masseur~~
Marriage therapist
Massage therapist
Nurse
Oculist, optician or optometrist
Osteopath
Physical therapist
Physician
Property management

Real estate brokers

Surgeon

Surveyor

~~Taxidermist~~

Veterinarian

X-ray, dental or medical laboratory

Support staff include, but are not limited to the following: receptionist, office assistant, real estate agents

Service occupations\$100.00

Service occupations include, but are not limited to the following: appliance, home furnishing or radio and television installation, janitorial and building maintenance, landscape installation and maintenance, secretarial service, security guards, etc.

Shooting galleries\$105.00

Solicitors (per business)\$210.00

A solicitor is one who engages in the business of going from house to house, place to place or in or along the streets within the Town selling or taking orders for, or offering to sell or take orders for, goods, wares, merchandise, advertising or other things of value for future delivery, or for services to be performed in the future.

Taxicabs

Per business\$150.00

Additional per taxi\$22.50

Theaters and concert halls\$105.00

Trucking (annual, per vehicle)\$140.00

Persons other than peddlers who sell or deliver food or any other goods by means of a vehicle, and who have no fixed place of business in the Town. Persons who make no more than two deliveries or sales per quarter are exempt from the foregoing tax. All other motor vehicle delivery business, whether the business operates on a regular route or between fixed termini or not:

For one vehicle\$45.00

For each additional vehicle\$22.00

(Ord. No. 1755, §§ 1—3, 7-5-88; Ord. No. 1857, §§ I, II, 6-3-91; Ord. No. 1929, § X, 1-19-93; Ord. No. 2026, § XV, 2-18-97; Ord. No. 2320, § III, 9-7-21)

Sec. 14.20.120. Credit for businesses in Parking and Business Improvement Area.

- (a) ~~Any business located and operating within a parking and business improvement area established pursuant to Streets and Highway Code section 36500 and following shall receive a credit on the annual license tax as set forth in this section if:~~
- ~~(1) An assessment pursuant to the parking and business improvement area district ordinance has been levied on the business by the Town for the license year; and~~
 - ~~(2) The business has paid its parking and business improvement area district assessment for the prior year.~~
- (b) ~~Each person doing any of the kinds of businesses identified as "Contractor," "Hospitals, rest homes, and the like," "Professional and semiprofessional occupations," "Service occupations," and "Trucking" in section 14.20.115 shall receive a credit equal to fifty (50) percent of the annual business license tax.~~
- (c) ~~Every person doing any other kind of business shall receive a credit equal to thirty three and a third (33 $\frac{1}{3}$) percent of the annual business license tax.~~

~~(Ord. No. 1857, §§ I, II, 6-3-91; Ord. No. 1970, § I, 2-22-94)~~

Sec. 14.20.125. Exemption for contractors to the town.

~~Any business whose income from business in the Town is not more than five hundred dollars (\$500.00) during any calendar year and is derived solely from contracts with the Town is exempt from payment of the business license taxes set forth in this article for that calendar year.~~

~~(Ord. No. 1983, § II, 7-5-94)~~

Section 2. Severability. Should any provision of this Ordinance, or its application to any person or circumstance, be determined by a court of competent jurisdiction to be unlawful, unenforceable, or otherwise void, that determination shall have no effect on any other provision of this Ordinance or the application of this Ordinance to any other person or circumstance and, to that end, the provisions hereof are severable. It is hereby declared to be the intention of the electorate that they would have adopted this Ordinance had such unconstitutional, illegal, or invalid provision, sentence, clause section, or part thereof not been included herein.

Section 3. California Environmental Quality Act. This Ordinance is exempt from the California Environmental Quality Act, Public Resources Code section 21000 et seq., under, including without limitation, Public Resources Code section 21065, and CEQA Guidelines sections 15378(b)(4) and 15061(b)(3), as it can be seen with certainty that there is no possibility that the activity authorized herein may have a significant effect on the environment.

Section 4. Council Implementation. The Town Council of the Town of Los Gatos shall adopt any and all laws it deems necessary to implement this Ordinance.

Section 5. Council Amendments. The Town Council of the Town of Los Gatos is authorized to amend Chapter 14 of the Los Gatos Town Code in any manner that does not

increase the rate of any tax or otherwise constitutes a tax increase for which voter approval is required by Article XIII C of the California Constitution, including adopting exemptions, waivers, or reductions of the tax.

Section 6. Administrative Regulations and Delegation. The Town Manager is authorized to adopt rules and regulations consistent with this measure as needed to implement this measure and Chapter 14 of the Los Gatos Town Code and to develop all related forms and other materials and to take any other steps as needed to implement this measure and Chapter 14 and to make such interpretations of this measure and Chapter 14 as the Town Manager may consider necessary to achieve the purposes of this measure and Chapter 14. The Town Manager may delegate any authority within their discretion pursuant to this measure as they deem reasonably necessary.

Section 7. Liberal Construction. This Ordinance shall be liberally construed to effectuate its purposes.