



**TOWN OF LOS GATOS  
COUNCIL AGENDA REPORT**

MEETING DATE: 08/11/2022

ITEM NO: 2

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**DATE:** August 8, 2022  
**TO:** Mayor and Town Council  
**FROM:** Laurel Prevetti, Town Manager  
**SUBJECT:** Adopt a 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 Relating to Business License Taxes

**RECOMMENDATION:**

Adopt a Resolution (Attachment 1) 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 – Licenses and Miscellaneous Business Regulations (Chapter 14) of the Los Gatos Town Code relating to business license taxes.

**BACKGROUND:**

On August 2, 2022, the Town Council received information regarding business outreach efforts and additional tax structure modeling for a proposed business license tax modernization. At the conclusion of the meeting, the Council unanimously asked staff to return at a special meeting prior to August 12 with a draft resolution revising Model 3 to encompass a 40% increase in Retailing gross receipts, a 30% increase for flat fees, add E-Commerce to the Manufacturing, Wholesaling, and Jobbing gross receipts tax schedule and increase the tax by 120%, and implement an ongoing Bay Area Consumer Price Index adjustment to account for future inflation on flat fees.

**PREPARED BY:** Arn Andrews  
Assistant Town Manager

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

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DISCUSSION:

A ballot measure to modify 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 (in this case, the Los Gatos Town Council). A simple majority vote (50 percent of voters plus one additional voter) is required for approval of a general tax.

The resolution and draft ordinance in Attachment 1 includes the following ballot language:

Shall the measure to fund critical Town needs such as public safety by amending business license taxes, unchanged since 1991 while inflation increased 117%, to increase flat taxes by 30%, adjusted annually for inflation, Retailing gross receipts tax by 40%, and to add E-Commerce to the Manufacturing, Wholesaling, and Jobbing gross receipts tax schedule and increase that schedule by 120%, raising about \$1,100,000 yearly for general fund purposes until ended by voters, be adopted?	YES
	NO

Provided below are ballot measure milestone dates:

- August 12, 2022: Last day for Resolutions calling a measure.
- August 16, 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 23, 2022: Deadline for submitting impartial analysis.
- August 23, 2022: Deadline for submitting rebuttal arguments to primary arguments in favor of and against a measure.

If adopted by Council, the proposed resolution authorizes 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 Council direction on August 2, 2022, staff recommends that the Town Council adopt the resolution in Attachment 1 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.

PAGE 3 OF 3

SUBJECT: Business License Modernization

DATE: August 8, 2022

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 model is approximately \$1,200,000 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. Resolution with corresponding Ordinance as Exhibit A

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Hello,

I have been in business in Los Gatos since 2014. Prior to that I did business, first in Cupertino for about 16 years, then in San Jose for 6 or so years. The fees in Los Gatos have been about 10 times or more than I paid in those other cities.

As a very small business owner, which has now become part time, virtual only, I would not vote for increasing business fees. Businesses are struggling enough in this town.

Thank you,

Lois Morrison-Keffer, Ph.D.

EXTERNAL SENDER

this is a terrible idea and will further harm businesses in Los Gatos.

the business community is already not doing well in Los Gatos, mainly due to years of bad policy and planning decisions.

each bad planning decision and tax increase further weakens the business community, causing tax revenue to drop further, which leads the town staff to demand tax increases.

a tax increase will only make things worse and contribute to inflationary pressures.

how about reducing town salaries and pensions by 5% first to make everyone is part of the solution.

good luck,

Mark Millen  
Los Gatos, CA

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**DRAFT RESOLUTION 2022-**

**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 REGARDING BUSINESS  
LICENSE TAXES**

**R E C I T A L S**

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

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

**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.

**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 business license taxes, unchanged since 1991 while inflation increased 117%, to increase flat taxes by 30%, adjusted annually for inflation, Retailing gross receipts tax by 40%, and to add E-Commerce to the Manufacturing, Wholesaling, and Jobbing gross receipts tax schedule and increase that schedule by 120%, raising about \$1,100,000 yearly for general fund purposes until ended by voters, 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 23, 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 16, 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 23, 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.

**PASSED AND ADOPTED** at a special meeting of the Town Council of the Town of Los Gatos, California, held on the 11<sup>th</sup> day of August, 2022 by the following vote:

COUNCIL MEMBERS:

AYES:

NAYS:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

\_\_\_\_\_  
Town Clerk

\_\_\_\_\_  
Mayor

APPROVED AS TO FORM:

\_\_\_\_\_  
Town Manager

\_\_\_\_\_  
Town Attorney

\_\_\_\_\_  
Interim Director of Finance

**DRAFT ORDINANCE**

**ORDINANCE OF THE TOWN OF LOS GATOS  
AMENDING CHAPTER 14 OF THE TOWN CODE REGARDING BUSINESS  
LICENSE TAXES**

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	
		Current	Proposed
\$0	\$50,000	<del>\$75.00</del>	<u>\$75.00</u>
\$50,000	\$100,000	<del>\$112.50</del>	<u>\$157.50</u>
\$100,000	\$150,000	<del>\$150.00</del>	<u>\$210.00</u>
\$150,000	\$200,000	<del>\$187.50</del>	<u>\$262.50</u>
\$200,000	\$250,000	<del>\$225.00</del>	<u>\$315.00</u>
\$250,000	\$300,000	<del>\$262.50</del>	<u>\$367.50</u>
\$300,000	\$350,000	<del>\$300.00</del>	<u>\$420.00</u>
\$350,000	\$400,000	<del>\$337.50</del>	<u>\$472.50</u>
\$400,000	\$450,000	<del>\$375.00</del>	<u>\$525.00</u>
\$450,000	\$500,000	<del>\$412.50</del>	<u>\$577.50</u>
\$500,000	\$600,000	<del>\$450.00</del>	<u>\$630.00</u>
\$600,000	\$700,000	<del>\$487.50</del>	<u>\$682.50</u>
\$700,000	\$800,000	<del>\$525.00</del>	<u>\$735.00</u>
\$800,000	\$900,000	<del>\$562.50</del>	<u>\$787.50</u>
\$900,000	\$1,000,000	<del>\$600.00</del>	<u>\$840.00</u>
\$1,000,000	\$1,100,000	<del>\$637.50</del>	<u>\$892.50</u>
\$1,100,000	\$1,200,000	<del>\$675.00</del>	<u>\$945.00</u>
\$1,200,000	\$1,300,000	<del>\$712.50</del>	<u>\$997.50</u>
\$1,300,000	\$1,400,000	<del>\$750.00</del>	<u>\$1,050.00</u>
\$1,400,000	\$1,500,000	<del>\$787.50</del>	<u>\$1,102.50</u>
\$1,500,000	\$1,600,000	<del>\$825.00</del>	<u>\$1,155.00</u>
\$1,600,000	\$1,700,000	<del>\$862.50</del>	<u>\$1,207.50</u>
\$1,700,000	\$1,800,000	<del>\$900.00</del>	<u>\$1,260.00</u>
\$1,800,000	\$1,900,000	<del>\$937.50</del>	<u>\$1,312.50</u>
\$1,900,000	\$2,000,000 and above	<del>\$975.00</del>	<u>\$1,365.00</u>

E-COMMERCE, MANUFACTURING, WHOLESALING AND JOBBING

At least	But less Than	Tax	
		Current	Proposed
\$0.00	\$200,000.00	<del>\$150.00</del>	<u>\$330.00</u>
\$200,000.00	\$300,000.00	<del>\$187.50</del>	<u>\$412.50</u>
\$300,000.00	\$400,000.00	<del>\$262.50</del>	<u>\$577.50</u>
\$400,000.00	\$500,000.00	<del>\$337.50</del>	<u>\$742.50</u>
\$500,000.00	\$600,000.00	<del>\$450.00</del>	<u>\$990.00</u>
\$600,000.00	\$800,000.00	<del>\$562.50</del>	<u>\$1,237.50</u>
\$800,000.00	\$1,000,000.00	<del>\$675.50</del>	<u>\$1,486.10</u>
\$1,000,000.00	\$1,200,000.00	<del>\$787.50</del>	<u>\$1,732.50</u>
\$1,200,000.00	\$1,400,000.00	<del>\$900.00</del>	<u>\$1,980.00</u>
\$1,400,000.00	\$1,600,000.00	<del>\$1,012.50</del>	<u>\$2,227.50</u>
\$1,600,000.00	\$1,800,000.00	<del>\$1,125.00</del>	<u>\$2,475.00</u>
\$1,800,000.00	\$2,000,000.00	<del>\$1,237.50</del>	<u>\$2,722.50</u>
\$2,000,000.00	\$2,500,000.00	<del>\$1,350.00</del>	<u>\$2,970.00</u>
\$2,500,000.00	\$3,000,000.00	<del>\$1,462.50</del>	<u>\$3,217.50</u>
\$3,000,000.00	\$3,500,000.00	<del>\$1,575.00</del>	<u>\$3,465.00</u>
\$3,500,000.00	\$4,000,000.00	<del>\$1,687.50</del>	<u>\$3,712.50</u>
\$4,000,000.00	\$4,500,000.00	<del>\$1,800.00</del>	<u>\$3,960.00</u>
\$4,500,000.00	\$5,000,000.00	<del>\$1,912.50</del>	<u>\$4,207.50</u>
\$5,000,000.00	\$5,500,000.00	<del>\$2,025.00</del>	<u>\$4,455.00</u>
\$5,500,000.00	\$6,000,000.00	<del>\$2,137.50</del>	<u>\$4,702.50</u>
\$6,000,000.00	\$6,500,000.00	<del>\$2,250.00</del>	<u>\$4,950.00</u>
\$6,500,000.00	\$7,000,000.00	<del>\$2,362.00</del>	<u>\$5,196.40</u>
\$7,000,000.00	\$7,500,000.00	<del>\$2,475.00</del>	<u>\$5,445.00</u>
\$7,500,000.00	\$8,000,000.00	<del>\$2,587.50</del>	<u>\$5,692.50</u>
\$8,000,000.00	\$8,500,000.00	<del>\$2,700.00</del>	<u>\$5,940.00</u>
\$8,500,000.00	\$9,000,000.00	<del>\$2,812.50</del>	<u>\$6,187.50</u>
\$9,000,000.00	\$9,500,000.00	<del>\$2,925.00</del>	<u>\$6,435.00</u>
\$9,500,000.00	\$10,000,000.00	<del>\$3,037.50</del>	<u>\$6,682.50</u>
\$10,000,000.00	\$10,500,000.00	<del>\$4,500.00</del>	<u>\$9,900.00</u>
\$10,500,000.00	\$11,000,000.00	<del>\$4,612.50</del>	<u>\$10,147.50</u>
\$11,000,000.00	\$11,500,000.00	<del>\$4,725.00</del>	<u>\$10,395.00</u>
\$11,500,000.00	\$12,000,000.00	<del>\$4,837.50</del>	<u>\$10,642.50</u>
		Plus <del>\$75.00</del> <u>\$165</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 flat business license tax specified in this section. The taxes in this section fees are annual unless otherwise specified. On January 1 of each year the tax rates in this section shall be automatically adjusted by a percentage equal to the percentage increase or decrease in the Consumer Price Index for the preceding CPI Year as published by the U.S. Bureau of Labor Statistics for “All Urban Consumers for All Items for the San Francisco-Oakland-Hayward Area” or any successor to that index designated by the U.S. Bureau of Labor Statistics or the Town Council. As used in this section, “CPI Year” means the year beginning November 1 and ending October 31. The “preceding CPI Year” is the CPI Year that ended October 31 of the year immediately before the automatic tax rate adjustment in this section.

	<b>Current</b>	<b>Proposed</b>
<b>Advertising signs</b>		
Signposting and painting	\$420.00	<u>\$546.00</u>
<b>Amusement</b>		
Shows, concerts, and the like (per day)	\$42.00	<u>\$54.60</u>
Circuses, menageries and the like:		
Less than 2,000 seating capacity		
First day	\$420.00	<u>\$546.00</u>
Each succeeding day	\$52.50	<u>\$68.25</u>
More than 2,000 seating capacity		
First day	\$630.00	<u>\$819.00</u>
Each succeeding day	\$105.00	<u>\$136.50</u>
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	<u>\$273.00</u>
Carnivals (per day)	\$42.00	<u>\$54.60</u>
Ferris wheels, merry-go-rounds, and the like (per month)	\$210.00	<u>\$273.00</u>
Public dances (per dance)	\$21.00	<u>\$27.30</u>
<b>Apartment rental and mobile home parks (per unit)</b>	\$7.50	<u>\$9.75</u>
<i>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</i>		
<b>Auctioneers</b>	\$112.50	<u>\$146.25</u>
<b>Billiard and Pool Rooms (per table)</b>	\$52.50	<u>\$68.25</u>
<b>Boardinghouses</b>		
<i>Boardinghouses licensed by the state or county as boardinghouses for pensioners, and who board pensioners exclusively, are exempt from the business license tax.</i>		

For first 4 boarders	\$21.00	<u>\$27.30</u>
For each person over 4	\$4.50	<u>\$5.85</u>
<b>Cleaning and dyeing laundry delivery</b>		
Vehicles (annual, per vehicle)	\$168.00	<u>\$218.40</u>
The tax applies to those who have no fixed place of business in the town.		
<b>Contractors (annual)</b>	\$224.00	<u>\$291.20</u>
<i>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.</i>		
Contractors (daily)	\$105.00	<u>\$136.50</u>
<b>Day care facilities</b>		
<i>Day care facilities provide day care for children under eighteen (18) years of age who are unrelated to the licensee.</i>		
Small family day care home (a facility providing day care for six (6) children or less, including resident children)	No fee	<u>No fee</u>
Large family day care home (a facility providing day care for seven (7) to twelve (12) children, including resident children)	No fee	<u>No fee</u>
Nursery school (a facility providing day care for thirteen (13) or more children)	No fee	<u>No fee</u>
<b>Hospitals, rest homes, and the like:</b>		
Annual, or	\$140.00	<u>\$182.00</u>
Per bed, if that is larger	\$10.00	<u>\$13.00</u>
<b>Hotels and motels (annual, per guest room)</b>	\$7.50	<u>\$9.75</u>
<i>Business activities other than renting rooms, conducted in connection with a hotel, are taxed separately.</i>		
<b>House movers</b>		
Annual license	\$105.00	<u>\$136.50</u>
Additional, per structure moved	\$84.00	<u>\$109.20</u>
<b>Itinerant photographers(annual)</b>	\$210.00	<u>\$273.00</u>
<b>Itinerant vendors (daily)</b>	\$105.00	<u>\$136.50</u>



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 \$260.00

Support Staff additional per employee \$15.00 \$19.50

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; Reals 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 \$130.00

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 \$136.50

**Solicitors (per business)** \$210.00 \$273.00

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 \$195.00

Additional per taxi	\$22.50	\$29.25
<b>Theaters and concert halls</b>	\$105.00	\$136.50
<b>Trucking (annual, per vehicle)</b>	\$140.00	\$182.00
<i>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:</i>		
For one vehicle	\$45.00	\$58.50
For each additional vehicle	\$22.00	\$28.60

(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 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.