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OFFICE OF THE CITY CLERK
OAKLAND

2015 JUN -4 PM 12: 18

AGENDA REPORT

TO: JOHN A. FLORES
INTERIM CITY ADMINISTRATOR

FROM: David McPherson

SUBJECT: Delinquent Transient Occupancy Taxes

DATE: May 11, 2015

City Administrator
Approval

Date

COUNCIL DISTRICT: City-Wide

RECOMMENDATION

Staff recommends that the City Council adopt:

The Resolution Accepting and Confirming Reports of the City Administrator on the Costs Incurred by the City of Oakland for Delinquent Transient Occupancy Taxes and Confirming the Recordation of Liens, Administrative Charges and Assessment Charges as Necessary Pursuant to Chapter 4.24 of the Oakland Municipal Code, and Directing the Notice of Lien and Assessment Charges to be Turned Over to the County Tax Collector for Collection.

OUTCOME

The lien will be recorded against one parcel. The parcel's delinquency represents \$839,443.56 in past due Transient Occupancy Taxes. Failure to place liens to recover the delinquent transient occupancy taxes will result in a loss of \$839,493.56 in revenues to the General Purpose Fund. The additional revenue of \$50.00 is derived from the \$50 administrative fee per lien for one property.

BACKGROUND/LEGISLATIVE HISTORY

Pursuant to Chapter 4.24 of the Oakland Municipal Code, the hotel owner/operator was sent notices during a review and assessment process to address delinquent Transient Occupancy Taxes determined to be owed to the City. An administrative hearing for delinquent Transient Occupancy Taxes was held on May 5, 2015 to hear protests and to resolve any inconsistencies or inequities raised by the hotel owner/operator regarding the non-payment of Transient Occupancy Taxes. The owner/operator was given the opportunity to appeal his/her case in this administrative process.

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Following the administrative hearing, the Tax Administrator filed with the City Administrator a written notice of the person(s) on whom the City will file a lien for unpaid taxes, penalties, interest and other charges. If this amount remains unpaid or unresolved after the public hearing

by the City Council, the City Council shall authorize by resolution the recordation of lien on the subject property for costs incurred for delinquent Transient Occupancy Taxes and added administrative and assessment charge. The delinquent charge and assessment shall constitute a special assessment against said property, and shall be collected at such time as is established by the County Assessor for inclusion in the next property tax assessment.

The public hearing is scheduled for June 16, 2015. A resolution is prepared confirming the placement of a lien on one property and authorizing the subsequent assessment for all fees and charges.

ANALYSIS

The hotel owner/operator owes delinquent Transient Occupancy Taxes and administrative fees to the City for the account not resolved at the May 5, 2015 administrative hearing as shown in the *Attachment 1*. Hotel owners/operators collect the Transient Occupancy Tax from transients on behalf of the City, and it is their fiduciary responsibility to remit said taxes to the Tax Administrator by the due date as determined by their reported annual business tax gross receipts. If the City fails to place a lien to recover the delinquent taxes, the General Purpose Fund may potentially lose estimated revenues totaling \$839,443.56 and an administrative fee totaling \$50.00, creating a grand total of \$839,493.56 for this period.

PUBLIC OUTREACH/INTEREST

An administrative hearing for delinquent Transient Occupancy Taxes was held on May 5, 2015 to hear protests and resolve any inconsistencies or inequities raised by property owners regarding the non-payment of Transient Occupancy Taxes.

COORDINATION

In coordination with the Office of the City Attorney and the Controller's Bureau, the agenda report, resolutions and supporting items attached to this report have been reviewed and/or approved for form and legality.

COST SUMMARY/IMPLICATIONS

If the City fails to place liens to recover the delinquent taxes, the General Purpose Fund (1010) may potentially lose a total of \$839,493.56 for this period.

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SUSTAINABLE OPPORTUNITIES

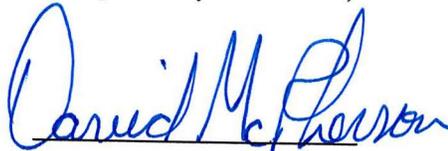
Economic: Collections of delinquent transient occupancy taxes have major economic implications for the City's sustainability. The revenue source is relied upon to fund essential City services.

Environmental: There are no environmental opportunities resulting from the recordation of liens.

Social Equity: Collections of delinquent transient occupancy taxes have significant social equity implications for the City's sustainability. The revenue source is relied upon to fund essential City services to all citizens and taxpayers.

For questions regarding this report, please contact David McPherson, Revenue and Tax Administrator at (510) 238-6650.

Respectfully submitted,



David McPherson
Revenue and Tax Administrator
Revenue Management Bureau

Attachment 1 – Public Hearing Lien list for Transient Occupancy Tax

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June 16, 2015

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OAKLAND

OAKLAND CITY COUNCIL



City Attorney

2015 JUN -4 PM 12:18 RESOLUTION NO. _____ C.M.S.

Introduced by Councilmember _____

RESOLUTION ACCEPTING AND CONFIRMING REPORTS OF THE CITY ADMINISTRATOR ON THE COSTS INCURRED BY THE CITY OF OAKLAND FOR DELINQUENT TRANSIENT OCCUPANCY TAXES AND CONFIRMING THE RECORDATION OF LIENS WITH ADMINISTRATIVE AND ASSESSMENT CHARGES AS NECESSARY PURSUANT TO CHAPTER 4.24 OF THE OAKLAND MUNICIPAL CODE, AND DIRECTING THE NOTICE OF LIEN AND ASSESSMENT CHARGES BE TURNED OVER TO THE COUNTY TAX COLLECTOR FOR COLLECTION

WHEREAS, pursuant to Chapter 4.24 of the Oakland Municipal Code, the City Administrator filed with the City Clerk on **June 16, 2015**, the reports concerning the costs incurred by the City of Oakland for delinquent transient occupancy taxes and recordation of liens with added administrative and assessment charges on hereinafter described real property; and

WHEREAS, the date **June 16, 2015** and the time **6:30 p.m.**, was fixed as the day and hour for the Council to hear any protests by property owners or other interested persons regarding delinquent transient occupancy taxes, and to hear and accept the reports of the City Administrator; and

WHEREAS, no protest having been made at said hearing; now, therefore be it

RESOLVED, that the reports which the City Administrator filed with the City Clerk on **June 16, 2015**, concerning delinquent transient occupancy taxes, the recordation of liens with administrative and assessment charges for the real property described in the reports of the City Administrator attached hereto, be and are hereby accepted and confirmed, and assessments are hereby authorized to be levied upon the properties described in the attached reports in the amount set opposite each description for costs incurred for delinquent transient occupancy taxes, added administrative and assessment charges; and be it

FURTHER RESOLVED, that if any assessment levied on a property is not paid before the 10th day of August 2015, the City Administrator shall present an itemized report to the Auditor-Controller of the County of Alameda, State of California, to be placed on the 2015-2016 County Tax Roll.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 20____

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, CAMPBELL WASHINGTON, GALLO, GUILLEN, KALB, KAPLAN, REID, and PRESIDENT GIBSON MCELHANEY

NOES -

ABSENT -

ABSENTENTION -

ATTEST: _____
La Tonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California

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OAKLAND

OAKLAND CITY COUNCIL



City Attorney

2015 JUN -4 PM 12:18

RESOLUTION No. _____ C.M.S.

Introduced by Councilmember _____

RESOLUTION OVERRULING PROTESTS AND OBJECTIONS AND ACCEPTING AND CONFIRMING REPORTS OF THE CITY ADMINISTRATOR ON THE COSTS INCURRED BY THE CITY OF OAKLAND FOR DELINQUENT TRANSIENT OCCUPANCY TAXES AND AUTHORIZING THE RECORDATION OF LIENS WITH ADMINISTRATIVE AND ASSESSMENT CHARGES AS NECESSARY PURSUANT TO CHAPTER 4.24 OF THE OAKLAND MUNICIPAL CODE, AND DIRECTING THE NOTICE OF LIEN AND ASSESSMENT CHARGES BE TURNED OVER TO THE COUNTY TAX COLLECTOR FOR COLLECTION

WHEREAS, pursuant to Chapter 4.24 of the Oakland Municipal Code, the City Administrator filed with the City Clerk on **June 16, 2015**, the reports concerning the costs incurred for delinquent transient occupancy taxes and recordation of liens with added administrative and assessment charges on hereinafter described real property; and

WHEREAS, the date **June 16, 2015** and the time **6:30 p.m.**, was fixed as the day and hour for the Council to hear any protests by property owners or other interested persons regarding delinquent transient occupancy taxes, and to hear and accept the reports of the City Administrator; now, therefore be it

RESOLVED, that the protests are hereby overruled; and be it

FURTHER RESOLVED, that the reports the City Administrator filed with the City Clerk on **June 16, 2015**, concerning delinquent transient occupancy taxes and the recordation of liens with administrative and assessment charges for the real property described in the reports of the City Administrator attached hereto, be and are hereby accepted and confirmed, and the assessments are hereby authorized to be levied upon the properties described in the attached reports, in the amounts set opposite each description for costs incurred for delinquent transient occupancy taxes, added administrative and assessment charges; and be it

FURTHER RESOLVED, that if any assessment levied on a property is not paid before the 10th day of August 2015, the City Administrator shall present an itemized report to the Auditor-Controller of the County of Alameda, State of California, to be placed on the 2015-2016 County Tax Roll.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 20_____

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, CAMPBELL WASHINGTON, GALLO, GUILLEN, KALB, KAPLAN, REID, and PRESIDENT GIBSON MCELHANEY

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____

LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California



City Attorney

OAKLAND CITY COUNCIL

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OAKLAND

2015 JUN -4 PM 12:19

RESOLUTION No. _____ C.M.S.

Introduced by Councilmember _____

RESOLUTION CONTINUING HEARING OF THE REPORTS OF THE CITY ADMINISTRATOR ON DELINQUENT TRANSIENT OCCUPANCY TAXES AND THE RECORDATION OF LIENS WITH ADMINISTRATIVE AND ASSESSMENT CHARGES AS NECESSARY PURSUANT TO CHAPTER 4.24 OF THE OAKLAND MUNICIPAL CODE

RESOLVED, that the hearing of the reports of the City Administrator on delinquent transient occupancy taxes and recordation of liens with added administrative and assessment charges that was duly noticed and held on **June 16, 2015 at 6:30 p.m.**, is hereby continued for further hearing on the day of _____ in City Hall, One Frank H. Ogawa Plaza, Council Chambers, Oakland, California.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 20_____

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, CAMPBELL WASHINGTON, GALLO, GUILLEN, KALB, KAPLAN, REID, and PRESIDENT GIBSON MCELHANEY

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____

LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California