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OFFICE OF THE CITY CLERK
OAKLAND

CITY OF OAKLAND

AGENDA REPORT

2011 JUN -9 PM 1:33

TO: Office of the City Administrator
ATTN: P. Lamont Ewell, City Administrator
FROM: Finance and Management Agency
DATE: June 21, 2011

RE: **Public Hearing on Assessment of Liens for Delinquent Business Taxes**

SUMMARY

Pursuant to Chapter 5.04 of the Oakland Municipal Code, all businesses operating within the City, with some specific exceptions, are subject to a Business Tax based on their classification of business activity. Taxes not paid in a timely manner are subject to penalties and interest. Delinquent accounts are subject to various collection enforcement actions including filing a lien against their real property.

On May 17, 2011, staff held an administrative hearing for delinquent Business Taxes and attempted to resolve any inconsistencies or inequities prior to the public hearing before the City Council. The administrative and public hearings are held only after all other procedural means to resolve unpaid Business Taxes have been exhausted.

Based on the outcome of the administrative hearing, staff is requesting placement of Business Tax liens on two thousand nine hundred twenty-eight (2,928) parcels/properties.

BACKGROUND

Staff cross-referenced Alameda County Assessor data with the Business Tax System data to identify potential non-compliant/delinquent business operators owning various types of properties. Three thousand four hundred and fifty-two (3,452) property owners were notified of the City's Business Tax requirements on rental property operators. However, five hundred twenty-four (524) properties were deleted from the list through the administrative hearing process, payments and/or account deactivations. The remaining two thousand nine hundred twenty-eight (2,928) non-responders were notified of the City's intent to record a lien against their property; these remaining parcels are subject to lien.

FISCAL IMPACTS AND KEY ISSUES

The liens will be recorded against two thousand nine hundred twenty-eight (2,928) parcels. The parcels' delinquencies represent \$2,355,519.33 in past due Business Taxes. Failure to place liens will result in a loss of \$2,501,919.33 to the General Fund. The additional revenues of \$146,400 are derived from the \$50 administrative fee for liening each of the two thousand nine hundred twenty-eight (2,928) properties.

Item: _____
City Council
June 21, 2011

POLICY DESCRIPTION

Pursuant to Chapter 5.04 of the Oakland Municipal Code, an administrative hearing for delinquent Business Taxes is held to hear protests and resolve any inconsistencies or inequities raised by property owners prior to the public hearing before City Council.

SUSTAINABLE OPPORTUNITIES

Collections of delinquent Business Taxes have major economic and social equity implications for the City's sustainability. This revenue source is relied upon to fund essential City services.

DISABILITY AND SENIOR CITIZEN ACCESS

There are no impacts on disability and senior citizen access.

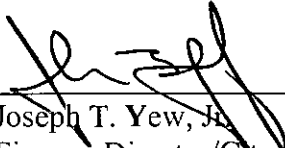
RECOMMENDATION AND RATIONALE

Staff recommends approval of a resolution accepting and confirming the report from the City Administrator on delinquent Business Taxes and confirming the recordation of liens, administrative charges, and assessment charges with the County Recorder's Office.

ACTION REQUESTED OF THE CITY COUNCIL

Staff requests City Council to approve the placement of liens and authorize the subsequent assessment for all fees and charges should they remain unpaid prior to the transfer of said assessment to the County Assessor for inclusion on the next property tax assessment.

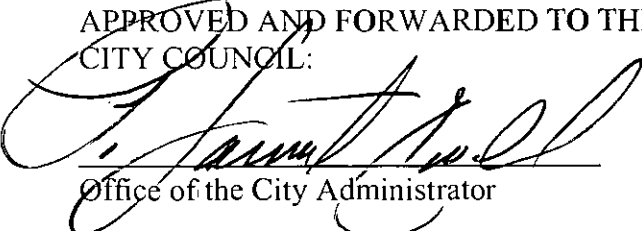
Respectfully submitted,



Joseph T. Yew, Jr.
Finance Director/City Treasurer

Prepared by:
David McPherson, Revenue and Tax Administrator
Revenue Division

APPROVED AND FORWARDED TO THE
CITY COUNCIL:



Office of the City Administrator

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OAKLAND

OAKLAND CITY COUNCIL

Katherine Helen Boyd
City Attorney

2011 JUN -9 PM 1:34

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 BUSINESS TAXES AND CONFIRMING THE RECORDATION OF LIENS, ADMINISTRATIVE CHARGES AND ASSESSMENT CHARGES AS NECESSARY - PURSUANT TO TITLE 5, CHAPTER 5.04 OF THE OAKLAND MUNICIPAL CODE, AND DIRECTING THE NOTICE OF LIEN AND ASSESSMENT CHARGES TO BE TURNED OVER TO THE COUNTY FOR COLLECTION.

WHEREAS, pursuant to Title 5, Chapter 5.04 of the Oakland Municipal Code, the City Administrator filed with the City Clerk the reports concerning the costs incurred for delinquent Business Taxes and recordation of liens with added administrative charges and assessment charge on thereafter described real property; and

WHEREAS, June 21, 2011, 6:30 p.m., was fixed as the day and hour for the Council to hear and pass upon said reports, together with any objections or protests which may be raised by any of the property owners liable to be assessed for the costs incurred for delinquent Business Taxes and any other interested persons; 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 concerning Business Taxes and the recordation of liens with administrative charges for the real property described therein, be and the same are hereby accepted and confirmed, and assessments are hereby authorized to be levied upon the properties described in said City Administrator reports in the amounts set opposite each description for costs incurred for delinquent Business Taxes, added administrative charges, and be it

FURTHER RESOLVED: That if said assessment therein levied is not paid before the 10th day of August 2011, 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 2011-2012 County Tax Roll.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 20_____

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, BRUNNER, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, SCHAAF, and PRESIDENT REID

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____

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

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OAKLAND
2011 JUN -9 PM 1:35

OAKLAND CITY COUNCIL

Kathleen Helen Doyle
City Attorney

RESOLUTION NO. _____ **C.M.S.**
Introduced by Councilmember _____

RESOLUTION OVERRULING PROTESTS AND ACCEPTING AND CONFIRMING REPORTS OF THE CITY ADMINISTRATOR ON THE DELINQUENT BUSINESS TAXES, AND CONFIRMING THE RECORDATION OF LIENS, ADMINISTRATIVE CHARGES AND ASSESSMENT CHARGES AS NECESSARY - PURSUANT TO TITLE 5, CHAPTER 5.04 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.

WHEREAS, pursuant to Title 5, Chapter 5.04 of the Oakland Municipal Code, the City Administrator filed with the City Clerk the reports concerning the costs incurred for delinquent Business Taxes and recordation of liens with added administrative charges and assessment charges on thereafter described real property, and

WHEREAS, June 21, 2011, 6:30 p.m., was fixed as the day and hour for the Council to hear and pass upon said reports, together with any objections or protests which may be raised by any of the property owners liable to be assessed for the costs incurred for delinquent Business Taxes and any other interested persons; therefore be it

RESOLVED: That the protests are hereby overruled; and be it

FURTHER RESOLVED: That the reports which the City Administrator filed with the City Clerk concerning delinquent Business Taxes and the recordation of liens with administrative charges for the real property described therein be and are hereby accepted and confirmed, and assessments are hereby authorized to be levied upon the properties described in said City Administrator reports in the amounts set opposite each description for costs incurred for delinquent Business Taxes, added administrative charges and assessment charges; and be it

FURTHER RESOLVED: That if said assessment therein levied is not paid before the 10th day of August 2011, 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 2011-2012 County Tax Roll.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 20____

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, BRUNNER, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, SCHAAF, and PRESIDENT REID

NOES -

ABSENT -

ABSTENTION -

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

FILED
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OAKLAND

OAKLAND CITY COUNCIL

[Signature]
City Attorney

2011 JUN -9 PM 17:35

RESOLUTION No. _____ C.M.S.

Introduced by Councilmember _____

RESOLUTION CONTINUING HEARING ON REPORTS OF THE CITY ADMINISTRATOR ON THE DELINQUENT BUSINESS TAXES AND THE CONFIRMING OF THE RECORDATION OF LIENS, ADMINISTRATIVE CHARGES AND ASSESSMENT CHARGES AS NECESSARY - PURSUANT TO TITLE 5, CHAPTER 5.04 OF THE OAKLAND MUNICIPAL CODE.

RESOLVED: That the hearing on the reports of the City Administrator on the delinquent Business Taxes and recordation of the liens with added administrative charges was duly noticed and held on the 21st day of June 2011; 6:30 p.m., is hereby continued for further hearing on the day of _____ in the Chamber of the City Council.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 20_____

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, BRUNNER, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, SCHAAF, and PRESIDENT REID

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____

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