



CITY OF OAKLAND

AGENDA REPORT


TO: Jestin D. Johnson
City Administrator

FROM: Bradley Johnson
Interim Director of Finance

SUBJECT: Delinquent Business Taxes
Assessment of Liens

DATE: June 2, 2025

City Administrator Approval


Jestin Johnson (Jun 17, 2025 17:41 PDT)

Date: Jun 17, 2025

RECOMMENDATION

Staff Recommends That The City Council Conduct A Public Hearing And Upon Conclusion Adopt A Resolution 1) Confirming The Report And Notice Of Liens For Delinquent Business Taxes With Penalties, Interest, And Administrative And Assessment Charges, And 2) Overruling Any Protests And Objections Related To The Liens Included In Said Report And Authorizing The Recordation Of Liens, And 3) Directing The Notice Of Lien And Assessment Charges Be Turned Over To The County Tax Collector For Collection.

EXECUTIVE SUMMARY

Staff recommends the adoption of the proposed resolution, which authorizes the placement of liens on real property for unpaid City of Oakland Business Taxes including any penalties, interest, and administrative and assessment charges, should the fees and charges remain unpaid prior to the transfer/recording of said special assessment levies to the Alameda County Tax Collector and Auditor Controller for inclusion on the next property tax roll. All fees, charges, and due dates are detailed on taxpayer and City Council Hearing notices. The proposed resolution will confirm the placement of liens on 1,945 properties. The proposed assessments represent delinquent taxes for residential and commercial properties through tax year 2024.

BACKGROUND / LEGISLATIVE HISTORY

Pursuant to Oakland Municipal Code (O.M.C.) Chapter 5.04, the amount of business tax, penalty, and interest imposed under the provisions of this chapter is assessed against the business property on which the tax is imposed in those instances where the owner of the business and the business property are one and the same. Pursuant to Chapter 5.04 of the Oakland Municipal Code, staff cross-referenced Alameda County Assessor data with the business tax system data to identify potential non-compliant/delinquent businesses where the owner of the business and the owner of the business property are the same. During the review and assessment process, 4,772 property owners were notified to address delinquent business

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taxes determined to be owed to the City. An administrative hearing for delinquent business taxes was held on November 26, 2024, and property owners were given the opportunity to appeal their business tax assessments in this administrative process.

ANALYSIS AND POLICY ALTERNATIVES

Of the originally identified 4,772 properties, 2,827 were removed from the list through the administrative hearing process, payments, and/or account closures.

A total of thirty-six taxpayers appeared at the Fourth Quarter Lien (4QL) Administrative Hearing on November 26, 2024. The remaining 1,945 property owners who failed to respond were notified of the City's intent to record a lien against their property; these remaining parcels are subject to a lien. A breakdown by the property type of the parcels is shown in **Table 1**.

Table 1: Property Type

Property Use	Number of Accounts	Total Value of Liens
Multi Residential, 2-4 Units & Mobile Homes	764	\$ 3,194,977.95
Single Family Residential	666	\$ 2,445,527.22
Commercial	129	\$ 627,729.21
Multi Residential, 5 or More Units	325	\$ 2,888,444.57
Industrial	39	\$ 636,630.37
Improved Commercial 8x Series	22	\$ 87,365.71
Total	1,945	\$ 9,880,675.03

Following the administrative hearings, the Finance Director filed with the City Administrator a written notice of those property owners on whom the City will file liens for unpaid taxes, penalties, interest, and other charges (**Attachment A**). Property owners subject to the recordation of a lien for delinquent RPTT were sent a City Council Lien Notice on June 09, 2025. The proposed resolution confirms the City Administrator's report and authorizes the assessment for delinquent Business Taxes, penalties, interest, and administrative charges, and the placement of liens on 1,945 properties if the assessment remains unpaid. After a public hearing by the City Council and upon approval of the proposed resolution authorizing the placement of the liens, the delinquent charges and assessments that remain unpaid shall constitute a special assessment against said property and shall be collected at the time established by the County Assessor for inclusion in the next property tax assessment.

Adoption of the proposed resolution advances the citywide priority of a **responsive, trustworthy government**. The collection of taxes is necessary to raise revenue, which, in turn, supports the City's financial ability to carry out its affairs and priorities.

FISCAL IMPACT

Property owners owe the City delinquent business taxes and administrative fees for the accounts not resolved at the administrative hearings, as shown in **Attachment A**. Failure to place liens on these properties will result in a loss to the General Purpose Fund of \$9,540,300.03 in taxes and \$340,375.00 in administrative fees, for a total of \$9,880,675.03 over this period.

PUBLIC OUTREACH / INTEREST

Property owners were notified, and an administrative hearing for delinquent business taxes was held on November 26, 2024, to hear protests and resolve any inconsistencies or inequities raised by property owners regarding the non-payment of business taxes. Property owners subject to the recordation of a property lien were sent a City Council Lien Notice on June 20, 2025, and notified of the public hearing.

At the public hearing, the City Council will hear the City Administrator's reports on delinquent business taxes and proposed recordation of liens, along with any objections or protests which may be raised by any of the property owners liable to be assessed for costs incurred for delinquent business taxes, and any other interested persons, such as those that have a right in or claim against the subject property.

COORDINATION

In coordination with the Office of the City Attorney and the Finance Department Budget Bureau, the agenda report, proposed resolution, and supporting documents have been reviewed and/or approved for form, legality, and fiscal implications.

SUSTAINABLE OPPORTUNITIES

Economic: The City will generate additional revenue from the collection of delinquent business taxes to fund and support the City's services without raising taxes.

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

Race and Equity: The collection of delinquent business taxes is necessary to raise revenue, which, in turn, supports the City's financial ability to carry out its affairs and priorities that include making critical financial investments aimed at advancing racial and equity opportunities to historically underserved communities.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Conduct A Public Hearing And Upon Conclusion Adopt A Resolution 1) Confirming The Report And Notice Of Liens For Delinquent Business Taxes With Penalties, Interest, And Administrative And Assessment Charges, And 2) Overruling Any Protests And Objections Related To The Liens Included In Said Report And Authorizing The Recordation Of Liens, And 3) Directing The Notice Of Lien And Assessment Charges Be Turned Over To The County Tax Collector For Collection.

For questions regarding this report, please contact Rogers Agaba, Assistant Revenue & Tax Administrator, at (510) 238-7009.

Respectfully submitted,


Bradley Johnson (Jun 17, 2025 15:01 PDT)

BRADLEY JOHNSON
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Revenue Management Bureau

Prepared by:
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Attachment (1):

A: 4th Quarter 2025 Business Tax Liens