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OFFICE OF THE CITY CLERK
OAKLAND

2016 JUN -9 PM 6:29

AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Margaret O'Brien
Interim Revenue & Tax
Administrator

SUBJECT: Delinquent Transient Occupancy Taxes

DATE: May 20, 2016

City Administrator
Approval

Christina Jones for SBL

Date

6/9/16

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 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.

OUTCOME

The lien will be recorded against two (2) properties. The parcels' delinquency represents \$47,267.50 for past due Transient Occupancy Tax. Failure to place the lien to recover the delinquent taxes will result in a loss of \$47,367.50 in estimated revenues to the General Purpose Fund. The \$100 in additional revenue is derived from the \$50 administrative fee per lien for the two (2) properties.

BACKGROUND/LEGISLATIVE HISTORY

Pursuant to Chapter 4.24 of the Oakland Municipal Code, hotel owners/operators were 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 12, 2016 to hear protests and to resolve any inconsistencies or inequities raised by hotel owners/operators regarding the non-payment of Transient Occupancy Taxes. The owners/operators were given the opportunity to appeal their cases in this administrative process.

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Following the administrative hearing, the Tax Administrator filed with the City Administrator a written notice of those persons on whom the City will file liens for unpaid taxes, penalties, interest and other charges. If these amounts remain unpaid or unresolved after the public hearing by the City Council, the City Council shall authorize by resolution the recordation of liens on the subject properties for costs incurred for delinquent Transient Occupancy Taxes and added administrative and assessment charges. The delinquent charges and assessments 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 21, 2016. A resolution is prepared confirming the placement of liens on two (2) properties and authorizing the subsequent assessment for all fees and charges.

ANALYSIS

Hotel owners/operators owe delinquent Transient Occupancy Taxes and administrative fees to the City for accounts not resolved at the May 12, 2016 administrative hearing as shown in the attached list. 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 liens to recover the delinquent taxes, the General Purpose Fund may potentially lose estimated revenues totaling \$47,267.50 and administrative fees totaling \$100, creating a grand total of \$47,367.50 for this period.

PUBLIC OUTREACH/INTEREST

Administrative hearings for delinquent Transient Occupancy Taxes were held on May 12, 2016 to hear protests and resolve any inconsistencies or inequities raised by hotel owners/operators regarding the non-payment of Transient Occupancy Taxes.

COORDINATION

In coordination with the Office of the City Attorney, 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 \$47,367.50 for this period.

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SUSTAINABLE OPPORTUNITIES

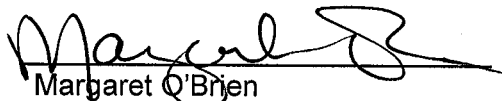
Economic: Collections of delinquent transient occupancy taxes have major economic implications for the City's sustainability. The revenue source is relied upon to fund essential City services.

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 MARGARET O'BRIEN, INTERIM REVENUE AND TAX ADMINISTRATOR at (510) 238-7480.

Respectfully submitted,



Margaret O'Brien
Interim Revenue and Tax Administrator
Revenue Management Bureau

Prepared by:
Marissa Wheeler, Tax Enforcement Officer II
Revenue Management Bureau

Attachment (1)

A: Public Hearing Lien list for Transient Occupancy Tax (TOT)

Item: _____
City Council
June 21, 2016

PUBLIC HEARING LIEN LIST FOR TRANSIENT OCCUPANCY TAX (TOT)

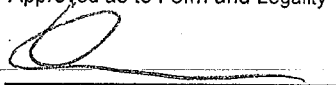
ADMIN HEARING: MAY 12, 2016

PUBLIC HEARING: JUNE 21, 2016

Acct #	Owner Name	Hotel Name	Property Address	Parcel #	\$ Amt Tax Liab	Admin Fee	\$ Amt Lien	Delinquency Period(s)	Paid	Comments
1753282	HEMANT INVESTMENTS	LIQUALITY INN	8471 ENTERPRISE WAY	042 432300305	\$ 44,275.00	\$ 50.00	\$ 44,325.00	April 2015		
2525135	REED BRENDA H	ACACIA HOUSE	6276 ACACIA AVE	048A710701700	\$ 2,992.50	\$ 50.00	\$ 3,042.50	October 2014 through June 2015		
				Total Due	\$ 47,267.50	\$ 100.00	\$ 47,367.50			

FILED
OFFICE OF THE CITY CLERK
OAKLAND

OAKLAND CITY COUNCIL


City Attorney

2016 JUN -9 ~~RESOLUTION~~ 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 the 21st day of June 2016, 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, June 21, 2016, 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 the 21st day of June 2016, 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 2016, 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 2016-2017 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 -

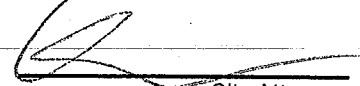
ABSENT -

ABSENTENTION -

ATTEST: _____

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

OAKLAND CITY COUNCIL


City Attorney

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 the 21st day of June 2016, 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 -

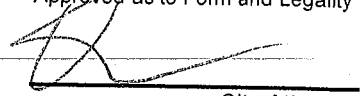
ABSTENTION -

ATTEST: _____

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

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OAKLAND

OAKLAND CITY COUNCIL



City Attorney

2016 JUN - 9 PM 6:39
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 the 21st day of June 2016, 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, June 26, 2016, 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 the 21st day of June 2016, 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 2016, 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 2016-2017 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