



AGENDA REPORT

TO: Jestin D. Johnson
City Administrator

FROM: Bradley Johnson
Director of Finance

SUBJECT: 2025 Delinquent Business Taxes
Assessment of Liens

DATE: December 12, 2025

City Administrator Approval


Jestin Johnson (Jan 8, 2026 10:51:31 PST)

Date: 01/08/2026

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 will authorize the placement of liens on real property for unpaid City of Oakland Business Taxes (BT) and authorize the subsequent assessment, pursuant to Chapter 5.04 of the Oakland Municipal Code (O.M.C.), 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. The liens will be recorded against 2,269 delinquent parcels in an amount of \$5,186,449.10, as well as \$397,075.00 for administrative fees, for a total property tax roll of \$5,583,524.10. The proposed assessments represent delinquent taxes for residential and commercial properties up to tax year 2025. Failure to place liens to recover the delinquent taxes will result in a loss of \$5,583,524.10 in revenues to the General Purpose Fund.

BACKGROUND / LEGISLATIVE HISTORY

Chapter 5.04 of the O.M.C. provides that “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 business operators where the owner of the business and the business property are the same. During the review and assessment process, 2,918 property owners were notified to address delinquent business taxes determined to be owed to

the City. An administrative hearing for delinquent business taxes was held on November 18, 2025, 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 2,918 properties, 649 were withdrawn from the list after the administrative hearing process, payments, and/or account closures.

A total of eleven taxpayers appeared on November 18, 2025, for the Business Tax Lien Administrative Hearing.

The remaining 2,269 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 as follows (**Table 1**):

Table 1: Property Type

Property Use	Number of Accounts	Total Value of Liens
Multi Residential, 2-4 Units & Mobile Homes	883	\$1,441,551.49
Single Family Residential	971	\$1,094,725.96
Commercial	170	\$896,445.73
Multi Residential, 5 or More Units	152	\$1,607,307.43
Industrial	61	\$346,949.48
Improved Commercial 8x Series	32	\$196,544.01
Total	2269	\$5,583,524.10

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**).

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 2,269 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 the loss of \$5,186,449.10 in General Purpose Fund revenues and \$397,075.00 in administrative fees, for a total of \$5,583,524.10 over this period.

PUBLIC OUTREACH / INTEREST

Property owners were notified, and an administrative hearing for delinquent business taxes was held on November 18, 2025, to hear protests and resolve any inconsistencies or inequities raised by property owners regarding the non-payment of business taxes. Property owners subject to a property lien were sent lien notices on January 9, 2026, and notified of the public hearing.

At the public hearing, the 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 Finance Department, Budget Bureau, and the City Attorney's Office, the agenda report, proposed resolutions, and supporting items attached to this report have been reviewed and/or approved for fiscal implications.

SUSTAINABLE OPPORTUNITIES

Economic: The City will realize 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 Nicole Welch, Revenue & Tax Administrator, at (510) 238-7025.

Respectfully submitted,


Nicole Welch (Jan 7, 2026 17:01:46 PST)

NICOLE WELCH
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Finance Department

Reviewed by:
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Principal
Nicole Welch, Revenue & Tax Administrator
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Prepared by:
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Attachment (1):

A: 3rd Quarter 2026 Business Tax Liens