



staff report

TO: Honorable Mayor and Members of the City Council

ATTENTION: Jeffrey L. Stewart, Executive Director

FROM: Tae G. Rhee, Finance Director/Treasurer

SUBJECT: Consideration and possible action to receive and file report regarding the business license Consumer Price Index (CPI) adjustment for fiscal year 2016-2017.

DATE: May 9, 2016

EXECUTIVE SUMMARY

Section 5.08.010 of the Bellflower Municipal Code states business license taxes “shall be increased” on July 1st of each year by the annual increase in the CPI for March, unless the City Council waives the CPI increase by adopting a resolution or ordinance by July 1st based on a determination that special circumstances warrant such a waiver. The applicable CPI adjustment is 1.6965% for fiscal year 2016-2017.

RECOMMENDATION TO THE CITY COUNCIL

- 1) Receive and file report regarding the business license CPI adjustment of 1.6965% for fiscal year 2016-2017; or
- 2) Alternatively, discuss and take other action related to this item.

FISCAL IMPACT

The City will generate approximately \$7,900 annually in additional business license tax revenue as a result of the CPI increase.

BACKGROUND

On March 4, 1997, the voters approved Measure A relating to the City’s business license taxes. Section 5.08.010 of the Bellflower Municipal Code provides business license taxes “shall be increased” on July 1st of each year by the annual increase in the Consumer Price Index (CPI) for March, unless the City Council waives the CPI increase by adopting a resolution or ordinance by July 1st based on a determination special circumstances warrant such a waiver.

Staff Report – Business License Tax Adjustment for FY 2016-17

May 9, 2016

Page 2 of 2

Although the CPI adjustment would not go into effect until July 1, this report was prepared for Council review for timely direction to staff since applicable renewal notices are generally mailed out towards the end of May or early June.

If the CPI increase is implemented, then the following will be the business license taxes for the common business types for fiscal year 2016-2017. Some businesses will not be affected by the CPI adjustment because the business license taxes are rounded to the nearest dollar.

COMMON BUSINESS TYPES:

Business Types	Current Base Business License Taxes	Proposed Increase in Business License Taxes for FY 2016-17	Proposed Base Business License Taxes for FY 2016-17
Retail, Wholesale, General Services	\$ 164	\$ 3	\$ 167
Non-Residential Rental Property	164	3	167
Contractors – Yearly	164	3	167
Contractors – Out of City, Per Job	41	1	42
Professional/Semi-Professional	164	3	167
Per Professional/Semi-Professional	58	1	59
Home Occupation	75	1	76
Multiple Residential Units – Per Unit	12	--	12
Per Employee	3	--	3