



Legislation Details (With Text)

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Report to Mayor and City Council

Tuesday, September 19, 2017

Discussion

SUBJECT:

MEASURE C OVERSIGHT COMMITTEE (CITY COUNCIL)

I. SUMMARY

On November 7th, Carson voters will consider Measure C, a Business License Tax on the refineries and industries that blend, mix, refine or store petroleum products. The City Council will consider the formation of an Oversight Committee, should Measure C be approved.

II. RECOMMENDATION

The City Council should provide direction to staff on the formation of the Oversight Committee, membership and other issues. Staff will then return with an ordinance adding the Oversight Committee into the Carson Municipal Code.

III. ALTERNATIVES

1. TAKE no action.
2. ADVISE staff on alternatives to the Oversight Committee.

3. TAKE such other action as the City Council deems appropriate

IV. BACKGROUND

The City Council adopted at its August 7, 2017 special meeting the necessary resolutions to place a ballot measure for voters on November 7, 2017 to consider a business license tax on gross receipts on businesses that blend, mix or refine petroleum or petroleum products or store petroleum products. The City Council officially endorsed the tax measure on September 5, 2017 by adopting a resolution of support. The Los Angeles County Clerk has assigned Measure C to the proposed tax measure.

This tax would be calculated based upon the gross receipts of all oil-related industries within the City and would be a general tax. A tax on gross receipts is a common way in which business license taxes are measured (note that the City currently imposes a business license tax based upon the number of employees).

This type of tax is generally lawful and administrable and is generally legally simple to draft.

The tax is estimated to raise approximately \$24 million annually to aid in the City's General Fund budget for all services. Examples of expenditures include:

- Maintain and improve 911 Emergency response and help to offset the rising costs of public safety services;
- Needed repairs to streets, sidewalks, curbs, medians and city parks;
- Addressing the environmental impacts of the oil refineries, reducing hazardous waste and improving air and water quality in Carson;
- Funding youth sports and afterschool programs; and
- Maintaining and improving senior programs.

Cities often establish oversight committees to assist the City Council and to provide input in prioritizing expenditures of new tax funds. For example, Carson established the Utility User's Tax Oversight Committee, which assists staff and the City Council in reviewing UUT related issues. Section 61119 of the Carson Municipal Code requires that the Citizens Oversight Committee is to receive annual reports on the funds collected and how the funds collected are spent. The Committee may also make recommendation to the City Council on any matter relating to the UUT chapter of the code and must hold their meetings in compliance with the Ralph M. Brown Act. The UUT Committee serves without any compensation.

The City currently has over twenty different commissions and committees, which require staffing. One option would be to expand the Citizen's Oversight Committee for the UUT with new responsibilities for oversight on funds received should Measure M be approved by the voters. The City Attorney could research this option.

Meeting frequency is also an issue. We have had difficulty at time reaching quorums due to

the large size of the UUT Committee. Staff suggests a 9 member committee, consisting of both residents and businesses might be more practical. The UUT Committee meets more frequently than yearly, so the Council may want to consider quarterly meetings.

V. FISCAL IMPACT

There is no fiscal impact.

VI. EXHIBITS

Prepared by: Kenneth C. Farfsing, City Manager