



**AGENDA REPORT**  
**SAN CLEMENTE CITY COUNCIL MEETING**  
 Meeting Date: April 3, 2012

Agenda Item 9A  
 Approvals: \_\_\_\_\_  
 City Manager \_\_\_\_\_  
 Dept. Head \_\_\_\_\_  
 Attorney \_\_\_\_\_  
 Finance \_\_\_\_\_

**Department:** Finance & Administrative Services  
**Prepared By:** Kumi Elston, Central Services Officer *KE*

**Subject:** ***MODIFICATION TO THE BUSINESS LICENSE TAX SCHEDULE FOR FORTUNE TELLING AND TATTOO ESTABLISHMENTS***

**Summary:** Section 5.08.040 specifically names businesses and occupations that pay the annual business license tax on a flat rate basis. During the Long Term Financial Plan meeting, City Council gave staff direction to change fortune telling and tattoo establishments from a flat rate of \$20 per day to the same tax schedule as other service related businesses. If the flat rate is not removed from the ordinance, these establishments could potentially pay a business license tax of \$7,300 if the establishment operated 365 days per year.

The attached ordinance removes "fortune telling, palmistry, clairvoyance, personality reading and kindred practice (per day) \$20.00" and "tattooing (per day) \$20.00" from Section 5.08.040 of the San Clemente Municipal Code.

Striking the flat rate tax for these establishments does not require voter approval under the provisions of Proposition 218. Voter approval only applies if a tax is added, extended or increased. The amount of business license taxes for fortune telling and tattoo establishments would be lower on the tax schedule for service related businesses.

**Recommended Action:** STAFF RECOMMENDS THAT the City Council introduce an ordinance of the City Council of the City of San Clemente, California, amending Chapter 5.08 relating to business licenses and regulations.

**Fiscal Impact:** None.

**Attachments:** Ordinance No. \_\_\_\_\_

**Notification:**

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SAN CLEMENTE, CALIFORNIA, AMENDING CHAPTER 5.08 RELATING TO BUSINESS LICENSES AND REGULATIONS

WHEREAS, the California Legislature is empowered by the California Constitution to authorize local governments to impose taxes for local purposes; and

WHEREAS, Government Code section 37101 specifically empowers cities to license, for revenue and regulation, every kind of lawful business transacted in the city; and

WHEREAS, the City Council of the City of San Clemente ("City Council") previously added Chapter 5.08 to the City of San Clemente Municipal Code ("Municipal Code") to permit the City to license lawful business transacted in the City; and

WHEREAS, the City Council desires to amend and revise existing portions of Chapter 5.08 of the Municipal Code.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN CLEMENTE HEREBY ORDAINS AS FOLLOWS:

SECTION 1. Section 5.08.040(a) is hereby amended to delete the named businesses "fortune telling, palmistry, clairvoyance, personality reading and kindred practice" and "tattooing" from the list of named businesses in the flat rate tax schedule.

SECTION 2. If any portion of this ordinance, or the application of any such provision to any person or circumstance, shall be held invalid, the remainder of this ordinance to the extent it can be given effect, of the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby, and to this extent the provisions of this ordinance are severable.

SECTION 3. This ordinance is exempt from compliance with the California Environmental Quality Act ("CEQA") pursuant to Section 15061(b)(3) of the State CEQA Guidelines.

SECTION 4. The City Clerk shall certify that the passage of this ordinance and this ordinance shall take effect as provided by law.

9A-2

APPROVED AND ADOPTED this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

ATTEST:

\_\_\_\_\_  
City Clerk of the City of  
San Clemente, California

\_\_\_\_\_  
Mayor of the City of San  
Clemente, California

STATE OF CALIFORNIA        )  
COUNTY OF ORANGE         ) ss.  
CITY OF SAN CLEMENTE     )

I, JOANNE BAADE, City Clerk of the City of San Clemente, California, hereby certify that Ordinance No. \_\_\_\_\_ having been regularly introduced at the meeting of \_\_\_\_\_, was again introduced, the reading in full thereof unanimously waived, and duly passed and adopted at a regular meeting of the City Council held on the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, and said ordinance was adopted by the following vote:

AYES:

NOES:

ABSENT:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of San Clemente, California, this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
CITY CLERK of the City of  
San Clemente, California

APPROVED AS TO FORM:

\_\_\_\_\_  
CITY ATTORNEY