



Item No. 3 Town of Atherton

CITY COUNCIL STAFF REPORT – STUDY SESSION

**TO: HONORABLE MAYOR AND CITY COUNCIL
GEORGE RODERICKS, CITY MANAGER**

FROM: ROBERT BARRON III, FINANCE DIRECTOR

DATE: MAY 4, 2016

**SUBJECT: REVIEW AND DISCUSSION OF POTENTIAL UPDATES TO THE
BUSINESS LICENSE ORDINANCE**

RECOMMENDATION

Discuss potential updates to the Town's business license ordinance and provide direction for any changes to the business license ordinance.

BACKGROUND

Last year staff presented the business license ordinance for review as part of its core value of financial stability-maximization of revenue alternatives. The Town, like most other municipalities, has a business license tax. The business license tax is a tax on businesses for the privilege of conducting business within the city. Tax revenue is an important source of funding.

Taxes fall into one of two categories: general or special. The Town can use tax revenue from a general tax for any legitimate public purpose. The typical business license tax can be levied on gross receipts or set at a flat rate. A business license tax can also be levied on some other combination of factors such as quantities of goods produced, number of employees, number of vehicles, etc. A business license tax may be imposed on a business located within the jurisdiction that does business inside and outside the taxing jurisdiction's boundaries

As a result of our prior discussions on the business license tax, staff enlisted the help of the Town's business license processor, MuniServices, to obtain gross receipt data from current license holders. This began during FY 2014/15 as the Town was looking to gather a more accurate picture of gross receipts of companies conducting business in Atherton. *Our current business license tax is currently based on a five (5%) percent of gross receipts or a flat tax, whichever was lower.* Because of the current structure of our ordinance, not all businesses were listing gross receipts for conducting business in Town limits. MuniServices was tasked to ensure that prior to a business license being issued, that the applicant listed their estimated gross receipts for tracking purposes for our own analysis on the business license tax.

The Town's business license tax is imposed solely to raise revenue for Town, not for regulatory purposes. The Town's business license tax is a general tax. Changes to the amount of tax imposed will trigger a municipal election requiring a majority vote. If an amendment to the general tax is placed on a ballot, it must be placed at the same election as for members of the legislative body (except in cases of emergency). *The Town may add an amendment to the general business license tax in November 2016.* A simple majority of voters must approve any decision to impose, increase, or extend a general tax. The California Government Code provides the legal authority that allows agencies to levy a business license tax.

California Government Code Section 37101 (a) states "The legislative body may license, for revenue and regulation, and fix the license tax upon, every kind of lawful business transacted in the city, including shows, exhibitions, and games." Business license taxes can be imposed as a general tax or a special tax for regulatory purposes. When imposed for regulatory purposes they can be imposed as regulatory fees with the revenues limited to covering the cost of the regulatory program.

The purpose of this discussion is to assist the Council in determining whether to modify the existing business license ordinance and tax, by adjusting the tax based on gross receipts or increasing the flat fees and/or modifying the coverage of the ordinance itself. If the Council wishes to make changes to the Town business license ordinance, staff will proceed to add this amendment to the November 2016 ballot.

Attached is a copy of Chapter 5 of the Town's Municipal Code relating to business licenses. This staff report highlights the current categories and rates of the business license tax and discusses possibilities for amendment.

Current Town Business License Ordinance

The Town's current business license tax is levied at a flat rate and is done so by category of business. The tax ranges from \$25 to \$250. The Town's business license ordinance does not tax all businesses or persons that conduct business in the Town limits. State law prohibits the requirement of a business license tax on any clergy or religious organization that has been granted a 501(c) 3 federal income tax exemption. Jurisdictions are also restricted from imposing a business license tax on any insurance company, any bank or financial corporation.

Chapter 5.12 of the Town's business license ordinance focuses the business license tax on contractors and real estate firms conducting business in Town. The ordinance defines conducting a business as the act of "...conducting, managing, carrying on a certain business or occupation or any aspect thereof, including, without limitation, showing real property for sale or lease on behalf of the property owner or a potential buyer or lessee (in the case of a realtor)." The ordinance further defines a contractor as "...any person conducting, managing, carrying on or engaging in the business of construction or repair work for an agreed price..."

The purpose of Chapter 5.12 is to provide for the establishment and levying of business license taxes for carrying on of certain businesses, trades, professions, and occupations in the Town. The

ordinance is clear that it is enacted solely to raise revenue for municipal purposes and is not intended for regulation.

It is unlawful for anyone covered by the ordinance to transact any business, trade, or occupation without first having procured a license from the Town to do so.

Business Tax Categories

Section 5.12.150 divides the business license tax requirement into four categories.

Category I is firms with two or more employees doing business as general contractors, alarm installers, private patrol, maintenance companies (buildings, grounds/landscaping, swimming pools) and real estate firms. **Category II** is firms with two or more employees doing business as subcontractors. **Category III** is sole operators doing business as subcontractors, maintenance companies (buildings, grounds/landscaping, swimming pools), real estate brokers and home occupations. **Category IV** is handymen, horseshoers, solicitors, and delivery vehicles.

Besides changes to the business license tax, if the City Council wishes to proceed with the amendment to the ordinance, staff recommends the Council may also review the ordinance to expand the definitions of the business categories that are relevant to the Town. One such example would be photographers, artists, cleaning services, drain cleaning services, and any others that would be deemed appropriate.

The current business license tax is five (5%) percent of gross receipts derived during the license year from business conducted within the Town or flat amount, of whichever is lower. The maximum flat amount for each category is as follows:

Category I	\$250
Category II	\$150
Category III	\$100
Category IV	\$50

FINDINGS | ANALYSIS

When considering amendments to the business license ordinance, the Town can elect any number of options:

- 1) Remove or modify the flat tax;
- 2) Base the tax solely on gross receipts or solely on a flat tax or a combination thereof;
- 3) Expand the types of business categories taxed.

As Council is aware, the Town does not have many businesses that operate within the Town limits. The businesses that do operate are contractors or subcontractors mainly in home construction, home services, or repairs. Home occupations (mostly professional services) are also required to obtain a license. Home occupations will typically fall into Category III. The majority of Town

business licenses are Category I and II licenses. Our business license data from Muniservices now includes two years of business license processing with the reporting of gross receipts.

With the updated data from Muniservices, the Town’s business licenses reflect the following:

Category	FY 2014/15 # Licenses	FY2015/16 #Licenses
Category I	536	574
Category II	765	800
Category III	216	196
Category IV	30	28
Total Business	1547	1598

Business License Revenues

The revenue from the above businesses is approximately \$271,850 for FY 2014/15 and \$284,500 for FY 2015/16. Business license revenue net of Muniservice processing fee (\$20 per application) over the last five years is as follows:

FY 2010/11	FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15
\$163,629	\$183,087	\$170,980	\$221,093	\$256,805

Because of the structure of the Town’s business license tax, the Town’s lack of a true commercial sector, and the tax’s general applicability to contractors and subcontractors, revenue from the business license tax is directly related to construction activity in Town. As more construction and remodeling occur, the Town business license revenue is directly correlated.

Over the past two years, MuniServices collected gross receipts for every business by category.

FY 2014/15 Category	FY 2014/15 Gross Receipts	FY 2015/16 Category	FY 2015/16 Gross Receipts
Category I (536)	\$158,974,776	Category I (574)	\$196,026,989
Category II (765)	45,015,667	Category II (800)	\$64,678,472
Category III (216)	7,004,012	Category III (196)	\$9,314,769
Category IV (30)	\$941,907	Category IV (28)	\$1,453,651
Total	\$211,936,362		\$271,473,881

As was presented in previous discussions, the majority of the gross receipts continue to be attributable to Categories I and II – general contractors and subcontractors.

With the current business license fee structure the applicant will pay the lower flat tax rather than the (5%) percent of gross receipts. With the current gross receipt scenario above, if the Town eliminated the flat tax and required that the applicants pay the five (5%) percent based strictly on gross receipts, business license revenue would be \$10,596,818 for FY 2014/15 and \$13,573,694 for FY 2015/16.

However, there is a big catch to this scenario. The City Council should be reminded that the Town must follow the guidelines of Government Code Section 37101(b) "...any legislative body, including the legislative body of a charter city, that levies a license tax pursuant to subdivision (a) upon a business operating both within and outside the legislative body's taxing jurisdiction, shall levy the tax so that the measure of tax fairly reflects that proportion of the taxed activity actually carried on within the taxing jurisdiction." *One solution to comply with the government code while charging a business tax by gross receipts, is that jurisdictions will impose a fractional multiplier that brings down the gross receipts to a more reasonable taxing level.*

If the Town were to eliminate the flat tax option such that the tax is based solely on gross receipts, it should do so using a multiplier. This would provide for a fairer tax application.

Tax models and Revenue Expectations

Chapter 5.12.160 sets the tax amounts by category. This section can be modified to eliminate the flat tax option. As mentioned above, if the Council opts to eliminate the flat tax, the percentage basis will also need to be adjusted.

Tax on gross receipts

A fractional multiplier would reduce the taxable gross receipts. This can be done in combination with a minimum tax amount. For example, taking the FY 2014/15 business licenses, total gross receipts of \$211,944,362, the Town could impose a minimum tax of \$250 plus \$0.25 cents for every \$100 of gross receipts. Assuming the 1,547 business licenses, the total amount of tax revenue from business licenses would be \$529,841 plus \$317,500 for a total of **\$847,341**. There are additional scenarios with the multiplier of \$.20 and \$.15 below. Staff suggestion would to also include a minimum tax fee of \$250 per license.

Fiscal Year 2014/15

Licensees by Category	Gross Receipts	\$0.25 per \$100	\$.20 per \$100	\$.15 per \$100	\$250 Minimum
Category I (536)	\$158,974,776	\$397,437	\$317,950	\$238,462	\$110,500
Category II (765)	45,015,667	\$112,539	\$90,031	\$67,524	\$161,250
Category III (216)	7,004,012	\$17,510	\$14,008	\$10,506	\$39,000
Category IV (30)	\$941,907	\$2,354	\$1,884	\$1,413	\$6,750
Total	\$211,936,362	\$529,841	\$423,873	\$317,905	\$317,500

In this gross receipts model, businesses that have *more* gross revenue from business conducted in Town will pay a higher tax than those that do not. For example, under the \$.25 per 100 multiplier, a general contractor (Category I) that has gross receipts of \$250,000 for business conducted in Town will have a business license tax of \$625 plus the minimum tax of \$250 for a combined tax of \$875 (current tax amount is \$250). Whereas, a general contractor with gross receipts of \$2,500 for business conducted in Town will have a business license tax of \$6 plus the minimum tax of \$250 for a combined yearly fee of \$256 (current tax is \$250).

In the above scenarios, the multiplier (\$0.25 or \$.20 or \$.15 per \$100 of gross receipts) and the minimum (\$250) provide different revenue alternatives the Council can utilize for business license tax rates discussions. The above scenario includes the minimum fee of \$317,500 and combined with the gross receipts multiplier, results in business license revenue to the Town ranging from \$847,341, \$741,373 and \$635,405 respectively.

Below is the scenario based on Fiscal Year 2015/16 gross receipts and number of business applicants.

Licensees by Category	Gross Receipts	\$0.25 per \$100	\$.20 per \$100	\$.15 per \$100	\$250 Minimum
Category I (574)	\$196,026,989	\$490,067	\$392,054	\$294,040	\$143,500
Category II (800)	\$64,678,472	\$161,696	\$129,357	\$97,018	\$200,000
Category III (196)	\$9,314,769	\$23,287	\$18,630	\$13,972	\$49,000
Category IV (28)	\$1,453,651	\$3,634	\$2,907	\$2,180	\$7,000
Total	\$271,473,881	\$678,685	\$542,948	\$407,211	\$399,500

In the above scenarios for FY 2015/16, includes the minimum fee of \$399,500 and combined with the gross receipts multiplier, results in business license revenue to the Town ranging from \$1,078,185, \$942,448, and \$806,711 respectively. Staff recommends review of these scenarios as they provide analysis on the most recent business license applicant data for the Town. Staff anticipates further discussion on the rate multiplier and minimum tax fee amount.

Flat Tax Only

Another alternative is to increase the flat tax amount and eliminate the gross receipts requirement altogether. The table below reflects an increase in the flat tax amount by \$100 or \$150 for each category. This increases revenue to the Town by \$140,200 and \$239,700 respectively

FY 2015/16 Business License applicants

Licenses by Category	Current Tax	Totals	Increase by \$100	New Total	Increase by \$150	New Total
Category I (574)	\$250	\$143,500	\$350	\$200,900	\$400	\$229,600
Category II (800)	\$150	\$120,000	\$250	\$200,000	\$300	\$240,000
Category III (196)	\$100	\$19,600	\$200	\$19,600	\$250	\$49,000
Category IV (28)	\$50	\$1,400	\$150	\$4,200	\$200	\$5,600
Total		\$284,500		\$424,700		\$524,200

Other Agencies

Staff looked at a few other agencies and similar categories for Atherton.

The Town of **Los Altos Hills** has several categories of types of business, some of which are similar in category to our town.

General Contractor	\$270
Subcontractor with no employees (Owner)	\$130
Subcontractor (Owner & employees)	\$170
Realtors (first broker)	\$160 2 addtl-\$40 each; each addtl \$15 ea.
Delivery Truck	\$100
Any other business	\$170

The Town of **Hillsborough** has several business categories within its business license ordinance. Some of the categories have a business tax that is based on gross receipts at a rate of \$0.50 per \$100 of gross receipts. The categories for contractors and subcontractors similar to the Town of Atherton but a tax based on gross receipts in addition to an administration fee of \$100.

The Town of **Woodside** has a flat fee tax for General Contractors in the amount of \$250, subcontractors with one or more employees \$150, and subcontractors with no employees \$100.

Review/Increase Business License Categories

While the Town can review the business categories and increase them, due to the lack of a retail sector, the current categories within the ordinance capture the majority of the potential business activity that will occur within the Town. *Staff suggests that we do a review of business license ordinance to ensure we incorporate all businesses within a category and decide if the City Council would like to increase just the flat tax fee per categories, or do a blended business license tax to be based on gross receipts and a minimum flat tax fee.* The business tax ordinance is one of several revenue alternatives staff has researched and provided to the City Council as potential revenue maximization to the General Fund.

As a reminder, business licenses are considered “general” taxes (revenues used for unrestricted purposes). Any changes in the amount of tax or taxing structure requires a majority vote of the electorate at a general municipal election at the same time as members of the elected body (11/2016). If the Council wishes to proceed with making changes to the business license ordinance, it may do so and put the business tax ordinance on the November 2016 election ballot. We would need to notify the county by July 2016 of our intention to have a special election.

POLICY FOCUS

The Council can review various options on the business license ordinance, on whether to base the tax solely on gross receipts with a tax rate multiplier and with a standard minimum tax, or make adjustments to the current categories or flat tax rates. It is important to recognize the Town’s limitations on revenue due to the lack of a retail sector. If the Council desires to make changes to the business tax ordinance, then the ordinance will need to go before the Town for a vote in the 2016 November election.

Next steps – it would be appropriate for the Council to provide staff with feedback on a potential option and provide a framework for how they would like amendments (if any) to proceed. Discussion around a multiplier, flat tax amount, minimum tax amount and multiplier, and outreach would be appropriate.

FISCAL IMPACT

None at this time.

PUBLIC NOTICE

Public notification was achieved by posting the agenda, with this agenda item being listed, at least 72 hours prior to the meeting in print and electronically. Information about the project is also disseminated via the Town's electronic News Flash and Atherton Online. There are approximately 1,200 subscribers to the Town's electronic News Flash publications. Subscribers include residents as well as stakeholders – to include, but be not limited to, media outlets, school districts, Menlo Park Fire District, service providers (water, power, and sewer), and regional elected officials.

ATTACHMENT(S)

Atherton Title 5: Business Taxes, Licenses and Regulations
Atherton Business Tax Category & Fee Schedule
Category I Business License Application
Category II Business License Application
Category III Business License Application
Category IV Business License Application

**Title 5
BUSINESS TAXES, LICENSES AND REGULATIONS**

Chapters:

[5.04](#) **Eligibility for Licenses and Permits**

[5.08](#) **Bingo**

[5.12](#) **Contractors and Real Estate Firms**

[5.16](#) **Garage Sales**

[5.20](#) **Soliciting and Canvassing**

Chapter 5.04 ELIGIBILITY FOR LICENSES AND PERMITS

Sections:

[5.04.010](#) Ineligibility for certain permits.

[5.04.020](#) Access to criminal history information.

5.04.010 Ineligibility for certain permits.

A. Conviction (including pleas of guilty and nolo contendere) of a felony or misdemeanor may disqualify an applicant for the following town licenses or permits:

1. Solicitor's permit;
2. Burglary alarm installer's permit.

B. The licensing authority of the town may, however, disregard such conviction if it is found and determined by such licensing authority that mitigating circumstances exist. In making such determination, the licensing authority shall consider the following factors:

1. The type of business license or permit for which the person is applying;
2. The nature and seriousness of the conviction;
3. The circumstances surrounding the conviction;
4. The length of time elapsed since the conviction;
5. The age of the person at the time of the conviction;
6. The presence or absence of rehabilitation or efforts at rehabilitation;
7. Contributing social or environmental conditions. (Ord. 361 Ch. 3(e) § 2.1, 1978)

5.04.020 Access to criminal history information.

Pursuant to Section 11105 of the Penal Code of the state, the following officers of the town are authorized to have access to and to utilize state summary criminal history information when it is needed to assist them in fulfilling licensing duties set forth in this chapter: city manager, city clerk, city attorney and chief of police. (Ord. 361 Ch. 3(e) § 2.2, 1978)

Chapter 5.08 BINGO

Sections:

- [5.08.010](#) Definitions.
- [5.08.020](#) Purpose and intent.
- [5.08.030](#) Permit required.
- [5.08.040](#) Evidence of tax exemption status.
- [5.08.050](#) Recordkeeping.
- [5.08.060](#) Profits kept separate.
- [5.08.070](#) Location.
- [5.08.080](#) Hours of operation.
- [5.08.090](#) Participation of minors prohibited.
- [5.08.100](#) Prize value limitation.
- [5.08.110](#) Operation regulations.

5.08.010 Definitions.

As used in this chapter:

A. "Bingo game" means a game of chance in which a prize or prizes are awarded on the basis of a designated alignment of numbers or symbols on a card which conforms to numbers or symbols selected at random.

B. "Charitable organizations" means and includes only those organizations exempted from payment of the Bank and Corporation Tax by sections 23701(a), 23701(b), 23701(d), 23701(e), 23701(f), 23701(g), and 23701(l) of the Revenue and Taxation Code, and mobile home park associations and senior citizens' organizations; provided, that the receipts of such games are used only for charitable purposes. (Ord. 417 § 17, 1985; Ord. 353 Ch. 4(n) §§ 2, 3, 1977)

5.08.020 Purpose and intent.

It is the purpose of the city council, in enacting this chapter, to enable nonprofit organizations, organized and operated exclusively for such as religious, charitable, scientific, literary or educational purposes, or for the prevention of cruelty to children or animals, to conduct bingo games. (Ord. 353 Ch. 4(n) § 1, 1977)

5.08.030 Permit required.

Only a charitable organization may obtain a license to operate or conduct a bingo game and no such charitable organization shall operate or conduct a bingo game without first obtaining a permit therefor from the chief of police. (Ord. 353 Ch. 4(n) § 4, 1977)

5.08.040 Evidence of tax exemption status.

Any organization applying for a bingo license shall submit with its application therefor a certification from the Franchise Tax Board of tax exempt status under California Revenue and Taxation Code Section 23701(d), and a certification for the Department of Internal Revenue that a contribution or gift to the applicant would be a charitable contribution under Section 170(c)(2) of the U.S. Internal Revenue Code of 1954, as amended. (Ord. 353 Ch. 4(n) § 5, 1977)

5.08.050 Recordkeeping.

Every organization authorized to operate or conduct a bingo game for charitable purposes under this chapter shall “keep separate and accurate books and records of all income and expenses” related to the conduct of such games. The books shall be open for inspection by the chief of police, or other peace officer of the city, at all times during ordinary hours of business, and shall not in any manner be concealed from the authorities. (Ord. 353 Ch. 4(n) § 6, 1977)

5.08.060 Profits kept separate.

All profits derived from a bingo game shall be kept in a special fund or account and shall not be commingled with any other fund or account. (Ord. 353 Ch. 4(n) § 7, 1977)

5.08.070 Location.

A licensed charitable organization shall conduct a bingo game only on property owned or leased by it and which property is used by such organization for an office or for activities within the purposes for which the organization is organized. (Ord. 353 Ch. 4(n) § 8, 1977)

5.08.080 Hours of operation.

A licensed charitable organization shall not operate or conduct a bingo game between the hours of twelve midnight and eight a.m. (Ord. 353 Ch. 4(n) § 9, 1977)

5.08.090 Participation of minors prohibited.

Participation in all bingo games shall be open to the general public and may not be limited to members of the licensed charitable organization. No minors shall be allowed to participate in any bingo game. No person shall be allowed to participate in a bingo game unless the person is physically present at the time and place in which the game is being conducted. (Ord. 353 Ch. 4(n) § 10, 1977)

5.08.100 Prize value limitation.

The total value of prizes, including cash, awarded during the conduct of any one bingo game shall not exceed two hundred fifty dollars. (Ord. 353 Ch. 4(n) § 11, 1977)

5.08.110 Operation regulations.

A bingo game shall be operated and staffed only by members of the nonprofit charitable organization which organized it. Such members shall not receive a profit, wage, commission, salary or compensation of any kind in consideration for conducting or helping to conduct any bingo game. It is a misdemeanor for any person to receive a profit, wage, commission, salary, or other compensation from any bingo game authorized in this chapter, punishable by a fine not to exceed ten thousand dollars, which fine shall be deposited in the general fund of the city. Only the organization authorized to conduct a bingo game shall operate such game or participate in the promotion, supervision or any other phase of such game. No individual, corporation, partnership or other legal entity, except the organization authorized to conduct a bingo game, shall hold a financial interest in the conduct of the game. (Ord. 353 Ch. 4(n) § 12, 1977)

Chapter 5.12 CONTRACTORS AND REAL ESTATE FIRMS

Sections:

- [5.12.010](#) Definitions.
- [5.12.020](#) Purpose.
- [5.12.030](#) Constitutional exemptions.
- [5.12.040](#) License required.
- [5.12.050](#) License collector—Enforcement.
- [5.12.060](#) License—Application.
- [5.12.070](#) License—Issuance.
- [5.12.080](#) Tax due and payable when.
- [5.12.090](#) Refund permitted when.
- [5.12.100](#) Town not bound by employee error.
- [5.12.110](#) Duplicate license—Fee.
- [5.12.120](#) License—Nontransferable.
- [5.12.130](#) Information deemed confidential.
- [5.12.140](#) Delinquent tax—Penalty.
- [5.12.150](#) Business license categories.
- [5.12.160](#) Tax designated.
- [5.12.170](#) Dispute arising from tax—Administrative procedure.
- [5.12.180](#) Appeal.
- [5.12.190](#) Effect on past actions and obligations.

5.12.010 Definitions.

For the purposes of this chapter:

A. “Conducting” means and includes the act of conducting, managing, carrying on a certain business or occupation or any aspect thereof, including, without limitation, showing real property for sale or lease on behalf of the property owner or a potential buyer or lessee (in the case of a realtor).

B. “Contractor” means and includes any person conducting, managing, carrying on or engaging in the business of construction or repair work for an agreed price, or who shall hold himself out to the public as in such business, or who shall erect, construct, alter or repair any building or structure for the purpose of selling or renting the same, and who does not employ therefor a person licensed under this chapter.

Anything in this chapter to the contrary notwithstanding, “contractor” shall not include an architect holding a certificate to practice architecture in the state issued under authority of the California Business and Professions Code.

C. "Person," unless otherwise specifically provided in this chapter, means and includes natural persons of either sex, firms, associations, partnerships and corporations, whether acting by themselves, or by servant, agent or employee. The singular number shall include the plural and the masculine shall include the feminine.

D. "Real estate firm" means and includes any person conducting, managing or carrying on or engaging in the real estate business who employs any real estate broker, salesperson or agent in such business. (Ord. 409 § 1, 1985)

5.12.020 Purpose.

The purpose of this chapter is to provide for the establishment and levying of license taxes for the transaction and carrying on of certain businesses, trades, professions and occupations in the town. This chapter is enacted solely to raise revenue for municipal purposes and is not intended for regulation. (Ord. 409 § 2, 1985)

5.12.030 Constitutional exemptions.

A. Nothing in this chapter shall be deemed or construed to apply to any person transacting and carrying on any business exempt by virtue of the Constitution or applicable statutes of the United States or of the state of California from the payment of such taxes as are provided in this chapter.

B. Persons required to pay a license tax for transacting and carrying on any business under this chapter shall not be relieved from the payment of any license tax for the privilege of doing such business required under any other ordinance of the town and shall remain subject to the regulatory provisions of other ordinances. Nothing in this chapter shall be deemed to authorize the conducting of any activity otherwise prohibited under any other ordinance of the town.

C. None of the license taxes provided for by this chapter shall be so applied as to occasion an undue burden upon interstate commerce, a violation of the equal protection and due process clauses of the Constitutions of the United States or of the state, or otherwise conflict with such Constitutions or any applicable statutes of the United States or the state. (Ord. 409 § 3, 1985)

5.12.040 License required.

A. There are imposed upon the businesses, trades, callings and occupations specified in this chapter, license taxes in the amounts prescribed in this chapter. It is unlawful for any person to transact and carry on any business, trade, calling or occupation as prescribed in this chapter without first having procured a license from the town to do so and without complying with any and all applicable provisions of this chapter.

B. Persons not required to obtain a license prior to doing business within the town because of conflict

with applicable statutes of the United States or of the state of California shall, nevertheless, be liable for payment of the tax imposed by this chapter, provided that the payment of such tax is not prohibited by Section [5.12.030](#) of this chapter. (Ord. 409 § 5, 1985)

5.12.050 License collector—Enforcement.

A. The city clerk is designated the license fee collector (hereinafter, the “collector”).

B. The chief of police, and such police officers as he may designate, are appointed inspectors of licenses and, in addition to their several duties as police officers, are authorized to examine all persons engaged in business activities in the town, as specified in this chapter, and to ascertain whether the provisions of this chapter have been complied with. They shall have and exercise the power to make arrests for the violation of any provisions of this chapter and shall have the right to enter, free of charge at any reasonable time, any property on which a business is being conducted and for which a license is or may be required by this chapter and to demand the exhibition of such license for the current term by any person so engaged or employed in the transaction of such business. Any such person who wilfully fails to exhibit the same on demand shall be guilty of a misdemeanor and subject to the penalties provided for by the provisions of this chapter.

C. The amount of any license tax and penalty imposed by the provisions of this chapter shall be deemed a debt to the town. An action may be commenced in the name of the town in any court of competent jurisdiction, for the amount of any delinquent license tax and penalties.

D. All remedies prescribed under this chapter shall be cumulative and the use of one or more remedies by the town shall not bar the use of any other remedy for the purpose of enforcing the provisions of this chapter. (Ord. 409 § 6, 1985)

5.12.060 License—Application.

Every person required to have a license under the provisions of this chapter shall make application to the collector. Such application shall be a written statement upon a form provided by such collector and shall be written by the applicant before a person authorized to administer oaths. The application shall set forth such information as may be necessary properly to determine the amount of the license tax to be paid by the applicant. The following business license information will be required on the application:

A. Business name for which the license will be issued;

B. Business street address and mailing address if different from street address;

C. Federal employer identification number (FEIN), if the business is a partnership or corporation, owner’s name and social security number for all others. State employer I.D. number may be used if

federal number is not known;

D. Type of business activity—ownership type, e.g., sole proprietorship, corporation or partnership;

E. Telephone number, including area code. (Ord. 409 § 7 (part), 1985)

5.12.070 License—Issuance.

Upon the payment of the prescribed license tax, the collector shall issue to such person a license which shall contain (1) the name of the person to whom the license is issued; (2) the business licensed; (3) the date of the expiration of such license; and (4) such other information as may be necessary for the enforcement of the provisions of this chapter. No statement set forth in an application shall be conclusive as to matters set forth therein. (Ord. 409 § 7 (part), 1985)

5.12.080 Tax due and payable when.

A. All annual license taxes under the provisions of this chapter shall be due and payable to the town in advance on the first day of July of each year and shall be delinquent at five p.m. on July 31st of that year; provided, however, that during Fiscal Year 2000-2001 for persons who become subject to this chapter for the first time during the license tax year after July 31, 2000, but prior to June 30, 2001, the license tax shall be due and payable immediately on the day such person becomes subject to this chapter in a prorated amount as set out below and the license shall remain valid until June 30, 2001, whereupon it shall be renewable. The amount of tax due shall be prorated for persons becoming subject on:

1. Any day of August, the tax shall be 11/12ths of the tax designated in Section [5.12.160](#).
2. Any day of September, the tax shall be 10/12ths of the tax designated in Section [5.12.160](#).
3. Any day of October, the tax shall be 9/12ths of the tax designated in Section [5.12.160](#).
4. Any day of November, the tax shall be 8/12ths of the tax designated in Section [5.12.160](#).
5. Any day of December, the tax shall be 7/12ths of the tax designated in Section [5.12.160](#).
6. Any day of January, the tax shall be 6/12ths of the tax designated in Section [5.12.160](#).
7. Any day of February, the tax shall be 5/12ths of the tax designated in Section [5.12.160](#).
8. Any day of March, the tax shall be 4/12ths of the tax designated in Section [5.12.160](#).
9. Any day of April, the tax shall be 3/12ths of the tax designated in Section [5.12.160](#).
10. Any day of May, the tax shall be 2/12ths of the tax designated in Section [5.12.160](#).

11. Any day of June, the tax shall be 1/12th of the tax designated in Section [5.12.160](#).

B. For years beginning on and after July 1, 2001, all annual license taxes under the provisions of this chapter shall be due and payable to the town on the first day of July and shall be delinquent at five p.m. on July 31st of that year; provided, however, that for persons who become subject to this chapter for the first time during the license tax year (after July 31st but prior to and including December 31st), the full license tax shall be due and payable immediately on the day such person becomes subject to this chapter and the license shall remain valid for a period ending on June 30th, whereupon it shall be renewable.

C. For persons who become subject to this chapter for the first time during the final six months of the license tax year (from and after January 1st and prior to June 30th), one-half of the license tax shall be due and payable immediately on the day such person becomes subject to this chapter and the license shall remain valid until the period ending on June 30th, whereupon it shall be renewable. (Ord. 516 § 1, 2000; Ord. 409 § 7 (part), 1985)

5.12.090 Refund permitted when.

No refunds will be made on any amount paid as a license tax except in case of an error on the part of the town in the determination of the amount of the license tax, in the event of double payment for a license, or in case of an illegally collected license tax. (Ord. 409 § 7 (part), 1985)

5.12.100 Town not bound by employee error.

The town shall not be bound by the mistake of any officer or employee of the town in issuing a license contrary to the terms of this chapter or of the terms of any zoning or other ordinance of the town. (Ord. 409 § 7 (part), 1985)

5.12.110 Duplicate license—Fee.

A charge of twenty-five dollars shall be made for each duplicate license issued to replace any license issued under the provisions of this chapter which has been lost or destroyed. No duplicate will be issued unless the licensee files with the collector an affidavit satisfactory to the collector attesting to such loss. (Ord. 409 § 7 (part), 1985)

5.12.120 License—Nontransferable.

No license issued pursuant to this chapter shall be transferred except that when a licensee transfers his business from one location to another the license previously issued may be amended to change the address to the new location. The license transfers and amendments authorized in this chapter may be obtained upon application therefor to the license collector and the payment of the sum of five dollars. (Ord. 409 § 7 (part), 1985)

5.12.130 Information deemed confidential.

The information furnished or secured pursuant to the provisions of this chapter shall be deemed confidential in character; shall not be subject to public inspection unless otherwise required by law; and shall be kept so that the contents thereof shall not become known except to the persons charged with the administration of this chapter, or other governmental agency, or as required by law. (Ord. 409 § 8, 1985)

5.12.140 Delinquent tax—Penalty.

For failure to pay a license tax when due, a penalty shall accrue at the rate of ten percent of the license tax per month after the due date thereof, provided that the amount of such penalty to be added shall in no event exceed one hundred percent of the amount of the license tax due annually. (Ord. 409 § 9, 1985)

5.12.150 Business license categories.

A. Persons or firms conducting business within the town shall pay a business license tax according to the tax rate specified for that type of business. Tax rates are based on the following categories:

1. Category I: Firms with two or more employees doing business as:

General contractors

Alarm installers

Private patrol

Maintenance companies

Buildings

Grounds/landscaping

Swimming pools

Real estate firms

2. Category II: Firms with two or more employees doing business as:

Subcontractors

3. Category III: Sole operators which are doing business as:

Subcontractors

Maintenance companies

Buildings

Grounds/landscaping

Swimming pools

Real estate brokers

Home occupations

4. Category IV:

Handymen

Horseshoers

Solicitors

Delivery vehicles

B. Where a person does business in more than one of the above classifications, the annual license tax will be the highest one set in any of the classifications in which business is being done, plus one-half of the fixed license tax for each of the additional classifications in which such person is doing business. (Ord. 409 § 10, 1985)

5.12.160 Tax designated.

A. Except as otherwise provided, the license tax for those in business, conducting business, supplying services, or delivering goods within the town shall be as follows:

1. Category I: Five percent of gross receipts derived during the license year from business conducted or performed within the town, or two hundred fifty dollars, whichever is lower.
2. Category II: Five percent of gross receipts derived during the license year from business conducted or performed within the town, or one hundred fifty dollars, whichever is lower.
3. Category III: Five percent of gross receipt derived during the license year from business conducted or performed within the town, or one hundred dollars, whichever is lower.
4. Category IV: Five percent of gross receipts derived during the license year from business conducted or performed within the town, or fifty dollars, whichever is lower.

B. Each licensee shall pay an administrative fee of fifty dollars to help defray the cost of issuing, maintaining and enforcing this chapter. This fee shall be part of the license fee and not in addition to the license fee specified in this section.

C. For the tax year commencing July 1, 2000, and ending June 30, 2001, the license tax designated in subsection A of this section shall be prorated based upon the schedule shown in Section [5.12.080](#). (Ord. 516 § 2, 2000; Ord. 409 § 11, 1985)

5.12.170 Dispute arising from tax—Administrative procedure.

A. If any person fails to file in a timely manner any statement required under this chapter or if it appears to the satisfaction of the collector that a statement filed does not set forth the true facts of the business for which a license is required, the collector shall determine the amount of license tax due from such person by means of such information as the collector may be able to obtain. The collector shall have the right, to be exercised by himself or his designated representative, to inspect the books of any such person after five days' written notice to such person.

B. In case a determination is made that a license tax is due, the collector shall give notice of the amount so assessed by serving it personally or by depositing it in the U.S. post office in Atherton, postage prepaid, addressed to the person so assessed at the address appearing on his last license or application, if any, or at such address as the collector may determine is such person's principal place of business or residence. Such person may, within ten days after the serving or mailing of such notice, make application in writing to the collector for a hearing on the amount of the license tax. If such application is made, the collector shall give not less than five days' written notice, in the manner prescribed in this chapter, to the licensee to show cause, at a time and place fixed in the notice, why the amount specified therein should not be fixed for such license. At such hearing, the licensee may appear and offer evidence why such specified amount should not be fixed as the license tax. After such hearing, the collector shall determine the proper tax to be charged and shall forthwith give written notice to the licensee in the manner prescribed in this chapter of such determination and the amount of such tax.

C. If application by the licensee for a hearing is not made within the time prescribed, the license tax determined by the collector shall become final and conclusive.

D. The amount of any license tax finally determined as provided in this section or Section [5.12.180](#) shall be due and payable as of the date the original license fee tax was due and payable, together with any penalties that may be due thereon; provided, however, if the amount of such license tax shall be fixed in accordance with the original statement of the applicant, then no penalty shall attach by reason of any delinquency.

E. For the purpose of this section, the collector, his deputies and authorized agents, are authorized to administer oaths.

F. In any action brought under or arising out of any of the provisions of this chapter, or of any ordinance imposing a license tax, the fact that a party thereto represented himself as conducting or engaged in any business for which a license is required shall be conclusive evidence of the liability of such party to pay for a license for such business. (Ord. 409 § 12, 1985)

5.12.180 Appeal.

A. Any person aggrieved by any decision of the collector or any other administrative officer or agency with respect to the issuance or refusal to issue a license or the amount of a license tax may appeal to the city council by filing a notice of appeal with the city clerk within fifteen days of such decision. The city clerk shall fix a time and place for hearing such appeal and the city clerk shall give notice, in writing, to such person of the time and place of hearing by serving it personally or by depositing it in the U.S. post office at Atherton, postage prepaid, addressed to such person at the address appearing on his last license application, or if not previously licensed, such person's principal place of business. The findings of the city council shall be final and conclusive and shall be served upon such person in the manner prescribed in this chapter for service of notice of hearing.

B. In the event the license taxes set forth in this chapter work unreasonably, unfairly or discriminatorily as to any particular person conducting a business subject to a license tax under this chapter, such person may apply to the city council for an adjustment of the tax. The city council shall have the right to adjust any fee so that it will not be discriminatory, unjust or unfair.

C. Upon such application being made to the city council, the collector shall investigate the application and make a finding of facts to the city council, after which time such application will be set for hearing at a regular meeting of the city council, due notice of which will be given to the applicant. The decision and order of the city council on such application shall be final and conclusive. (Ord. 409 § 13, 1985)

5.12.190 Effect on past actions and obligations.

A. Neither the adoption of the ordinance codified in this chapter nor its superseding of any portion of any other ordinance of the town shall in any manner be construed to affect prosecution for violation of any other ordinance committed prior to the effective date of the ordinance codified in this chapter; nor be construed as a waiver of any license or penalty provision applicable to any such violation; nor be construed to affect the validity of any bond or cash deposit required by any ordinance to be posted, filed or deposited, and all rights and obligations thereunto appertaining shall continue in full force and effect.

B. The payment of a license tax required by the ordinance codified in this chapter and its acceptance by

the town and the issuance of a license to any person shall not entitle the holder thereof to carry on any business in or on any building or premises when the carrying on of such business would be in violation of any other ordinances of the town. (Ord. 409 § 4, 1985)

Chapter 5.16 GARAGE SALES

Sections:

- [5.16.010](#) Definitions.
- [5.16.020](#) Permit—Required.
- [5.16.030](#) Permit—Application.
- [5.16.040](#) Permit—Fee.
- [5.16.050](#) Permit—Issuance—Contents.
- [5.16.060](#) Permit—Issuance—Limitations.
- [5.16.070](#) Permit—Revocation.
- [5.16.080](#) Request for review of denial or revocation.
- [5.16.090](#) Exceptions.

5.16.010 Definitions.

For the purposes of this chapter, “garage sale” means a sale conducted by one or more residents of the town at a home for the purpose of selling, trading, bargaining, exchanging or otherwise disposing of used household furnishings or goods, or other tangible personalty, usually conducted in a garage, on a patio, upon a driveway, or in any portion of premises in a residential zone. The term shall include sales designated “lawn sale,” “attic sale,” “rummage sale,” “moving sale,” “flea market sale,” “patio sale,” or other terms of similar intent and having the foregoing characteristics. Fundraising events for civic or charitable purposes are not regulated under the provisions of this chapter. (Ord. 310 Ch. 6(o) § 1, 1972)

5.16.020 Permit—Required.

Any person proposing to promote, advertise or conduct a garage sale shall, prior thereto, obtain a garage sale permit from the chief of police. (Ord. 310 Ch. 6(o) § 2, 1972)

5.16.030 Permit—Application.

Any person desiring the permit required by Section [5.16.020](#) shall make verified application therefor in a form satisfactory to the chief of police. The application shall contain the following:

- A. The name of the applicant or applicants;
- B. The address of the applicant or applicants;
- C. The location of the proposed garage sale;
- D. The date or dates upon which it is proposed to conduct the garage sale;
- E. A general description of the property proposed to be offered for sale and a declaration that such

property has not been purchased nor taken on consignment from any other person for the purpose of the sale;

F. A statement that no garage sale permit has been issued to the applicant within the twelve-month period immediately preceding the date of the proposed garage sale for which application is being made;

G. A statement that no garage sale permit has been issued permitting a garage sale to be conducted at the location of the proposed garage sale for which application is being made within the twelve-month period immediately preceding the date of the proposed garage sale. (Ord. 310 Ch. 6(o) § 3 (part), 1972)

5.16.040 Permit—Fee.

The application for a garage sale permit shall be accompanied by a twenty-five-dollar fee. (Ord. 310 Ch. 6(o) § 3 (part), 1972)

5.16.050 Permit—Issuance—Contents.

Upon receipt of the application properly filled out, and fee, the chief of police shall issue the applicant a garage sale permit, provided that no garage sale permit has been issued (1) to the applicant for a garage sale at any location in the town within the twelve-month-period immediately preceding the date or dates of the proposed garage sale, nor (2) to any person for a garage sale at the location of the proposed garage sale within the twelve-month period. The permit shall specify the following:

- A. The name of the permittee or permittees;
- B. The exact address or location where the garage sale is to be conducted;
- C. The date or dates upon which the sale is to be conducted;
- D. The hours of the day during which the sale is to be conducted;
- E. The requirement that one sign, only, may be used to advertise the sale, which sign shall be displayed only at the location of the sale, and only during the date or dates and hours of the sale; and the further requirement that the sign shall not exceed eighteen inches by twenty-six inches;
- F. A general description of the property to be offered for sale;
- G. The requirement that the permit shall be revoked for failure to comply with any term or condition thereof, or the provisions of this chapter, or other applicable provisions of law;
- H. The requirement that the permit shall be prominently displayed at the location of the garage sale;

I. Such other reasonable conditions relating to the promotion, advertising and conducting of the garage sale which, in the opinion of the chief of police, are necessary or proper for the preservation of the peace, elimination of traffic hazards, safety of pedestrians, preservation of public or private property, or like or similar matters. (Ord. 310 Ch. 6(o) § 4, 1972)

5.16.060 Permit—Issuance—Limitations.

Not more than one garage sale permit shall be issued to any person during any twelve-month period, nor shall a garage sale permit be issued for the promotion, advertising or conducting of a garage sale at the same location more than once in any twelve-month period. No garage sale permit shall be issued permitting the promotion, advertising or conducting of a garage sale for more than two consecutive days. Garage sales may only be conducted during daylight hours. No garage sale permit shall be used for the sale of property purchased or taken on consignment from any other person for the purpose of the sale. (Ord. 310 Ch. 6(o) § 5, 1972)

5.16.070 Permit—Revocation.

The chief of police shall have the power to revoke at any time any permit granted in accordance with this chapter upon determining that the garage sale permitted thereby has been promoted, advertised or conducted in violation of any of the provisions of this chapter, or in violation of the provisions or conditions of the garage sale permit issued for such sale, or in such manner as to deceive or defraud the public, or that any permittee has committed any of the following:

- A. Made any material misstatement in the application for such permit;
- B. Been guilty of any fraudulent practice or practices in the promotion, advertising or conduct of the sale authorized by such permit;
- C. Violated any of the provisions or conditions of the permit, or violated any of the provisions of this chapter or of any other provision or law in promoting, advertising or conducting such sale. (Ord. 310 Ch. 6(o) § 6, 1972)

5.16.080 Request for review of denial or revocation.

Any person denied a permit, or aggrieved by the conditions attached thereto, or having had a permit revoked, may appeal the decision of the chief of police to the city council by filing with the city clerk within five days after notice of the denial or conditions, or revocation, a written request for review of the decision and stating facts supporting such request. The council shall, upon the review, affirm, modify or reverse the decision of the chief of police. (Ord. 310 Ch. 6(o) § 7, 1972)

5.16.090 Exceptions.

This chapter shall not apply to the following persons:

- A. Persons selling goods pursuant to an order or process of a court of competent jurisdiction;
- B. Persons acting in accordance with their powers and duties as public officials;
- C. Any person promoting, advertising or selling an item or items of personal property which is or are specifically named or described in any advertisement therefor and which separate items do not exceed ten in number;
- D. Persons conducting a fundraising event for civic or charitable purposes. (Ord. 310 Ch. 6(o) § 9, 1972)

Chapter 5.20 SOLICITING AND CANVASSING

Sections:

- [5.20.010](#) Permit—Required.
- [5.20.020](#) Permit—Application.
- [5.20.030](#) Investigation of applicant.
- [5.20.040](#) Appeal.
- [5.20.050](#) Permit—Term—Revocation.
- [5.20.060](#) Permit—Display.

5.20.010 Permit—Required.

It is unlawful for any person or persons to enter in or upon any private residence, apartment, property or premises in the town for the purpose of soliciting or canvassing the owner or occupants thereof for orders for goods, wares, merchandise or services of any character or description, or for the purpose of offering to give or furnish any goods, wares, merchandise or services to any such owner or occupant in order to induce or invite any such order or orders, or for the purpose of soliciting subscriptions for books, newspapers, periodicals, magazines, or any other thing, or donations of money unless such person or persons shall have first applied for and received from the chief of police of the town a permit so to do. (Ord. 534 § 1, 2002: Ord. 417 § 13(A), 1985: Ord. 399 § 1, 1983: Ord. 271 § 1, 1966)

5.20.020 Permit—Application.

A. Any person desiring to secure such a solicitor's permit shall apply therefor in writing over his or her signature to the chief of police on forms to be provided by the chief of police, which application shall state:

1. The name and address of the applicant, including any temporary local address;
2. The name and address of the person, firm, corporation or institution, if any, by whom applicant is employed;
3. The length of service of such applicant with such employer;
4. The place of residence and nature of the employment of the applicant during the last preceding year;
5. The purpose for which such permit is applied for; and
6. The personal description and fingerprints of applicant for purposes of identification.

B. The application shall be accompanied by such credentials as to the identity of the applicant as may

be reasonably required by the chief of police. (Ord. 417 § 13(B), 1985; Ord. 271 § 2, 1966)

5.20.030 Investigation of applicant.

Upon receipt of the application, the chief of police shall investigate the applicant and the applicant's employer. No permit shall be issued to any person who has been convicted of the commission of a felony under the laws of the state of California or of any other state or federal law of the United States within five years of the date of the application, nor to any person who has been convicted of a violation of any of the provisions of this chapter, nor to any person whose permit issued under this chapter has previously been revoked as provided in this chapter. In any case other than those specified in the preceding sentence, the chief of police shall issue a permit within ten days after receipt of the application, such permit being subject to such conditions as to hours of operation and other conditions as are specified by the chief of police to be the minimum necessary to protect the public health, welfare and safety. Failure of the chief of police to issue a permit within ten days after receipt of an application therefor shall be deemed a denial thereof. (Ord. 417 § 13(C), 1985; Ord. 271 § 3, 1966)

5.20.040 Appeal.

Any applicant desiring to appeal from the action of the chief of police in denying a permit under this chapter may do so by appearing in person before the city council at its next succeeding meeting, and presenting to the city council a copy of the application therefor made by the applicant to the chief of police. An applicant so appealing shall notify the chief of police of his intention so to do in order that the chief of police shall have an opportunity to appear before the city council at the time of the hearing of such appeal. At such hearing the city council shall either affirm the action of the chief of police from which the appeal was taken, or, if satisfied that the applicant is eligible for a permit under this chapter, order the issuance of a permit upon such terms and conditions as are the minimum necessary to protect the public health, safety and welfare. (Ord. 417 § 13(D), 1985; Ord. 271 § 4, 1966)

5.20.050 Permit—Term—Revocation.

All permits issued under the provisions of this chapter shall be issued for a period of six months from the date thereof, and each such permit shall specify upon its face its expiration date. Any such permit may be revoked by the chief of police on proof of violation by the holder thereof of this chapter, or of any other ordinance of the town, or of any state or federal law, or of any false statement or misrepresentation in the application for such permit. (Ord. 417 § 13(E), 1985; Ord. 271 § 5, 1966)

5.20.060 Permit—Display.

All permits issued under the provisions of this chapter shall be issued for a period of six months from the date thereof, and each such permit shall specify upon its face its expiration date and any other special conditions as to hours of the day or days of the week during which such solicitation may take place. Any such permit may be revoked by the chief of police on proof that applicant or his employer are

not of good character or reputation, or do not possess moral integrity, including proof of violation by the holder thereof of this chapter, or of any other ordinance of the town, or of any state or federal law, or of any false statement or misrepresentation in the application for such permit. (Ord. 363 § 6, 1978: Ord. 271 § 6, 1966)



ATHERTON BUSINESS TAX CATEGORY & FEE SCHEDULE SUMMARY

Category 1 – Individual General Contractors (Sole Proprietor) and Firms with 2 or more employees (Owner plus one or more employees) doing business in the Town of Atherton.

Includes: General Contractors (CLASS A & B), Alarm Installers, Private Patrol, Real Estate Firms, Maintenance Companies, Janitorial, Gardening/Landscaping, Pest Control, Tree Trimming, Pool Services, etc.

Application Date:	January through June	125.00
	July through June	250.00

Category 2 - Firms with 2 or more employees (Owner plus one or more employees) doing business in the Town of Atherton.

Includes: Sub-contractors (CLASS C) Only.

Application Date:	January through June	75.00
	July through June	150.00

Category 3 - Sole operators with no employees doing business in the Town of Atherton.

Includes: Subcontractors (Class C), **Home Occupations**¹, Real Estate Brokers, Maintenance Companies, Janitorial, Gardening/Landscaping, Pest Control, Tree Trimming, Pool Services, etc.

¹ *Prior to commencing business for the first time, a separate Home Occupational Permit must be obtained from the Planning Department. The use of the residence must conform to the requirements outlined in Municipal Code Section 17.48.010.*

Application Date:	January through June	50.00
	July through June	100.00

Category 4 - Sole operators with no employees doing business in the Town of Atherton.

Includes: Handymen, Delivery Vehicles, Solicitors¹, and Horseshoers.

¹ An application must first be filed with the Police Dept. for all Solicitor Permits.

Application Date:	January through June	25.00
	July through June	50.00

Town of Atherton
 c/o MuniServices
 91 Ashfield Road
 Atherton, CA 94027
 800-987-0999



Business License Application – Category 1

• Please complete pages 1 & 2 of this form •

BUSINESS SUMMARY INFORMATION

License period is based on a Fiscal Year (July 1st to June 30th)

Business Name: _____

Business Address: _____ Street _____ City _____ State _____ Zip Code _____

Business Telephone Number: () _____ Application Date: _____

Category 1 – Individual General Contractors (Sole Proprietor) and Firms with 2 or more employees (Owner plus one or more employees) doing business in the Town of Atherton.

Includes: General Contractors (CLASS A & B), Alarm Installers, Private Patrol, Real Estate Firms, Maintenance Companies, Janitorial, Gardening/Landscaping, Pest Control, Tree Trimming, Pool Services, etc.

BUSINESS TAX WORKSHEET (Complete only one of the worksheets below that corresponds with your business activity in the Town).

For business activity conducted in the Town from July through June

Line 1.	Enter the actual or estimated gross receipts derived during the license year from business conducted or performed within the Town of Atherton in Box 1.	1.	
Line 2.	Gross Receipts Multiplier (5%).	2.	0.05
Line 3.	Multiply the gross receipts amount on Line 1 by the rate (5%) indicated on Line 2. Enter the results on this Line.	3.	
Line 4.	Maximum Tax Amount.	4.	\$250.00
Line 5.	Tax Amount – Compare Line 3 to Line 4. Enter the lower amount on this Line.	5.	
Line 6.	State Mandated Disability Access Education Fund ⁽¹⁾	6.	\$1.00
Line 7.	TOTAL AMOUNT DUE – Enter the amount on Line 5 + Line 6 here. If line 5 is less than the Minimum of \$50.00, then enter \$51.00 on this line. (Municipal Code Section 5.12.160B)	7.	

For business activity conducted in the Town from January through June

Line 1.	Enter the actual or estimated gross receipts derived during the license year from business conducted or performed within the Town of Atherton on Line 1.	1.	
Line 2.	Gross Receipts Multiplier (5%).	2.	0.05
Line 3.	Multiply the gross receipts amount on Line 1 by the rate (5%) indicated on Line 2. Enter the results on this Line.	3.	
Line 4.	Maximum Tax Amount.	4.	\$125.00
Line 5.	Tax Amount – Compare Line 3 to Line 4. Enter the lower amount on this Line.	5.	
Line 6.	State Mandated Disability Access Education Fund ⁽¹⁾	6.	\$1.00
Line 7.	TOTAL AMOUNT DUE – Enter the amount on Line 5 + Line 6 here. If line 5 is less than the Minimum of \$50.00, then enter \$51.00 on this line. (Municipal Code Section 5.12.160B)	7.	

CERTIFICATIONS

This is to acknowledge I am the owner of the business declared above. I understand that if I submit false information, it is a violation of the town ordinance and will be held responsible to the fullest extent.

Owner's Name _____ (Please Print)

Signature _____ Date _____

(1) Under federal and state law, compliance with disability access laws is a serious and significant responsibility that applies to all California building owners and tenants with buildings open to the public. You may obtain information about your legal obligations and how to comply with disability access laws at the following agencies: The Division of the State Architect at www.dgs.ca.gov/dsa/Home.aspx. The Department of Rehabilitation at www.rehab.cahwnet.gov. The California Commission on Disability Access at www.cdda.ca.gov.

Town of Atherton Declaration of Information

Please complete this form in its entirety as it applies to your business activity in the Town of Atherton. If you need any assistance completing this application, please contact a MuniServices Representative, Monday through Friday, 8:00am to 5:00pm Pacific Time at 800-987-0999.

Section 1. Variable Information

Business Name _____ Phone # _____ Fax # _____

Business Address _____ City _____ State _____ Zip Code _____

Mailing Address (if Different) _____ City _____ State _____ Zip Code _____

E Mail Address (optional) _____

Owner Name _____ Phone # _____

Owner Address _____ City _____ State _____ Zip Code _____

SSN (Last 4 Digits) / FEIN (Federal Employer ID Number) _____ SEIN (State Employer ID Number) _____

Contractor License # _____ State Resale License # _____

Start Date of Business (In Atherton): _____

Is this a New Business? YES NO Home Based Business? YES NO

Number of Employees: _____ Business Type? Corporation-Partnership-LLC Sole Proprietor

Description of Business: _____

Section 2. Vendor / Sub-Contractor Information

Please provide a complete list of all vendors or sub-contractors that will be utilized on any projects in the Town of Atherton.

Information period runs from July 1st through June 30th annually

Name	Address	City	State	Zip

Section 3. Certifications

I certify under the penalty of perjury that the information in Sections 1 & 2 is accurate and correct to the best of my knowledge and belief.

Signature of person authorized to sign for firm _____ Date _____



Business License Application – Category 3

• Please complete pages 1 & 2 of this form •

BUSINESS SUMMARY INFORMATION

License period is based on a Fiscal Year (July 1st to June 30th)

Business Name: _____

Business Address: _____ Street _____ City _____ State _____ Zip Code _____

Business Telephone Number: () _____ Application Date: _____

Category 3 - Sole operators with no employees doing business in the Town of Atherton.
Includes: Subcontractors (Class C), **Home Occupations¹**, Real Estate Brokers, Maintenance Companies, Janitorial, Gardening/Landscaping, Pest Control, Tree Trimming, Pool Services, etc.
¹ Prior to commencing business for the first time, a separate Home Occupational Permit must be obtained from the Planning Department. The use of the residence must conform to the requirements outlined in Municipal Code Section 17.48.010.

BUSINESS TAX WORKSHEET (Complete only one of the worksheets below that corresponds with your business activity in the Town).

For business activity conducted in the Town from July through June

Line 1.	Enter the actual or estimated gross receipts derived during the license year from business conducted or performed within the Town of Atherton in Box 1.	1.	
Line 2.	Gross Receipts Multiplier (5%).	2.	0.05
Line 3.	Multiply the gross receipts amount on Line 1 by the rate (5%) indicated on Line 2. Enter the results on this Line.	3.	
Line 4.	Maximum Tax Amount.	4.	\$100.00
Line 5.	Tax Amount – Compare Line 3 to Line 4. Enter the lower amount on this Line.	5.	
Line 6.	State Mandated Disability Access Education Fund ⁽¹⁾	6.	\$1.00
Line 7.	TOTAL AMOUNT DUE – Enter the amount on Line 5 + Line 6 here. If line 5 is less than the Minimum of \$50.00, then enter \$51.00 on this line. (Municipal Code Section 5.12.160B)	7.	

For business activity conducted in the Town from January through June

Line 1.	Enter the actual or estimated gross receipts derived during the license year from business conducted or performed within the Town of Atherton on Line 1.	1.	
Line 2.	Gross Receipts Multiplier (5%).	2.	0.05
Line 3.	Multiply the gross receipts amount on Line 1 by the rate (5%) indicated on Line 2. Enter the results on this Line.	3.	
Line 4.	Maximum Tax Amount.	4.	\$50.00
Line 5.	Tax Amount – Compare Line 3 to Line 4. Enter the lower amount on this Line.	5.	
Line 6.	State Mandated Disability Access Education Fund ⁽¹⁾	6.	\$1.00
Line 7.	TOTAL AMOUNT DUE – Enter the amount on Line 5 + Line 6 here. If line 5 is less than the Minimum of \$50.00, then enter \$51.00 on this line. (Municipal Code Section 5.12.160B)	7.	

CERTIFICATIONS

This is to acknowledge I am the owner of the business declared above. I understand that if I submit false information, it is a violation of the town ordinance and will be held responsible to the fullest extent.

Owner's Name _____

(Please Print)

Signature _____ Date _____

(1) Under federal and state law, compliance with disability access laws is a serious and significant responsibility that applies to all California building owners and tenants with buildings open to the public. You may obtain information about your legal obligations and how to comply with disability access laws at the following agencies: The Division of the State Architect at www.dgs.ca.gov/dsa/Home.aspx. The Department of Rehabilitation at www.rehab.cahwnet.gov. The California Commission on Disability Access at www.cdda.ca.gov.

Town of Atherton Declaration of Information

Please complete this form in its entirety as it applies to your business activity in the Town of Atherton. If you need any assistance completing this application, please contact a MuniServices Representative, Monday through Friday, 8:00am to 5:00pm Pacific Time at 800-987-0999.

Section 1. Variable Information

Business Name	Phone #	Fax #
Business Address	City	State Zip Code
Mailing Address (if Different)	City	State Zip Code
E Mail Address (optional)		
Owner Name	Phone #	
Owner Address	City	State Zip Code
SSN (Last 4 Digits) / FEIN (Federal Employer ID Number)	SEIN (State Employer ID Number)	
Contractor License # _____	State Resale License # _____	
Start Date of Business (In Atherton): _____		
Is this a New Business? <input type="checkbox"/> YES <input type="checkbox"/> NO	Home Based Business? <input type="checkbox"/> YES <input type="checkbox"/> NO	
Number of Employees: _____	Business Type? <input type="checkbox"/> Corporation-Partnership-LLC <input type="checkbox"/> Sole Proprietor	
Description of Business: _____		

Section 2. Vendor / Sub-Contractor Information

Please provide a complete list of all vendors or sub-contractors that will be utilized on any projects in the Town of Atherton.

Information period runs from July 1st through June 30th annually

Name	Address	City	State	Zip

Section 3. Certifications

I certify under the penalty of perjury that the information in Sections 1 & 2 is accurate and correct to the best of my knowledge and belief.

Signature of person authorized to sign for firm Date

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Business Address	City	State Zip Code
Mailing Address (if Different)	City	State Zip Code
E Mail Address (optional)		
Owner Name	Phone #	
Owner Address	City	State Zip Code
SSN (Last 4 Digits) / FEIN (Federal Employer ID Number)	SEIN (State Employer ID Number)	
Contractor License # _____	State Resale License # _____	
Start Date of Business (In Atherton): _____		
Is this a New Business? <input type="checkbox"/> YES <input type="checkbox"/> NO	Home Based Business? <input type="checkbox"/> YES <input type="checkbox"/> NO	
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