

City of Brisbane

Agenda Report

Date: City Council Meeting of May 7, 2015

To: Mayor & City Council

From: Michael Roush, City Attorney

Subject: Resolution Implementing the Business License Tax for Liquid Storage Facilities for 2015

City Council Goals

To provide for effective and efficient delivery of City services (1)
To develop management and fiscal systems to maximize effectiveness of City services and accountability to Brisbane taxpayers and citizens (11)

Purpose

To establish for calendar year 2015 the amount of the business license tax charged to liquid storage facilities under Section 5.20.011 of the Brisbane Municipal Code

Recommendation

Adopt Resolution 2015-13 establishing the business license tax charged to liquid storage facilities under Section 5.20.011 of the Brisbane Municipal Code

Background

At the general election in November 2013 Brisbane voters approved an annual business license tax on persons engaged in the business of operating, leasing, supplying or providing a liquid storage facility in the City of Brisbane. The ballot measure added Section 5.20.011 to the Brisbane Municipal Code, allowing the City to impose up to a maximum business license tax of \$115.28 per year for each 1000 cubic feet of liquid storage capacity.

In 2014, the City Council imposed a business license tax of \$38.91 for each 1000 cubic feet of storage capacity. As to Kinder Morgan, the owner of the largest liquid storage facility in Brisbane, this rate translated to a tax of \$135,000. Kinder Morgan paid the tax in December 2014 but paid it under protest.

Discussion

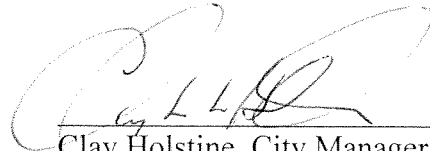
Although the City Council has the authority under the Ordinance to impose up to \$115.28 for each 1000 cubic feet of liquid storage capacity—which rate, if imposed, would translate to \$400,000 as applied to Kinder Morgan—staff recommends that the City Council impose the same rate--\$38.91—as imposed last year. Staff makes that recommendation based on discussions last year with Kinder Morgan representatives in which the City indicated it was open to maintaining the same rate for 2015 as was imposed in 2014.

Fiscal Impact

Council's adoption of the attached resolution will result in a business license tax of \$135,000 for the 2015 calendar year as to Kinder Morgan and potentially, other license tax payments from other liquid storage facilities in Brisbane.



Michael Roush, City Attorney



Clay Holstine, City Manager

RESOLUTION NO. 2015-13

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BRISBANE
ESTABLISHING THE BUSINESS LICENSE TAX CHARGED TO LIQUID STORAGE
FACILITIES UNDER SECTION 5.20.011 OF THE BRISBANE MUNICIPAL CODE**

WHEREAS, Section 5.20.011 of the Brisbane Municipal Code imposed an annual business license tax on persons engaged in the business of operating, leasing, supplying or providing a liquid storage facility in the City; and

WHEREAS, the business license tax for liquid storage facilities, as set forth in Section 5.20.011, is up to a maximum of \$115.28 per year for each 1000 cubic feet of liquid storage capacity; and

WHEREAS, the City Council desires to fix the business license tax charged to liquid storage facilities for the calendar year 2015.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BRISBANE AS FOLLOWS:

1. The annual business license tax charged to liquid storage facilities for the calendar year 2015 shall be \$38.91 for each 1000 cubic feet of liquid storage capacity.
2. Notwithstanding any amount that would otherwise be payable under paragraph 1 of this Resolution, the business license tax for liquid storage facilities exceeding 1,000,000 cubic feet of capacity in the 2015 calendar year shall be \$135,000 per facility, reduced by any offsets that have been deducted as provided in Section 5.20.011 B of the Brisbane Municipal Code.
3. Payment of the business license tax for liquid storage facilities is due in full on or before July 1, 2015.

Terry O'Connell, Mayor

I hereby certify that the foregoing Resolution No. 2015-13 was duly and regularly adopted at the regular meeting of the Brisbane City Council on May 7, 2015 by the following vote:

AYES:

NOES:

ABSENT:

Sheri Marie Spediacci, City Clerk