

City of Grand Terrace
Request for Proposals
for
Business License Auditing & Administration Services



Release Date

October 1, 2019

Proposal Submittal Due Date

November 1, 2019

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Business License Auditing & Administration Services

Table of Contents

Section	<u>Page</u>
I. INTRODUCTION	1
II. DESCRIPTION OF THE GOVERNMENT	
A. Background Information	1
B. Business License Administration	2
C. Computer Systems.....	2
III. SCOPE OF WORK TO BE PERFORMED	
A. Required Services.....	2
B. Optional Services	3
IV. TIME REQUIREMENTS / CALENDAR	3
V. ASSISTANCE AND ACCOMMODATIONS TO BE PROVIDED TO THE COMPANY	
A. Finance Department Assistance.....	3
B. Office Accommodations	3
VI. PROPOSAL REQUIREMENTS	
A. General Requirements	4
B. Format of Technical Proposal	4
C. Contents of Technical Proposal.....	4
D. Format and Contents of Cost Proposal.....	6
VII. PROPOSAL EVALUATION PROCESS	
A. Review of Proposals	6
B. Evaluation Criteria.....	6
EXHIBITS:	
A: Municipal Code Chapter 5.04 (Business License Administration)	
B: Municipal Code Chapter 4.08 (Business Tax Rates)	

I. INTRODUCTION

The City of Grand Terrace (City) is requesting proposals from qualified companies to conduct an audit of its business licenses to ensure that all companies doing business with the City have a current business license and are paying the correct amount of business tax in accordance with the City's ordinance. The City is also seeking proposals for optional business license administration services to include processing of business licenses, renewals, payments, etc., and any related ordinance revisions to facilitate administrative efficiency.

There is no expressed or implied obligation for the City to reimburse responding firms for any expenses incurred in preparing proposals in response to this Request for Proposals (RFP). Materials submitted by respondents are subject to public inspection under the California Public Records Act (Government Code Sec. 6250 et seq.), unless exempt.

To be considered, one e-mail copy and three (3) copies of a proposal must be received by Cynthia A. Fortune, Assistant City Manager/Finance Director, City of Grand Terrace, at 22795 Barton Road, Grand Terrace, CA 92313, cfortune@grandterrace-ca.gov by **5:00 P.M. on November 1, 2019**.

During the evaluation process, the City reserves the right, where it may serve the City's best interest, to request additional information or clarification from proposers, or to allow corrections of errors or omissions. At the discretion of the City, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

The City reserves the right to retain all proposals submitted and to use any idea(s) in a proposal regardless of whether or not that proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in the RFP, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City and the firm selected. The City also reserves the right to reject any or all proposals, to waive any non-material irregularities in any proposal, and to accept or reject any items or combination of items.

It is anticipated that the selection of a company by staff to perform the services identified in this RFP will be completed by December 3, 2019. Following notification of the selected firm, a recommendation and proposed Professional Services Agreement will be submitted for the City Council's review and approval on January 14, 2020.

DESCRIPTION OF THE GOVERNMENT

A. Background Information

Grand Terrace is located approximately 60 miles from Los Angeles, in the County of San Bernardino. The City is situated off the I-215 freeway between the I-10 and the 60 freeways, encompassing an area of approximately 3.5 square miles. The City has a current population of 12,285. The City was incorporated in 1978 as a general law city, operating under a council/city manager form of government. The City is comprised of

City of Grand Terrace
Request for Proposals – Business License Auditing & Administration Services

four Council Members (with one of these seats currently vacant), elected at large for four-year terms. The Mayor is directly elected for a four-year term. The City Council appoints the City Manager and City Attorney.

The City's operating budget for FY 2019-20 is \$14 million, with a General Fund budget of \$5.8 million. The City's fiscal year begins on July 1st and ends on June 30th.

The City has issued approximately 600 active business licenses and budgeted associated business tax revenue of \$80,000 in the current fiscal year.

The City's Municipal Code has two chapters that govern its business licenses and associated business tax: Chapter 5.04, governing overall business license administration, and Chapter 4.08, providing the gross receipts and flat tax schedule. Chapter 4.08 was enacted in 1989 and Chapter 5.04 was enacted in 1979. These Municipal Code chapters are included as exhibits to the RFP.

B. Business License Administration

Responsibility for administering the City's Business License ordinance is assigned to the Finance Department.

C. Computer Systems

The City utilizes the Tyler Technologies Eden financial system for general ledger and processing of its financial transactions, including procurement. Processing of business license transactions is handled via Progressive Solutions, Inc. (PSI) software.

II. SCOPE OF WORK TO BE PERFORMED

A. Required Services

1. Review of City business licenses to ensure that all companies doing business with the City have a current business license. Review may include physical inventory of businesses and/or analysis of State databases such as State Board of Equalization or Franchise Tax Board.

City of Grand Terrace
Request for Proposals – Business License Auditing & Administration Services

2. For any business that does not have a current business license, provide the City with follow-up action plan to achieve licensing compliance.
3. Provide recommended methodology for verifying accuracy of “gross receipts” or flat rate tax.
4. Provide recommended changes in business license policies/procedures to improve internal controls over business license issuance and associated business tax collection.

B. Optional Services

1. Ongoing Administration: Processing of all business license applications and renewals, including remittance processing and collection of delinquent accounts.
2. Ordinance Review: Submittal of recommended revisions to current Ordinance to improve administration and efficiency, along with a proposed draft ordinance.

III. TIME REQUIREMENTS / CALENDAR

Following are the key dates related to this RFP, proposal review and contract award:

<u>Date</u>	<u>Event</u>
October 1, 2019	RFP release
November 1, 2019	Proposal due date (5:00 P.M.)
November 4 - 15, 2019	Staff evaluation of proposals
November 20-21, 2019	Oral interviews of selected companies
December 3, 2019	Staff selection of company
December 10 - 31, 2019	Finalization of professional services agreement
January 14, 2020	City Council approval of professional services agreement

IV. ASSISTANCE AND ACCOMMODATIONS TO BE PROVIDED TO THE COMPANY

A. Finance Department Assistance

Finance Department staff will be available during the business license audit engagement to assist the selected company by providing business license data, reports and other related financial information, documentation and explanations.

B. Office Accommodations

During the term of the business license audit engagement, the City will provide the company with reasonable work space, including access to the PSI business license system and to the City’s financial system, if needed.

V. PROPOSAL REQUIREMENTS

A. General Requirements

1. Inquiries concerning the RFP must be submitted via email to the City's Finance Director at the following email address: cfortune@grandterrace-ca.org
2. Responses will not be made to telephone inquiries.
3. Proposal Submittal: One (1) e-mail copy and three (3) copies of the proposal must be received by the City of Grand Terrace by 5:00 P.M. on November 1, 2019 for a proposal to be considered. The proposal should address the items in Sections B, C and D below.

The proposal should be addressed as follows:

City of Grand Terrace
Attn: Cynthia A Fortune, Finance Director
22795 Barton Road
Grand Terrace, CA 92313
cfortune@grandterrace-ca.gov

B. Format of Technical Proposal

1. Title Page showing the RFP subject; the firm's name; the name, address, telephone number and email address of the contact person; and date of proposal.
2. Table of Contents identifying the materials submitted by section and page number.
3. Signed Transmittal Letter briefly stating the proposer's understanding of the services to be performed; the commitment to perform the services within the specified time period; and the person authorized to represent the proposer.
4. Detailed proposal organized in the order set forth in Section C below.

C. Contents of Technical Proposal

The purpose of the Technical Proposal is to demonstrate the qualifications, competence and capacity of the firm seeking to undertake an audit of the City of Grand Terrace business license program in conformity with the requirements of this RFP. As such, the substance of proposals will carry more weight than the form or manner of the presentation. The Technical Proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to the engagement.

The Technical Proposal should address all points outlined in the RFP, excluding any cost information, which should only be included in the sealed Cost Proposal. The Technical Proposal should be prepared in a straightforward and economical manner, providing a concise description of the proposer's capabilities to satisfy the requirements of this RFP. While additional information may be presented, the following items must be included. They represent the criteria against which the proposal will be evaluated.

City of Grand Terrace
Request for Proposals – Business License Auditing & Administration Services

1. Company Qualifications and Experience
 - a. To qualify, the firm must have comprehensive experience in business license audits of local governments. An additional consideration will also be the firm's qualifications and experience in business license administration. The proposal should state the size of the firm, the location of the office from which the work on this engagement is to be performed, and the number and nature of the professional staff to be employed in this engagement.
 - b. The proposer must provide a list of all current municipal clients for its business license audit and administration services.
 - c. The proposer must identify the principal management, supervisory and professional staff who will be assigned to this engagement, including resumes, as well as the number, qualifications, experience and training of the specific staff to be assigned to this engagement.
2. Similar Engagements with Other Government Entities
 - a. For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum of five) performed in the last three (3) years that are similar to the engagement described in this RFP.
 - b. Provide a list of not less than five (5) client references for which services similar to those outlined in this RFP are currently being provided. For each reference listed provide the name of the organization, dates for which the service(s) are being provided, type of service(s) being provided, and the name, address and telephone number of the responsible person within the reference client's organization. The City reserves the right to contact any or all of the listed references regarding the audit services performed by the proposer.
3. Specific Approach to Audit and Administration
 - a. The proposal should set forth a work plan, including an explanation of the methodology to be followed, for both the Required Services and Optional Services as described in this RFP.
 - b. Proposers must provide the following information regarding their audit approach:
 - (1) Level of staff and number of hours to be assigned to the engagement;
 - (2) Approach to be taken to gain and document an understanding of the City's administrative processes and procedures related to business licensing.

NOTE: NO PRICING OF THE AUDIT SERVICES ENGAGEMENT SHOULD BE INCLUDED IN THE TECHNICAL PROPOSAL.

D. Format and Contents of Cost Proposal

1. The cost proposal should identify the detailed pricing information relative to performing the audit engagement for both Required Services and Optional Services, as described in this RFP.
2. If a contingency fee structure is proposed for the recovery of previously uncollected business taxes, the specific contingency percentage and methodology must be described.

VI. PROPOSAL EVALUATION PROCESS

A. Review of Proposals

A City evaluation team will review and evaluate all proposals based on the criteria identified in Section B below.

B. Evaluation Criteria

Following are the criteria to be used by the City evaluation team in evaluating the proposals:

1. The company's professional qualifications for performing the work described in this RFP.
2. The company's past experience and performance on comparable engagements.
3. The company's success with other clients in achieving full recovery of business taxes due.
4. The company's success in enabling other clients to improve their business license and tax collection processes and achieve enhanced staff efficiency
5. The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation.
6. Adequacy of proposed staffing plan for various segments of the engagement.
7. Thoroughness of approach to conducting the audit and demonstration of understanding of audit objectives and scope.
8. Fees to be charged for conducting the audit and producing the required reports.

NOTE: REFERENCES WILL BE CONTACTED AS PART OF THE PROPOSAL EVALUATION PROCESS.

Exhibit "A"

**Grand Terrace Municipal Code
TITLE 5 – BUSINESS LICENSES, TAXES AND REGULATIONS**

Chapter 5.04 – Business Licenses Taxes

Chapter 5.04 - BUSINESS LICENSE TAXES

Sections:

5.04.010 - Purpose.

The purpose of this chapter is to provide for the levying of a license tax on business in order to obtain revenues.

(Ord. 102 § 2, 1986: Ord. 15 Art. I(part), 1979)

5.04.020 - Definitions.

For the purposes of this chapter, unless it is plainly evident from the context that a different meaning is intended, the words and phrases used in this chapter shall have the following meanings:

- A. "Business" means and includes business, trade, vocation, profession, craft, occupation, exhibition, show, enterprise, activity and calling of every kind and nature, whether or not carried on for profit.
- B. "City" means the city of Grand Terrace, a municipal corporation of the state, in its present incorporated form or in any later reorganized, consolidated, enlarged or reincorporated form.
- C. "Collector" means the finance director or other officer charged by the city manager with the administration of the provisions of this chapter.
- D. "Gross receipts" means and includes the total amount of the sale price of all sales, the total amount charged or received for the performance of any act, service or employment of whatever nature it may be, whether or not such service, act or employment is done as a part of, or in connection with, the sale of materials, commodities, goods, wares, merchandise, for which a charge is made or credit allowed, including all receipts, cash, credits and property of any kind or nature, any amount for which credit is allowed by the seller to the purchaser without any deduction therefrom on account of the cost of the property sold, the cost of the materials used, labor or service costs, interest paid or payable, losses or other expenses whatsoever; provided, that cash discounts allowed or taken on sales shall not be included. Any tax required by law to be included in or added to the purchase price and collected from the consumer or purchaser, and such part of the sales price of any property previously sold and returned by the purchaser to the seller by way of cash or credit allowances given, or taken as part payment on any property so accepted for resale, shall be deducted for the purpose of determining the gross receipts under this chapter.
- E. "Person" means and includes all domestic and foreign corporations, associations, syndicates, joint stock corporations, partnerships of every kind, clubs, businesses, common law trusts, societies and individuals transacting and carrying on any business in the city other than as employee.
- F. "Sale" means and includes the transfer, in any manner or by any means, of title to property for a consideration of any property, and a transaction whereby the possession of property is transferred, and the seller retains the titles as security for the payment of the price. Such definition shall not be deemed to exclude any transaction which is or which, in effect, results in a "sale" within the contemplation of law.

- G. "Sworn statement" means an affidavit sworn to before a person authorized to take oaths, or a declaration or certification made under penalty of perjury.

(Ord. 15 Art. I § 1, 1979)

5.04.030 - Other license taxes or fees unaffected.

Persons required to pay a license tax or fee under the provisions of this chapter are not relieved from payment of any tax or fee under any other city ordinance unless so specified therein.

(Ord. 102 § 3, 1986: Ord. 15 Art. I § 2, 1979)

5.04.040 - License required.

- A. All businesses in the city must procure a license and are liable for payment of any taxes imposed by this chapter.
- B. Whenever the tax imposed is measured by the number of vehicles, devices, machines or other pieces of equipment used, or whenever the license tax is measured by the gross receipts from the operation of such items, the collector shall issue only one license; provided, however, he may issue for each period for which the license tax has been paid, one identification sticker, tag, plate or symbol for each item included in the measure of the tax or used in a business where the tax is measured by the gross receipts from such items.

(Ord. 15 Art. I § 3, 1979)

5.04.050 - Application—Generally.

All persons required by the provisions of this chapter shall make application for such license to the city. License applications shall contain the following information:

- A. Name of person to be licensed;
- B. Name of business;
- C. Type of business;
- D. Location of business;
- E. Date of expiration of current license;
- F. Any other information deemed necessary.

(Ord. 15 Art. I § 4, 1979)

5.04.060 - Application—Initial.

Persons making application for their first license must furnish the city a sworn statement with the following information:

- A. Exact nature or kind of business;
- B. Location of business and residence of owner;

- C. If corporation or partnership, the names and residence of all the board of directors, members or owners;
- D. If doing business under a fictitious name, the name and residence of the owner;
- E. If tax is measured by gross receipts, all information necessary to determine the tax to be paid;
- F. Any other information deemed necessary.

(Ord. 15 Art. I § 5, 1979)

5.04.070 - Estimates of gross receipts.

If the first license tax to be paid by the applicant is based upon gross receipts, he shall pay an estimated fee of not less than that established by resolution for the period covered by the first license to be issued. Such person shall, within thirty days after the expiration of the period for which such license was issued, furnish the collector with a sworn statement, upon a form furnished by the collector, showing the gross receipts during the period of such license, and the license tax for such period shall be finally ascertained and paid in full, after deducting from the payment the estimated fee paid at the time such license was issued.

(Ord. 15 Art. I § 6, 1979)

5.04.080 - Conducting a business.

When persons shall, by the use of signs, newspapers or other forms of advertising, represent that they are in business in the city, and such persons fail to deny by a sworn statement after being requested to do so by the collector, then these persons shall be deemed to be conducting business.

(Ord. 15 Art. I § 7, 1979)

5.04.090 - Duplicate license.

A duplicate license may be issued by the collector to replace any previously issued license which has been lost or destroyed. The licensee shall be required to pay a duplicate license fee as established by resolution of the city.

(Ord. 15 Art. I § 8, 1979)

5.04.100 - Renewal.

An applicant for license renewal shall submit a sworn statement to the city to enable the collector to ascertain the amount of license tax to be paid.

(Ord. 15 Art. I § 9, 1979)

5.04.110 - Nontransferability—New locations—Name change.

No license issued under this chapter is transferable. Licensees may, upon application and paying a fee as set by fee schedule, have their licenses amended to conduct business at a new

location or under a new name, as long as the owner of the business does not change. To do this the licensee must submit in writing to the collector the reason for the change and include the old license.

(Ord. 102 § 4, 1986: Ord. 15 Art. I § 10, 1979)

5.04.120 - Branch establishments—Multiple businesses.

- A. A separate license must be obtained for each branch establishment or location of a business.
- B. Any person conducting two or more types of business at the same location or different locations, but under the same management and books, may at his option pay one tax based on gross receipts of all business.

(Ord. 15 Art. I § 11, 1979)

5.04.130 - Posting license, sticker or tag.

- A. Any licensee conducting a business at a fixed location shall keep the license posted in a conspicuous place.
- B. Any licensee not operating at a fixed place shall keep the license immediately available, while conducting business. When stickers, tags or symbols have been issued for vehicles, devices or machines, the person licensed is responsible to affix and maintain such sticker during the period of such license.
- C. No person shall give away, sell or transfer any identifying sticker or tag, or permit its use by any other party.

(Ord. 15 Art. I § 12, 1979)

5.04.140 - Extensions—Penalty waivers.

In addition to all other powers conferred upon the collector, the collector shall have the power to extend the time for filing any required sworn statement or application for a period not exceeding thirty days, and in such case to waive any penalty, except that a simple interest charge, as set by resolution, shall be added to any tax determined payable.

(Ord. 15 Art. I § 13, 1979)

5.04.150 - Interstate commerce.

- A. None of the license taxes shall be so applied as to place an undue burden upon interstate commerce or violate the equal protection and due process clauses of the Constitution of the United States or the Constitution of the state of California.
- B. If a licensee believes an undue burden has been placed upon him, he may apply to the city within six months after payment of the prescribed tax. The collector shall investigate, and with approval from the city attorney, fix the license tax at an amount that is reasonable and nondiscriminatory.

(Ord. 15 Art. I § 14, 1979)

5.04.160 - Exemption by federal or state law.

- A. This chapter shall not be construed to apply to any business exempt from payment of taxes in this chapter by virtue of the Constitution or applicable statutes of the United States or the state of California. Any person claiming exemption pursuant to this section shall file a sworn statement of facts supporting such claim with the city. Upon a proper showing, the collector shall issue such exempt license. Otherwise, the applicant shall be liable for payment of the license tax.
- B. The city may suspend or revoke any license granted, upon receipt of information that the licensee is not entitled to such exemption.

(Ord. 15 Art. I § 15, 1979)

5.04.170 - Charitable organizations.

This chapter shall not be construed so as to require payment of a tax for any business conducted wholly for the benefit of charitable purposes and from which profit is not derived by any person, except that such charitable organization shall pay the business license tax required in this chapter on unrelated business income for purposes of determining whether or not a trade or business conducted by a charitable organization falls within the definition of "Unrelated Business Income of Exempt Charitable Organizations," the interpretation Rules and Regulations of the Department of the Treasury, Internal Revenue Service, shall be used in making a determination on such matters, and any determination made by the Internal Revenue Service concerning such matters shall not be binding upon the city.

(Ord. 15 Art. I § 16, 1979)

5.04.180 - Disabled veterans.

All honorably discharged service veterans of the United States, who are physically unable to obtain their livelihood by manual labor, shall have the right to hawk, peddle and vend any goods owned by them, except intoxicants, without the payment of a license tax under the following restrictions:

- A. They shall furnish a certificate of physical disability from a licensed physician.
- B. They shall furnish two identification photographs. One shall be affixed to the license and the other shall be retained by the city.
- C. The license shall be nontransferable.
- D. The license shall expire after thirty days.

(Ord. 15 Art. I § 17, 1979)

5.04.190 - Minors selling periodicals.

No license tax shall be required of any minor selling or soliciting subscriptions for or delivering any newspaper, magazine or other periodicals.

(Ord. 15 Art. I § 18, 1979)

5.04.200 - Exemption by minimal gross receipts.

No license tax shall be required on any business which has annual gross receipts of less than an amount as set by resolution.

(Ord. 15 Art. I § 19, 1979)

5.04.210 - Public utilities exempted.

No license tax is required on any business conducted by a public utility which pays the city a tax pursuant to a franchise agreement.

(Ord. 15 Art. I § 20, 1979)

5.04.220 - Examination of income tax returns.

- A. The statements required by this chapter shall be subject to verification by the collector or authorized employees of the city who are hereby authorized to examine a person's federal income tax returns to verify or ascertain the amount of license tax due.
- B. All persons shall keep federal income tax returns for a period of at least three years for examination by the collector. No person shall refuse to allow the collector to examine the returns at reasonable times and places.

(Ord. 15 Art. I § 21, 1979)

5.04.230 - Confidentiality of information.

It is unlawful for the city or its agents to make known the business affairs or information obtained by an investigation of any business required to obtain a license. Nothing in this section shall be construed to prevent:

- A. Disclosure of records to another city official for the sole purpose of administering or enforcing this chapter;
- B. Disclosure of information or examination of records to federal, state, county or other city officials if a reciprocal arrangement exists, or to a grand jury or court of law, upon subpoena;
- C. Results of examination of records of particular taxpayers, to a court of law to determine the amount of license tax liability of that taxpayer;
- D. Disclosure of the names and addresses of licensee, and the general nature of their business;
- E. Disclosure by way of public meeting of such information necessary to the city council to advise as to the facts as to claims for refund of the license tax.

(Ord. 15 Art. I § 22, 1979)

5.04.240 - Failure to make required statement—Assessment.

- A. If any person fails to file any required statement within the time prescribed, or after being requested to do so by the city, or if any person subject to the license tax fails to apply, the collector may determine the fees due by means of any information as may be available or may estimate the fees.
- B. If the city is not satisfied with the information supplied in statements or applications, the collector may determine the amount of license tax due by means of any information that may be available. If such a determination is made the collector shall give notice of the amount so assessed by serving it personally or by depositing it in the United States Post Office at Grand Terrace, California, postage prepaid, addressed to the person so assessed at his last known address. Such person may, within fifteen days after the serving or mailing of such notice, make application in writing to the city for a hearing on the amount of the license tax. If such application is made, the collector shall cause the matter to be set for hearing within thirty days before the city council. The collector shall give at least twenty days' notice to such person of the time and place of the hearing in the manner prescribed above for serving notices of assessment. The city council shall consider all evidence produced, and shall make findings thereon, which shall be final. Notice of such findings shall be served upon the applicant in the manner prescribed in this section for the serving of notices of assessments.

(Ord. 15 Art. I § 23, 1979)

5.04.250 - Appeals.

Any person aggrieved by any decision of the collector may appeal for relief to the city council by filing a notice of appeal with the city clerk. The city council shall fix a time and place for a hearing and shall serve notice to such applicant. The city council has authority to adjudicate all questions raised by appeal, no adjudication made by the city council shall be in conflict with this chapter.

(Ord. 15 Art. I § 24, 1979)

5.04.260 - Gross-receipts taxes—Applicability.

Every person who engages in business at a fixed place of business within the city except as shown in Section 5.04.290 of this chapter shall pay a license tax based upon gross receipts. The license tax to be paid shall be set by resolution of the city.

(Ord. 15 Art. II § 1, 1979)

5.04.270 - Gross-receipts taxes—Deductions.

Any person who maintains a fixed place of business in the city, and whose gross receipts from the sale of goods and/or services is attributable to business activity both inside and outside the city, may apportion such gross receipts and deduct from one hundred percent of gross receipts the percentage deemed to be directly attributable to selling activities carried on outside the city. The licensee may deduct, to the extent appropriate, but in no case in an amount greater than, the following percentages of those sales performed at a place or location outside the city:

- A. Up to thirty percent for the location where the sale is negotiated or solicited by the taxpayer, through the physical presence of himself, his employees or his agents;
- B. Up to twenty percent for the sales office which serves as the base of operations for sales activities, or if there is no sales office which serves as a base of operations, the office from which the sales activities are directed or controlled;
- C. Up to ten percent for the locations where orders or contracts are accepted or approved. Such acceptance or approval shall be deemed to take place at the location of the office specified in subsection B of this section, unless there is clear and conclusive evidence that a binding acceptance or approval occurs elsewhere;
- D. Up to twenty percent for any facility, operated by the taxpayer, where the goods, wares or merchandise are stored immediately prior to shipment or delivery;
- E. Up to five percent for the location which gives the order for, or arranges for, the shipment or delivery of articles sold;
- F. Up to five percent for the place where billing procedures are performed;
- G. Up to five percent for the place where the collecting of receipts is performed;
- H. Up to five percent for the place to which merchandise is delivered by vehicles operated by the taxpayer.

(Ord. 15 Art. II § 2(part), 1979)

5.04.280 - Gross-receipts taxes—Modification of deductions.

- A. Any person who believes that the percentage determined to be allowable as a deduction from gross receipts under Section 5.04.270 is less than the facts justify, may apply to the city for a modification of the percentage. Such application shall be made in writing to the collector and shall be accompanied by a statement of facts supporting the basis for such modification. The collector shall make his determination on the basis of evidence presented to him, and such other evidence as he may have, or may discover from other sources. The collector shall increase, reduce or allow to stand the percentage originally determined, depending on the facts.
- B. Should the collector be of the opinion that the percentage calculated to be allowable as a deduction from gross receipts under the provisions of this section is greater than the facts justify in any particular case, he shall make such investigation as is necessary to ascertain the facts and revise the percentage, if warranted.
- C. Any variation from the percentages provided for under this ruling shall be approved in writing by the collector.

(Ord. 15 Art. II § 2(part), 1979)

5.04.290 - Flat-rate taxes.

Every person transacting, conducting, managing, engaging in and carrying on the business and activities set forth hereafter in this section shall pay a license tax as set by the city:

- A. Auctioneers. The provisions of this section shall not apply to any person having an established permanent place of business for conducting a public auction, or to any fixed

business which may auction any merchandise for purposes of winding up the affairs of the business or for the purpose of closing out of a special line of merchandise;

- B. Outdoor festivals; means any music festival, dance festival or similar musical activity which is held at any place other than in a permanent building constructed for such purpose;
- C. Carnival. "Carnival" means any shows, entertainments, mechanical rides, amusements, performances or games of any kind, which as a result of the operation, things or representatives of value are given or paid;
- D. Circus. "Circus" means an exhibition or entertainment at which feats of horsemanship, acrobatics and trained or wild animals are exhibited or displayed, to which exhibition or entertainment an admission fee is charged;
- E. Contractors;
- F. Dancing, public dance without charge;
- G. Dancing, public dance for admission fee or charge;
- H. Delivery by vehicle; making deliveries of merchandise to business establishments in Grand Terrace, and not having a fixed place of business in the city;
- I. Handbill distributor not having a fixed place of business within the city and conducting the business of advertising by the distribution of handbills, circulars or other written or printed materials;
- J. Security service; night-watch service, security service, private policeman or detective agency;
- K. Peddler or solicitor; peddling or soliciting by use of telephone service or other communication, travel by foot or any type of conveyance from place to place, and carrying or conveying goods, wares or merchandise for sale and having no fixed place of business within the city;
- L. Shoeshine stand;
- M. Redemption store; redeeming any stamps, coupons, tickets, cards or other devices issued for or with the sale of goods, wares or merchandise which stamps, coupons, tickets, cards or other devices so issued entitle the purchaser receiving the same to procure from the person, firm or corporation any goods, wares or merchandise free of charge, upon the production of one or any number of such stamps, coupons, tickets, cards or other devices;
- N. Swap meet.
 - 1. "Swap meet" means any business which rents spaces to various dealers or individuals for selling or offering for sale, goods, wares and merchandise, and where an admission fee is charged to enter the area where the merchandise is being offered for sale.
 - 2. Receipts for the space rental shall be written in triplicate on numbered receipts, and shall contain the name and addresses of the dealer or individual, and the make and license number of his automobile. One copy of the receipt shall be furnished to the dealer, one copy filed with the city, immediately after the sale, and one copy retained by the swap meet operator for a period of three years for audit purposes;

- O. Transportation of passengers; auto livery, bus, taxi, ambulance or other vehicle, for the transportation of passengers for hire;
- P. No fixed place of business; not having a fixed place of business within the city who engages in business within Grand Terrace and not having been classified under any other section of this chapter;
- Q. Fixed place of business; having a fixed place of business within the city and not included under Section 5.04.260.

(Ord. 102 § 5, 1986: Ord. 15 Art. III, 1979)

5.04.300 - Payment—Due dates.

- A. Annual. The first business license tax to be administered by the city shall be due and payable in advance on the first day of July, 1979. This first license shall be effective for a period of six months ending December 31, 1979. All subsequent annual license taxes shall be due and payable in advance of the first day of January of each year. License taxes covering new operations, commenced after the first day of January, shall be prorated for the remaining balance of the license period.
- B. License taxes other than annual shall be due and payable as follows:
 - 1. Semiannual license tax, measured by gross receipts, on the first day of January and the first day of July;
 - 2. Quarterly tax, measured by gross receipts, on the first day of January, April, July and October of each year;
 - 3. Monthly tax, measured by gross receipts, on the first day of each month;
 - 4. Weekly flat-rate tax, on Monday of each week;
 - 5. Daily flat-rate tax, due each day in advance;
 - 6. Other flat-rate taxes, due on the first day of business and thereafter on the first day of the applicable period.

(Ord. 15 Art. I § 25, 1979)

5.04.310 - Delinquency—Installment payments.

- A. Failure to pay a license tax when due shall result in a penalty of ten percent of the license tax on the last day of each month after the due date. The amount of the penalty shall not exceed fifty percent of the amount of license tax due.
- B. No license or sticker shall be issued to any person who is indebted to the city for any delinquent license taxes, unless with consent of the collector when that person enters into a written agreement to pay the delinquent taxes, plus twelve percent simple annual interest upon the unpaid balance, in monthly installments over a period not to exceed six months. In such an agreement, failure to make timely installment payments shall result in making the entire amount due immediately, and current license shall be revoked by the collector upon thirty days' notice. If legal action is brought by the city to enforce collection, the defendants shall be liable to pay all costs incurred by the city, including a reasonable attorney's fee.

(Ord. 15 Art. I § 26, 1979)

5.04.320 - Refund of overpayments.

No refund of an overpayment of taxes shall be allowed unless a claim for refund is filed with the city within a period of three years from the last day of the month following the period for which the overpayment was made.

(Ord. 15 Art. I § 27, 1979)

5.04.330 - Administrative rules and regulations.

The collector may make rules and regulations not inconsistent with the provisions of this chapter as may be necessary to aid in the enforcement of the provisions of this chapter.

(Ord. 15 Art. I § 28, 1979)

5.04.350 - Enforcement.

- A. It shall be the duty of the collector to enforce all the provisions of this chapter. The city manager and the city attorney and all subordinate officials as directed by the city manager shall assist in the enforcement of this chapter.
- B. The collector shall examine all places of business to ascertain whether the provisions of this chapter have been complied with. The collector has the power and authority to enter, upon reasonable notice, any business required to be licensed and demand an exhibition of its license. Any person who willfully fails to exhibit the same on demand is guilty of an infraction and subject to the penalties of this chapter.

(Ord. 15 Art. I § 29, 1979)

5.04.360 - Debt status of tax—Actions to collect.

The amount of any license tax and penalty imposed by this chapter shall be deemed a debt to the city. Action may be commenced in the name of the city in any court of competent jurisdiction, for the amount of any delinquent taxes and penalties.

(Ord. 15 Art. I § 30, 1979)

5.04.370 - Remedies cumulative.

All remedies prescribed under this chapter shall be cumulative and use of one or more remedies by the city shall not bar the use of any other remedy for the purpose of enforcing the provisions of this chapter.

(Ord. 15 Art. I § 31, 1979)

5.04.380 - Existing licenses.

- A. Neither the adoption of the ordinance codified in this chapter nor its superseding of any portion of any other city ordinance shall in any way be construed to affect the 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 any penal provision applicable to any such violation, nor shall be construed to affect the validity of any bond or cash deposit required by any other ordinance to be posted or deposited, and all rights and obligations thereunto appertaining shall continue in full force and effect.

- B. When a license for revenue has been issued and the tax paid for the business for which the license has been issued under the provisions of any ordinance enacted and the term of such license has not expired, then the license tax prescribed for the business by this chapter shall not be payable until expiration of the term of such unexpired license.

(Ord. 15 Art. I § 32, 1979)

5.04.390 - Violation—Penalty.

Any person violating any of the provisions of this chapter is guilty of an infraction and, upon conviction thereof, shall be punishable by (A) a fine not exceeding fifty dollars for the first violation; (B) a fine not exceeding one hundred dollars for a second violation of the same ordinance within one year; and (C) a fine not exceeding two hundred fifty dollars for each additional violation of the same ordinance within one year. Each such person is guilty of a separate offense for each and every day during any portion of which any violation of this chapter or any of its provisions is committed, continued or permitted by such a person and shall be punishable accordingly, as provided in this section.

(Ord. 15 Art. I § 33, 1979)

Exhibit "B"

**Grand Terrace Municipal Code
TITLE 4 – COMPREHENSIVE FEE SCHEDULES, FINES AND TAXES**

Chapter 4.08 – Business License Tax

Chapter 4.08 - BUSINESS LICENSE TAX

Sections:

4.08.010 - General.

- A. Any person, firm or corporation conducting or carrying on business within the city shall be charged a business license tax based upon the following schedule.
- B. Gross Receipts Tax Schedule. Each person conducting or carrying on a fixed business location located in the city shall pay a business license tax based upon their annual gross receipts as follows:

<u>Business License Tax</u>	<u>Gross Receipts</u>
\$30.00 flat rate	Under \$49,999
50.00 flat rate	\$50,000 to \$ 99,999
70.00 flat rate	100,000 to 149,999
120.00 flat rate	150,000 to 199,999
170.00 flat rate	200,000 to 299,999
220.00 flat rate	300,000 to 499,999
270.00 flat rate	500,000 to 699,999
320.00 flat rate	700,000 to 999,999

\$320.00 plus \$0.25 per \$1,000 of gross receipts over \$1,000,000 to a maximum of \$1,200.

(Ord. 145 § 1(part), 1993: Ord. 112 § 2(Exhibit A Item 1(part)), 1989)

4.08.020 - Rentals.

Each person who owns multiple residential units (two or more) or property or improvements within the city who receives any rental income therefrom, however such income is designated or collected, shall, for the purpose of paying a business license tax, have all such income taxed under the gross receipts provisions as if such person were conducting or carrying on business at a fixed location within the city. Rental income shall include the value of the compensation or return for the use of real property or improvements thereon.

(Ord. 145 § 1(part), 1993: Ord. 112 § 2(Exhibit A Item 1(part)), 1989)

4.08.030 - Flat rate tax schedule.

Each person carrying on or conducting any business within the city and not having been specifically taxed under any other chapter of this title shall pay a business license tax levied at the flat rate set forth as follows:

<u>Type of Business</u>	<u>Fee</u>
Auctioneer	\$25.00 per day
Outdoor festival, carnival, circus	150.00 per day
Itinerant food concessions (Fairs, circuses, special events and traveling shows) Per concession, per location	20.00 per event
Contractor, state licensed General and engineering	150.00 annually
All other	80.00 annually
Dancing (Public, without charge)	25.00 per quarter
Dancing (Public for profit)	10.00 per day or 35.00 per quarter
Delivery by vehicle	35.00 annually per vehicle
Handbill distributor	20.00 per day
Peddler/solicitor	40.00 per quarter
Professional, outside (e.g., engineer, physician, surveyor)	80.00 annually
Real estate broker	50.00 annually
Security services	80.00 annually
Service company (e.g., landscape, pool service)	50.00 annually
Swap meet	80.00 annually
Transportation, passenger	50.00 annually
Business office	50.00 annually
Billboard	1,500.00 per side, annually
Any other	50.00 annually

(Ord. 145 § 1(part), 1993: Ord. 112 § 2(Exhibit A Item 1(part)), 1989)

4.08.040 - Penalty.

Failure to pay a business license tax when due shall result in a penalty of ten percent of the license tax on the last day of each month after the due date. The amount of the penalty shall not exceed fifty percent of the amount of the license tax due.

(Ord. 145 § 1(part), 1993: Ord. 112 § 2(Exhibit A Item 1(part)), 1989)

4.08.050 - Exemptions.

Each business which has annual gross receipts of less than one thousand dollars shall not be required to pay a business license tax.

(Ord. 145 § 1(part), 1993: Ord. 112 § 2(Exhibit A Item 1(part)), 1989)

4.08.060 - Duplicate license fees.

Each person seeking a duplicate of a previously issued license shall pay a duplicate license fee of fifteen dollars.

(Ord. 145 § 1(part), 1993: Ord. 112 § 2(Exhibit A Item 1(part)), 1989)

4.08.070 - Amended licenses.

Each person seeking to have their business license amended to conduct business at a new location shall pay a fee of fifteen dollars.

(Ord. 145 § 1(part), 1993: Ord. 112 § 2(Exhibit A Item 1(part)), 1989)