

C-5

May 19, 2020

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Request the City Attorney to prepare an Ordinance amending the Long Beach Municipal Code governing business license tax exemptions for veterans. (Citywide)

DISCUSSION

Long Beach Municipal Code (LBMC) Chapter 3.80.326 currently provides business license tax exemptions for disabled veterans who have been honorably discharged from the Armed Forces, are physically unable to obtain a livelihood by manual labor, and have been a resident of Long Beach for the past 60 days. To claim the exemption, a veteran must submit an application on an annual basis for the exemption. Recent changes in State law regarding business license tax exemptions for veterans have triggered the need to update the City's exemption policies.

On September 5, 2019, Assembly Bill 498 (AB 498) was enacted, adding a new business license tax exemption for veterans. Under AB 498, a veteran who is honorably discharged or honorably relieved from the Armed Forces and is a resident of California will not be required to pay a local business license tax or fee for a business selling or providing services if the veteran is the sole proprietor of the business. In addition, State laws enacted prior to AB 498 allow disabled veterans who are residents of California to hawk, peddle, or vend any goods or merchandise, except alcohol, without payment of a business license tax or fee.

The City's current business license tax exemption requirements for veterans are inconsistent with State law. Staff is recommending that the City Council adopt an Ordinance amending Section 3.80.326 of the LBMC to align with current State law.

This matter was reviewed by Deputy City Attorney Amy R. Webber on May 1, 2020 and by Budget Management Officer Rhutu Amin Gharib on May 4, 2020.

TIMING CONSIDERATIONS

City Council action is requested on May 19, 2020, to ensure implementation of the amendments occurs expeditiously.

FISCAL IMPACT

No fiscal impact is expected from the proposed amendment. The City is already in compliance with AB498 requirements. The proposed Ordinance would update LBMC to align with current State Law. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. There is no local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:



THOMAS B. MODICA
CITY MANAGER