

Ballot Title

Shall Ordinance 2024-01 be adopted, (1) authorizing a vacancy tax on unused or unoccupied commercial spaces and uninhabited residences in the City of Avenal, up to \$1,000 per linear foot of frontage, (2) setting transient occupancy tax at 15%, and (3) creating a progressive rate structure that would set business license tax rates from .05% to .475% of gross receipts, generating undetermined revenue, potentially up to \$84,000 annually, until repealed?

Yes

No

Impartial Analysis**PROPOSED ORDINANCE OF THE CITY OF AVENAL ENACTING A VACANCY TAX, ADJUSTING TRANSIENT OCCUPANCY TAX RATE AND ADOPTING A PROGRESSIVE BUSINESS LICENSE TAX RATE STRUCTURE**

The City's existing transient occupancy and business license tax ordinances were adopted decades ago. Measure B would update them and enact a vacancy tax on certain commercial properties and uninhabited residential properties which are not owner-occupied.

Upon voter approval of Measure B, Ordinance No. 2024-01 would: (1) Authorize the City to levy an excise tax upon the privilege of keeping commercial property unoccupied or unused for business activity, and keeping residential property uninhabited, for more than 183 days of a year; (2) Set the transient occupancy tax rate to 15 percent; and (3) Adopt progressive business license tax rates based upon gross annual receipts. For the taxes to be approved, a majority of the qualified voters of the City voting on this measure must vote in favor of the measure.

The vacancy tax rate would start at \$250 per linear foot of frontage which is adjacent to a public right-of-way, which could increase to a maximum rate of \$1,000 per linear foot for repeated vacancies of 3 years and longer. The allowed tax rate would be annually adjusted upward based upon the Consumer Price Index ("CPI") for all urban consumers in the San Francisco-Oakland-San Jose areas.

The new structure of business license taxes would range from a minimum flat tax of \$13.95 for certain businesses, and gradually increase to a rate of 0.0039% for businesses grossing over \$20 million during a tax year.

The City Council would be authorized to implement a tax rate lower than the maximum allowed by suspending collection of all or a portion of the tax, by unanimous resolution of the entire Council. The City Council would be authorized to enact ordinances which prescribe procedures for processing tax returns and appeals, tax enforcement, clarifying and defining the terms of taxes, and creating classes of persons who are exempt from each tax.

Measure B is a general tax under State law and, if enacted by the voters, the revenues received from the tax must be placed in the City's general fund and may be used for any lawful purpose, as directed by the City Council, including but not limited to: small business assistance programs; 9-1-1 emergency response; fire protection services; streets and roads repairs; support of senior and youth services; city parks; recreation programs; and any other city services for Avenal residents and the public.

If this measure is approved by the voters, Ordinance No. 2024-01 shall be adopted by the City Council on the date the City Council declares the election results. The ordinance will become effective (10) ten days thereafter.

This measure was added to the ballot by the City Council to allow for a public vote. The electors entitled to vote on this measure are the registered voters within City of Avenal. If the measure is not approved by a majority of the votes cast on the measure, Ordinance No. 2024-01 will not be adopted.

s/ Moses Diaz
City Attorney

The above statement is an impartial analysis of Ordinance or Measure B. If you desire a copy of the ordinance or measure, please call the elections official's office at 559-386-5766 and a copy will be mailed at no cost to you.

Argument in Favor of Measure B

Vote **YES** on Measure B, help Avenal thrive!

Avenal is growing, to support this growth we need to modernize our tax structure. Measure B will make sure outside businesses pay their fair share and support our community's future. Measure B is:

- 1. Vacancy Tax:** With too many empty buildings and lots that could be used for new businesses or homes, a vacancy tax encourages property owners to develop their properties into national retail stores, restaurants, or other productive uses, reducing blight and boosting our local economy.
- 2. Transient Occupancy Tax (TOT):** Outside visitors to Avenal should help fund our services too. Setting the TOT at 15% will ensure tourists contribute to maintaining our city, helping to pay for things like road repairs and public safety. Local residents will not be affected.
- 3. Progressive Business License Tax Rate:** Small businesses are the heart of Avenal. By setting a fair tax rate based on earnings, Measure B ensures that local small businesses pay less, while larger, out-of-town businesses pay more. This helps level the playing field and supports local entrepreneurs.

Why Measure B?

- **Local Services:** Measure B will help fund: small business assistance programs; public safety; roads repairs; senior and youth services; and any other city services for Avenal residents.
- **Economic Development:** By developing vacant properties, Measure B will attract new businesses and jobs to Avenal, driving economic growth and making Avenal more vibrant.
- **Fairness:** 98% of local residents will NOT be impacted by Measure B. This measure ensures that outside corporations contribute their fair share. It's about supporting Avenal's future and ensuring that our tax dollars are spent wisely and locally.

Conclusion: Measure B invests in Avenal's future by ensuring that our city can grow sustainably and continue to provide high-quality services for all residents. Join us in voting YES on Measure B to build a stronger, more prosperous Avenal.

s/ David Reynosa
Owner, Mr. Reynosa Appliances

s/ Osvaldo Contreras
Co-owner, Galeria Pizza Nostra

s/ Lou Gravelle Jr.
Councilmember/Circle K Store Manager

s/ Donna R. Elliott
CEO, Elliott Investments

s/ Braulio Zarate
Owner, Blanca's Store

No Argument was filed Against this Measure.