



Agenda Report

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File #: 20-0634

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**AGENDA REPORT  
REQUEST FOR CITY COUNCIL ACTION**

DATE: 07/15/2020

TO: Honorable Mayor and City Council Members

FROM: Administrative Services Department

**SUBJECT:**

City Council consideration of Resolution No. 2020-100, extending the temporary waiver of all penalties, late fees and interest imposed upon delinquent payments of business license taxes or transient occupancy taxes and extending the deadline for business license renewals due in June, July, and August 2020.

**RECOMMENDED ACTION:**

**That the City Council** adopt Resolution No. 2020-100, extending the temporary waiver of all penalties, late fees and interest imposed upon delinquent payments of business license taxes or transient occupancy taxes and extending the deadline for business license renewals due in June, July, and August 2020.

**ANALYSIS:**

On March 4, 2020, a State of Emergency was declared in the State of California in response to an outbreak of a novel coronavirus, now known as COVID-19. On March 19, 2020, Governor Newsom issued Executive Order N-33-20 ordering all individuals living in the State of California to stay home or at their place of residence, except to obtain essential services. Order N-33-20 has significantly impacted the business community throughout the State, including Corona based businesses. Staff received requests from local businesses to review business license renewal and transient occupancy tax payment deadlines to provide some financial relief to the impacted businesses. The process and payment deadlines are established in the Corona Municipal Code (Business License - Chapter 5.02 and Transient Occupancy Tax - Chapter 3.34).

On April 15, 2020, the City Council approved the following temporary changes for local businesses:

**TRANSIENT OCCUPANCY TAXES**

- Waived penalties and interest for delinquent transient occupancy tax payments for a period of 90 days following the adoption of Resolution 2020-019.

**BUSINESS LICENSE RENEWALS**

- Waived penalties and interest for delinquent business license payments for a period of 90 days following the adoption of Resolution 2020-019.
- Extended the payment deadline for business license renewal dates due in April 2020 and May 2020 to June 30, 2020. The action extended the payment deadline only and did not extend the renewal period of the 12-month license that expires in 2021.

With the current re-opening restrictions in Riverside County and the State of California due to COVID -19, staff is recommending additional relief to the local business with extensions for the business license taxes and transient occupancy taxes as follows:

**TRANSIENT OCCUPANCY TAXES**

- Waive penalties and interest for delinquent transient occupancy tax payments through September 30, 2020 following the adoption of Resolution 2020-100.

**BUSINESS LICENSE RENEWALS**

- Waive penalties and interest for delinquent business license payments through September 30, 2020 following the adoption of Resolution 2020-100.
- Extend the payment deadline for business license renewal dates due in April 2020 through August 2020 to September 30, 2020. This action will extend the payment deadline only and will not extend the renewal period of the 12-month license that expires in 2021.

**COMMITTEE ACTION:**

Not applicable.

**STRATEGIC PLAN:**

Not applicable.

**FISCAL IMPACT:**

Waiver of penalties and interest through September 30, 2020 is a General Fund revenue impact of approximately \$24,000 for delinquent transient occupancy taxes and approximately \$63,000 for delinquent business license renewals. Extending the payment deadline for monthly transient occupancy taxes and annual business license renewals impacts the General Fund cash flow but does not have any additional revenue impacts. The total estimated General Fund revenue loss in FY 2021 is \$87,000. No budgetary adjustments are requested at this time. Staff will return to City Council with updated revenue projections later in Fiscal Year 2021.

**ENVIRONMENTAL ANALYSIS:**

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This action is exempt pursuant to Section 15061(b)(3) of the Guidelines for the California Environmental Quality Act (CEQA), which states that an action is exempt from CEQA if the activity is covered by the general rule that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the payment extensions and waiver of penalties and interest may have a significant effect on the environment, the action is not subject to CEQA.

**PREPARED BY:** KIM SITTON, ACTING ADMINISTRATIVE SERVICES DIRECTOR

**REVIEWED BY:** DEAN DERLETH, CITY ATTORNEY AND LEGAL AND RISK MANAGEMENT DIRECTOR

**REVIEWED BY:** ROGER BRADLEY, ASSISTANT CITY MANAGER

**SUBMITTED BY:** JACOB ELLIS, CITY MANAGER

**Attachments:**

1. Resolution No. 2020-100