

EXHIBIT A

Ordinance No. _____
Ordinance Adding Chapter 4.61 to Title 4 of the Palo Alto
Municipal Code (Business Licenses and Regulations)
Establishing a Business License Tax

The People of the City of Palo Alto do ORDAIN as follows:

SECTION 1. Title 4 (Business Licenses and Regulations) of the Palo Alto Municipal Code is amended by adding a new Chapter 4.61 (Business License Tax) to read as follows:

Chapter 4.61

BUSINESS LICENSE TAX

Sections:

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4.61.010 **Purpose**

This Chapter is enacted solely to raise revenue for general municipal purposes. It is not intended to be regulatory. The payment of a License Tax, and its acceptance by the City, and the issuance of a tax certificate to any Person shall not entitle the license holder to carry on any Business unless he or she has also complied with all of the requirements of this Code and all other applicable laws, nor shall it entitle the license holder to carry on any Business in any building or on any premises designated in such tax certificate if such building or premises is or are situated in a zone or location in which the conduct of such Business is in violation of any law.

4.61.020 **Definitions**

The following words and phrases, whenever used in this Chapter, shall be construed as hereafter set out, unless it shall be apparent from the context that they have a different meaning.

A. “Administrator” means the Director of Administrative Services or another city officer or employee charged by the city manager with the administration of this Chapter, and his or her designee.

B. “Business” includes professions, trades, and occupations and all and every kind of calling whether or not conducted at a profit. Where a Person subject to the tax acquires a Business, unless that Business is a Newly Established Business, the Business shall be deemed a continuation of the previous Business and all activities of the Business, whether occurring before or after the acquisition, shall be considered in calculating the amount of any tax due from the Person.

C. “City” shall mean the City of Palo Alto.

D. “Employee” shall mean each individual engaged in the operation or conduct of a Business, including, but not limited to owners, corporate officers, partners, independent contractors, and employees. Family members of an owner of a Business, or of the Person conducting a business, shall be considered Employees for the purposes of this definition to the extent they devote hours of labor to the operation or conduct of the business. Notwithstanding the foregoing, an independent contractor engaged by a Person in connection with a Business shall not be considered an Employee of that Person if both of the following conditions are met:

(i) the contractor was a Licensee (or the Employee of a Licensee) at the time the contractor provided services to the Person seeking to exclude the contractor from treatment as an Employee; and

(ii) each hour of services provided by the contractor to the Person seeking to exclude the contractor from treatment as an Employee is included by the contractor (or his or her employer) in the basis for calculation of the License Tax paid to the City by the contractor (or his or her employer).

E. “License Tax” means the tax imposed pursuant to Section 4.61.030 of this Code.

F. “Licensee” means a Taxpayer who has been issued a License Tax certificate pursuant to this Chapter.

G. “Newly Established Business” means a Business in which neither the owner nor operator, nor any Person from whom the owner or operator acquired the Business, engaged in during the immediately preceding calendar year. The following shall not be considered a Newly Established Business:

1. A Business conducted at a new location whether within or outside the City when the Business conducted and taxed at a previous location during the preceding calendar year was discontinued at the same time, prior to, or within thirty days after commencement of Business at the new location;

2. The Business engaged in during the current calendar year is the same kind as that engaged in during the immediately preceding year, but not at the close thereof;

3. The Business to be engaged in during the current calendar year, though not the same kind of Business, is taxed under the same category as the Business engaged in during, but not necessarily throughout, the immediately preceding calendar year. Provided that the Administrator may, on written application by a Taxpayer, and after considering all circumstances, find that a Business described in this paragraph is in fact new and not a continuation of a Business engaged in during the immediately preceding calendar year.

H. “Person” means and includes domestic or foreign corporation, firm, association, syndicate, joint stock corporation, partnership, joint venture, club, business or common law trust, society, estate, receiver, retirement plan, trustee individual or any other group or combination of individuals acting as a unit.

I. “Sworn Statement” means an affidavit or a declaration or certification made under penalty of perjury under the laws of the State of California.

J. “Taxpayer” means a Person subject to a tax imposed by this Chapter.

4.61.030 Tax Payment Required

Except as otherwise provided in this Chapter, every Person who engages in Business within the City, whether or not at a fixed place of business, shall pay an annual License Tax in an amount as provided in this section:

A. Professional or Business Services. Any Person who engages in the Business of providing Professional or Business Services shall pay a License Tax of \$75.00 for the first Employee and \$95.00 for each additional Employee, but not less than \$75.00 per year. For purposes of this Chapter, “Professional or Business Services” shall mean any Business that consists of the practice of a profession or vocation that primarily involves providing financial, business, educational or health care services. Such professions or vocations specifically include, but are not limited to, the practices of physicians, dentists, attorneys, accountants, general contractors, specialty subcontractors, morticians, veterinarians, architects, engineers, teachers, pharmacists, opticians, optometrists, chiropractors, and real estate brokers (other than real estate brokers counted as Employees of a real estate brokerage pursuant to subdivision (G) of this section).

B. Retail/Hotel. Any Person who engages in a Business consisting mainly of selling goods, wares, or merchandise at retail and any Person who engages in a Business consisting mainly of operating a hotel/motel shall pay a License tax of \$75.00 for the first Employee and \$34.00 for each additional Employee, but not less than \$75.00 per year

C. Personal Services. Any Person who engages in a Business (other than a Professional or Business Services Business described in Paragraph A, above) consisting mainly of providing services such as, but not limited to, grooming, gardening, automobile repair or similar services shall pay a License Tax of \$75.00 for the first Employee and \$34.00 for each additional Employee, but not less than \$75.00 per year

D. Wholesale/Manufacturing. Any Person who engages in a Business consisting mainly of wholesaling (carrying or selling goods, wares, or merchandise at wholesale) or manufacturing (extracting natural resources, manufacturing, packing, or processing any goods, wares, merchandise or produce) shall pay a License Tax of \$75.00 for the first Employee and \$34.00 for each additional Employee, but not less than \$75.00 per year.

E. Multifamily Residential Rental. Any Person engaging in the Business of renting or leasing four or more residential units in the City for tenancies of thirty or more days shall pay a License Tax of \$75.00 for the first residential unit above three units and \$25.00 for each subsequent residential unit, but not less than \$75.00 per year. The record owner of a property that is rented or leased for such tenancies shall be presumed to be the Person renting or leasing the property and liable for the tax due under this Section unless that record owner demonstrates to the satisfaction of the Administrator that some other Person is engaged in the Business of renting or leasing a particular property, in which case that other Person shall be liable for the tax due under this Section as to that property.

F. Commercial Rental. Any Person who engages in the Business of leasing all or part of parcels of land, buildings or structures of any kind (other than the rental of residential units) shall pay a License Tax of 3 cents per square foot of leasable space, but not less than \$75.00 per year. For purposes of this Chapter “leasable space” shall mean the area of all buildings and structures offered for lease (other than buildings and structures used solely for residential purposes and parking appurtenant to residential uses).

G. Real Estate Brokerage. Any Person operating a real estate brokerage shall pay a License Tax of \$75.00 for the first Employee and \$95.00 for each additional Employee, but not less than \$75.00 per year. For purposes of this Chapter, the Employees of a real estate brokerage shall include, but not be limited to, any contractor of the brokerage who is licensed by the State of California as a real estate broker, salesperson, or broker-associate and places his or her broker’s license with the Real Estate Brokerage (or an affiliated broker) as a prerequisite to brokering the purchase or sale of real estate. Brokers, salespersons, and broker-associates who are treated as an Employee of a Real Estate Brokerage pursuant to this paragraph shall not, as individuals, be liable for a License Tax or be required to submit an application for a License Tax certificate pursuant to this Chapter. The number of brokers, salespersons, or broker-associates that are Employees of a brokerage shall be calculated pursuant to Section 4.61.040 .

H. Miscellaneous. Any Person who engages in any Business other than a Business specified in Paragraphs A through G shall pay a License tax of \$75.00 for the first Employee and \$95.00 for each additional Employee, but not less than \$75.00 per year.

4.61.040 **Calculation of Number of Employees**

For purposes of computing the License Tax due pursuant to Section 4.61.030, a Taxpayer may calculate the number of Employees of a Business for a calendar year using any of the following methods:

- (i) Based on Hours. Dividing the total number of hours worked during the calendar year in connection with the Business by all Employees by 2080. For purposes of the calculation, the Taxpayer may choose to assume that the number of hours worked by any specific Employee was 2080 hours during a calendar year or 173 hours during a calendar month;
- (ii) Monthly Average. Counting the total number of Employees engaged in the operation of the Business during each calendar month of the calendar year (not taking into account whether the Employee worked full-time or for only part of the month), adding the results for each of the twelve months, and dividing by 12; or

(iii) Cumulative. Counting the total number of Employees engaged in the operation of the Business during the calendar year (not taking into account whether the Employee worked full-time or for only part of the year).

4.61.045 **Delayed Implementation**

A. License Requirement. All existing Businesses shall obtain their initial License and pay the applicable tax by January 1, 2011.

B. Reduced Rate for Calendar Year 2011. The tax rates applicable in connection with the issuance of any License Tax certificate expiring on December 31, 2011 shall be one-half of the rates shown in this section. Furthermore, License Taxes due in connection with the issuance of any such License Tax certificate for a Business shall be calculated based on operations from July 1, 2010 through December 31, 2010, as if the Business had no operations or employees prior to July 1, 2010.

C. Reduced Employee Count for Calendar Year 2011. When computing the License Tax due in connection with the issuance of any License Tax certificate expiring on December 31, 2011, a Taxpayer using the methods set forth in 4.61.040 (i) or (ii) to calculate number of Employees shall proceed as if the Business had no Employees from January 1, 2010 through June 30, 2010 and a Taxpayer using the method set forth in 4.61.040 (iii) to calculate number of Employees shall count only Employees engaged in the Business subsequent to June 30, 2010 and shall multiply such count by 0.5.

4.61.050 **Maximum License Tax**

A. The maximum License Tax that any Taxpayer shall be required to pay with respect to any year shall be \$30,000. Notwithstanding the foregoing, the maximum License Tax that any Taxpayer engaged in a Retail/Hotel or Personal Services Business shall be required to pay with respect to any year shall be \$20,000.

B. A Taxpayer may elect to pay the maximum tax indicated in this Section rather than paying the tax that would otherwise be due under this Chapter. In such event, the Taxpayer need not report the number of Employees in the statement required by Section 4.61.100.

4.61.070 **Inflation Adjustment**

A. By October 30th of each year, beginning 2011, the Administrator shall adjust in the manner required by this Section each of the following tax rates or amounts, and those adjusted rates or amounts shall be used in calculating taxes due in the following calendar year:

(1) Each of the minimum tax amounts set forth in Section 4.61.030;

(2) Each of the fixed tax rates set forth in Section 4.61.030;

(3) The maximum License Tax amount set forth in Section 4.61.050.

B. Each rate or amount shall be rounded to the nearest dollar for inflation by multiplying the then effective rate of the annual increase in the Consumer Price Index for All Urban Consumers, San Francisco Bay Area (or any successor to that index) ("CPI") for the most recent 12 months for which data has been published when the adjustment is calculated, except for the rate set forth in Section 4.61.030 (F) (Commercial Rental) which shall be adjusted by the above stated CPI rate without rounding.

C. The Administrator shall publish the adjusted rates and amounts by November 15th of each year, beginning in 2011, at least once in a newspaper of general circulation within the City, or if there is none, a newspaper of general circulation in the County.

D. The City Council may, by resolution, suspend the effectiveness of all or part of one or more such adjustments for such period or periods as it may determine. However, such suspension shall not be taken into account by the Administrator when making the calculations required by this Section. The expiration or termination of any such suspension shall not require voter approval, provided that the tax is not imposed on any Person in an amount in excess of the inflation-adjusted rates or amounts authorized by this Ordinance.

4.61.090 Exemptions

A. The requirement to pay a License Tax pursuant to Section 4.61.030 does not apply to:

1. Constitutional Exemption. Any Person transacting or carrying on any Business exempted by the Constitution or laws of the United States or of the State of California from the License Tax, but such exemption shall only extend to such exempt Business and not to any other Business in which such Person may engage;

2. Disabled Veteran. Any disabled veteran holding an honorable discharge from a branch of the military service of the United States, if he or she is physically unable to earn a livelihood by manual labor;

3. Non-Profit. Any organization certified by the Internal Revenue Service as an exempt organization pursuant to Section 501(c)(3) of the United States Internal Revenue Code;

4. Minor. Any individual under 18 years of age. However, a Taxpayer, who is not themselves under 18 years of age, may not exclude from the calculation of tax due Employees who are under 18 years of age.

B. A Person claiming an exemption under this section, in addition to filing the written statement required by Section 4.61.100 of this Code, shall file a Sworn Statement with the Administrator stating the facts upon which the exemption is claimed. In the absence of a statement substantiating the claim, the Person is liable for the payment of the License Tax required by Section 4.61.030.

C. Upon proper showing contained in the Sworn Statement, the Administrator shall issue a License Tax certificate to the Person claiming exemption without payment to the City of the License Tax otherwise required by Section 4.61.030.

D. The Administrator, after giving a Person receiving a license pursuant to Paragraph C of this section notice and a reasonable opportunity for hearing, may revoke such License Tax certificate upon receiving information that the licensee is not entitled to the exemption claimed.

4.61.100 Application and Payment Provisions

A. Each Person engaging in Business within the City, whether or not at a fixed place of Business, shall file a written statement each year with the Administrator upon forms provided by the Administrator indicating the business activity to be conducted, the location of the Business, the officers or other principals of the Business, the number of Employees, residential rental units or commercial leasable space used to calculate the License Tax, the amount of License Tax due for that period, and sufficient information to allow computation of the License Tax due.

B. The statement required by Paragraph A of this section shall also include a list of all contractors or subcontractors engaged by the Taxpayer to conduct business in the City during the preceding year.

C. The Administrator shall not accept a statement unless accompanied by payment of the License Tax due.

D. The License Tax with respect to each calendar year (other than the initial calendar year of business operations) shall be due on January 1 of that year and shall be delinquent on January 30 of that year. The amount of the License Tax due for a calendar year shall be calculated based on Business operations actually conducted during the prior calendar year.

E. Newly Established Businesses. The License Tax with respect to the initial calendar year of operations of a Newly Established Business shall be due upon the commencement of the operation of the business and shall be delinquent 30 days thereafter. The tax due with respect to the initial calendar year of operations of a Newly Established Business shall be the minimum tax set forth in Section 4.61.030 for the applicable type of business. The License Tax due for the second calendar year and subsequent years shall be based on the number of Employees as calculated in Section 4.61.040.

F. With respect to any License Tax the statement is due at the time the License Tax is due.

4.61.120 **License Tax Certificate Issuance**

A. The Administrator shall issue a license tax certificate to each Taxpayer who submits an application and pays the License Tax as required by Section 4.61.030 (or submits a statement indicating that no License Tax is due, if such statement is accepted by the Administrator pursuant to this Chapter). The certificate shall indicate the name of the Business for which the License Tax is paid, the Person paying the License Tax, the location of the Business, the type of Business for which the License Tax has been paid, the period for which it has been paid and such other information as is deemed necessary by the Administrator for the administration of the tax. Unless otherwise specified, all License Tax certificates shall expire on December 31 of the year issued.

B. A License Tax certificate is not transferable, except that if the holder of a License Tax certificate changes his or her place of Business he or she may apply to the Administrator for a transfer of the License Tax certificate to the new location. The fee for such a transfer application shall be established from time to time by resolution of the City Council. A transfer application must be filed within 30 days of the establishment of a new location.

C. No License Tax certificate shall be issued to any Person until any previous indebtedness for taxes and fees imposed by this Chapter upon that Person, and with respect to the Business for which the Person seeks a License Tax certificate, has been paid.

D. A separate License Tax certificate is required for each branch or location of a Business. Each License Tax certificate shall authorize the tax certificate holder to transact and carry on only the Business stated therein at the location or in the manner designated in such certificate; provided, however, a Business may obtain certificates for separate locations either by submitting combined or separate applications for each location.

4.61.130 **License Tax Certificate Renewals**

A. No renewal of a Business license shall be issued until payment in full of all delinquent License Taxes, including accrued interest and applicable penalties thereon is received by City.

B. It shall be the responsibility of each Business licensee to obtain and pay for a renewal license regardless of whether or not such licensee has received a renewal

notice from the City. Any failure to receive such notice shall not affect the applicability of penalties for nonpayment or late payment set forth in this Section.

4.61.140 **License Tax Certificate Display**

A. Each Taxpayer shall display his or her License Tax certificate as follows:

1. If the License Tax certificate is issued with respect to a Business carried on at a fixed place, the Taxpayer shall post the license in a conspicuous location at that place;

2. If the License Tax certificate is issued with respect to a Business that has no fixed place of Business, the Taxpayer shall keep the license upon his or her person at all times while conducting Business;

B. The Administrator, code enforcement personnel, or any Person authorized by the Administrator to do so shall have the authority to enter any place of Business taxed under this Chapter at any reasonable time and demand exhibition of the License Tax certificate issued with respect to that place of Business.

C. Any Person who willfully fails to exhibit a License Tax certificate in the manner required by this section is guilty of a violation of this code punishable as a violation of this Chapter punishable as a misdemeanor pursuant to Section 1.08.010 of this Code.

4.61.150 **Examination of Books and Records**

A. Taxpayers shall maintain and preserve, for a period of at least four years following the date the tax was due, such records as may be necessary to determine the amount of the tax due.

B. The Administrator is authorized to examine the books, papers and records of any Person subject to this Chapter for the purpose of verifying the accuracy of any return made or, if no return was made, to ascertain the License Tax due under this Chapter. Every Person subject to this Chapter is directed and required to furnish to the Administrator, the means, facilities and opportunity for making such examination and investigations as are authorized by this section. The Administrator is authorized to examine any Person, under oath, for the purpose of verifying the accuracy of any return made, or, if no return was made, to ascertain the license fee due under this Chapter, and for this purpose may compel the production of books, papers and records and the attendance of all persons before him/her, whether as parties or witnesses, whenever he/she believes such persons have knowledge of such matters.

C. The refusal of such examination by any employer or Person subject or presumed to be subject to the License Tax shall be deemed a violation of this Chapter.

D. If upon examination of such records, the Administrator determines the tax imposed by this Chapter has not been paid in full, the Administrator shall notify the Taxpayer of the balance due, including any accrued penalties and interest. Such amount shall be paid within thirty days after notice is issued by the Administrator. If an inspection reveals an underpayment of twenty-five dollars (\$25.00) or less, the Administrator need take no action to collect the underpayment.

E. If an inspection reveals an overpayment, the Administrator shall notify the Taxpayer of the amount overpaid. Unless the Taxpayer requests a refund of the overpayment within thirty days after notice is issued by the Administrator, the overpayment shall be applied as a credit against the next annual tax due from that Taxpayer.

F. Nothing in this Section shall be construed to require the disclosure of confidential information protected by doctor/patient, psychologist/patient, attorney/client or other applicable privilege.

4.61.155 Business Information Confidential

Information concerning the business affairs, operations, or financial information furnished or secured pursuant to the provisions of this Chapter shall be confidential, shall not be subject to public inspection, and shall not be made available to anyone not charged with the administration of this Chapter provided, however, the provisions of this Section shall not be construed to prevent:

A. Disclosure to, or the examination of records and equipment by, another city official, employee, or agent for the collection of taxes for the sole purpose of administering or enforcing the provisions of this chapter or collecting the business taxes imposed by the provisions of this chapter;

B. The disclosure of information to, or the examination of records by, federal or state officials, or the tax officials of another city or county, if the reciprocal arrangement exists, or to a grand jury or court of law upon a subpoena;

C. The disclosure of information and the results of examination or records or particular taxpayers, or relating to particular taxpayers, to a court of law for proceedings brought to determine the existence of the amount of any business tax liability of such particular taxpayers of the City;

D. The disclosure of the names and business address of persons to whom business tax certificates have been issued and the general type and nature of their business;

E. The disclosure of general statistics regarding business taxes collected or business done in the city.

F. Disclosures required by state or federal law or the order of any court with jurisdiction over the City.

4.61.160 **Determination of Tax Classification**

A. If two or more activities of a single Taxpayer are taxable pursuant to Section 4.61.030 at the same rate, the Taxpayer may calculate and report the tax due for the activities as a group. If two or more activities are taxable, but at different tax rates, the Taxpayer may calculate the tax for each activity separately or may elect to calculate the tax for the activities as a group by applying the highest tax rate applicable to any activity in the group.

B. The determination of the class of business in which an applicant for a tax certificate is engaged for purposes of Section 4.61.030 shall be a ministerial task of the Administrator. The Administrator may, at any time within one year after receiving a statement pursuant to Section 4.61.100, correct the classification reported by a Taxpayer and recalculate the tax due. The Administrator shall then treat the results of this recalculation as the results of an audit.

C. In the event an applicant disagrees with the determination of the Administrator as to the class of business in which the applicant is engaged, the applicant may file an application for reclassification with the Administrator. This application shall set forth with specificity the facts upon which it is based. Upon receipt of a reclassification application, the Administrator shall review the matter and either affirm the original classification or assign a new classification and shall notify the applicant in writing of the decision, which shall be final.

D. The Administrator may refuse to accept an application for reclassification from an applicant who has applied for reclassification within the previous twelve months if the application fails to state material and relevant facts that were not and could not have been presented in the previous reclassification application.

4.61.170 **Failure to File or Pay**

A. If a Person fails to file a required application or statement, fails to pay the License Tax or fails to file a corrected statement within fifteen days of a demand by the Administrator, the Administrator may determine the amount of License Tax due, using the information he or she is able to obtain.

B. When the Administrator makes a determination under paragraph A of this Section, he or she shall give a notice of the amount of License Tax due by serving it personally or by mail, postage prepaid, addressed to the Taxpayer at his or her last known address.

C. Payment of the corrected tax shall be due within fifteen days of the service or mailing of the notice pursuant to Paragraph B of this section.

4.61.180 **Penalties for Delinquency**

A. Upon a taxpayer's failure to pay the entire tax when due, the Administrator shall add a penalty in an amount specified by the City Council or ten percent of the unpaid tax on the first day of each month following the month the tax was due, whichever is greater; provided, however, no penalty shall be assessed in excess of fifty percent of the tax due. For the purposes of this Chapter, a payment made by mail shall be deemed received on the date of a postmark on the envelope in which the payment is received, or if payment is made by means other than U.S. Mail, payment shall be deemed received on the date the payment is stamped "received" by the Administrator or his or her designee.

B. On the first day of the month following the date on which the maximum penalty provided for in Paragraph A has accrued, interest at the rate of one percent per month shall begin to accrue. Interest shall accrue at this rate on the amount of the unpaid tax, exclusive of penalties, for each month or portion of a month until the tax is paid.

4.61.190 **Refunds**

No tax shall be refunded unless it is determined by the Administrator that it has been paid in error, computed incorrectly, overpaid, or collected illegally. No refund shall be made unless a written request is received by the Administrator within one year of the payment of the tax.

4.61.200 **Administrator Authority**

The Administrator shall have the power, for good cause:

- A. To extend the time for filing any required Sworn Statement;
- B. To waive any penalties which would otherwise have accrued;
- C. To adjust the amount of the business tax due;
- D. To make refunds or prorations of taxes paid;
- E. To issue citations for violations of and otherwise enforce the provision of this Chapter.

4.61.220 **Constitutional Apportionment**

A. If a Person believes that the License Tax, as applied to him or her, places an undue burden on interstate commerce or violates the due process or equal protection clauses of the United States or California Constitutions, he or she may apply to the Administrator for an adjustment of the tax. Such adjustment shall be supported by a

Sworn Statement setting forth the method of business and number of Employees and such other information as the Administrator may consider necessary to consider the claim.

B. The Administrator shall review any application pursuant to paragraph A of this section, and shall fix as the License Tax an amount that is reasonable, nondiscriminatory and consistent with applicable law. The amount so fixed shall not exceed the amount that would otherwise be due pursuant to this Chapter.

4.61.230 **Apportionment Guidelines and Other Regulations**

The Administrator, in consultation with the City Attorney, and subject to the approval of the City Manager, may:

A. Promulgate guidelines for the apportionment of the License Tax for businesses which operate both inside and outside the City to assist taxpayers in calculating the portion of their activities subject to the tax imposed by this Chapter; and,

B. Adopt any other rules or regulations necessary or desirable for the enforcement of this Chapter. Any apportionment guidelines or rules or regulations for the enforcement of this Chapter shall be effective only after they have been published in the manner required for an ordinance of the City.

4.61.240 **Misrepresentation of Material Fact**

It is a violation of this Chapter punishable as a misdemeanor pursuant to Section 1.08.010 of this code to knowingly or intentionally misrepresent to any officer or employee of the City any material fact, relative to any tax imposed under the provisions of this Chapter.

4.61.250 **Civil Debt**

The amount of tax, fee, penalty, or interest imposed by the provisions of this Chapter shall be deemed a debt to the City. An action to recover such debt may be commenced in the name of the City in any court of competent jurisdiction.

4.61.260 **Remedies Cumulative**

The conviction and punishment of any Person for failure to comply with the provisions of this Chapter shall not relieve that Person from paying any tax, fee, penalty, or interest due and unpaid at the time of such conviction, nor shall payment prevent prosecution of a violation of any provision of this Chapter. All remedies shall be cumulative, and the use of one or more remedies by the City to enforce this Chapter shall not bar the use of any other remedy.

SECTION 2. Amendment or Repeal. The City Council may repeal Chapter 4.61 of the Palo Alto Municipal Code or amend that Chapter without a vote of the people

except that any amendment to Chapter 4.61 that increases the amount or rate of tax due from any Person beyond the inflation-adjusted amounts and rates authorized by this Ordinance may not take effect unless approved by a vote of the people.

SECTION 3. Severability. If any section, subsection, sentence, clause, phrase, or portion of this Ordinance is for any reason held to be invalid or unenforceable by a court of competent jurisdiction, the remaining portions of this Ordinance shall nonetheless remain in full force and effect. The people hereby declare that they would have adopted each section, subsection, sentence, clause, phrase, or portion of this Ordinance, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, or portions of this Ordinance be declared invalid or unenforceable.

SECTION 4. Effective Date. This ordinance shall be effective immediately upon adoption.

SECTION 5. Execution. The Mayor is hereby authorized to attest to the adoption of this Ordinance by the voters of the City by signing where indicated below.

I hereby certify that the foregoing Ordinance was PASSED, APPROVED and ADOPTED by the People of the City of Palo Alto voting on the 3rd day of November, 2009.

ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

APPROVED

Senior Asst. City Attorney

City Manager

Director of Administrative
Services