

IMPARTIAL ANALYSIS OF MEASURE T

The California Constitution and state law authorize the County of San Mateo Board of Supervisors, upon approval of a majority of the voting electorate, to impose a general tax.

By this measure, the Board of Supervisors proposes to add Chapter 5.150 to the San Mateo County Ordinance Code. A copy of the proposed ordinance is printed in the sample ballot. This measure and the corresponding ordinance would authorize the County to levy a business license tax on operators of vehicle rental businesses in the unincorporated area of the County. The tax would be imposed at the rate of two-and-a-half percent (2.5%) on the gross rental receipts of vehicle rental businesses in the unincorporated area. All gross receipts collected on or after July 1, 2012, will be subject to the tax. Facilities in the incorporated areas of the County are not subject to this proposed tax.

The proposed ordinance defines a “vehicle rental business” as any privately-operated business or activity which receives compensation in exchange for providing on a rental basis any motor-propelled vehicle or truck, including motorcycles or other similar motorized vehicles.

The proceeds of the business license tax will be placed in the County’s general fund to support general County services and functions.

The ordinance imposes certain obligations in relation to the tax, including that each operator of a business covered by the tax must register with the Tax Collector, report gross receipts to the Tax Collector on a periodic basis, and preserve supporting documentation for three years. The ordinance also includes: provisions for collecting the tax, refunding overpayments, allowing the Tax Collector to obtain information when a business covered by the tax fails to report and submit the tax, and appealing decisions of the Tax Collector; financial penalties for fraud or delinquency; and criminal (misdemeanor) penalties for refusal to comply with the ordinance or making a false/fraudulent report or claim relating to the tax.

A “yes” vote on this measure is a vote to approve and authorize the imposition of a business license tax at the rate of 2.5% of gross receipts on vehicle rental businesses in the unincorporated area of San Mateo County as will be set forth in Chapter 5.150 of the San Mateo County Ordinance Code. The tax would be used to support general County services and functions.

A “no” vote on this measure would not allow the County to impose a business license tax on vehicle rental businesses.

This measure passes if a majority of those voting on the measure vote “yes.”