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# MEMORANDUM

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**DATE:** FEBRUARY 2, 2010

**SUBJECT:** Ordinance Amendment – Airport Parking Services and Other  
Parking Service Businesses License Tax  
Salt Lake City Code - 5.04.200

**STAFF REPORT BY:** Karen Halladay, Budget and Public Policy Analyst

**AFFECTED COUNCIL DISTRICTS:** ALL

**BUDGET IMPACT:** The goal of the ordinance amendment is to encourage on-time  
filing and payment of airport parking services and other  
parking service businesses license tax.

**NOTICE REQUIREMENTS:** Public Hearing – Set date for February 2, 2010

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## POTENTIAL MOTIONS:

1. ["I move that the Council"] Amend Section 5.04.200, Salt Lake City Code, pertaining to the Airport parking services and other parking service businesses license tax, by reducing the time period for businesses to submit monthly reports and pay monthly levies from 45 days to 30, and by providing for late payment penalties and interest.
- OR**
2. ["I move that the Council"] Not amend Section 5.04.200, Salt Lake City Code, pertaining to the Airport parking services and other parking service businesses license tax, by reducing the time period for businesses to submit monthly reports and pay monthly levies from 45 days to 30, and by providing for late payment penalties and interest.

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The following information had been provided for the Council briefing on January 19<sup>th</sup>.

### Recommendation from Administration

The Administration is asking the Council to amend the Airport Parking Services and Other Parking Service Businesses License Tax ordinance, 5.04.200 of Salt Lake City Code. There are two proposed amendments to the ordinance. They include the following:

- Changing the due date to thirty (30) days after the end of each calendar month. The current ordinance allows airport parking service and other parking service businesses forty-five (45) days to file and pay the tax due.
- Charging penalties and interest for 1) late filing of information with City Treasurer and 2) failure to make timely payments as provided for in Utah Code Annotated Sections 59-1-401.
  - Late filing or late payment penalty - The penalty is equal to ten (10) percent of the amount due for the calendar month being reported if the report is not filed or the corresponding payment is not made by the due date, which is 30 days after the last day of each calendar month.
  - Interest penalty - An interest penalty of 2% will compound on the unpaid tax, interest, and penalties for each calendar month beyond the due date of the tax. Interest will accrue until the amount due is paid in full.

According to information provided by the Administration, the goal of the ordinance amendments is to encourage on-time filing and payment. The Administration does not expect to collect a lot of penalty and interest revenues from these proposed changes to the ordinance.

### **Background Information**

Ordinance 5.04.200, Airport Parking Services and Other Parking Service Businesses License Tax, allows the City to collect a tax for airport parking services and other parking services businesses. The ordinance contains two types of parking service businesses:

- Salt Lake International Airport Property - Operators (private person or entity as owner, lessee, agent, joint venture, manager, concessionaire or otherwise) of vehicle parking serving the Salt Lake City International Airport owe an annual license tax equal to one dollar (\$1.00) per paid vehicle whenever a paid vehicle parks at the Salt Lake International Airport. Vehicles can include motor vehicles, motorcycles, trailers, bicycles or other means of conveyance for passengers or property in exchange for consideration.
  - Parking lot or other facility is located within the property boundaries of the Salt Lake International Airport.
  - Parking lot or other facility provides for or arranges shuttle services or other means that transport passengers or property to the Salt Lake International Airport.
- Non-Salt Lake City International Airport Property - Operators of parking service businesses (other than Salt Lake City International Airport property) include:
  - Parking services that provide long-term and/or multi-day off street parking, and part of the service provided includes shuttles or other means of transport of persons or property to a public facility.
  - Off street parking for the public, which is located within or part of a public facility, a facility wholly or partially funded by public monies.

In FY 2009, approximately \$1.3 million was collected from the airport parking services and other parking services businesses license tax. According to the Administration, the amount of this tax to be collected in FY2010 should be about the same as FY 2009.

### **Public Process**

The Administration presented Ordinance 5.04.200 proposed changes to the Small Business Advisory Board at their December 9, 2009 meeting. According to the Administration, the Board did not have a problem with the amendments and indicated that the changes were standard business practice.

The Administration sent a letter to the businesses affected by the proposed ordinance changes. The notification letter included the date of the public hearing and provides an email address to submit comments or concerns about the proposed changes.

### **Matters the Council May Wish to Consider**

1. The current and proposed ordinance 5.04.200 includes parking services businesses that “primarily provides off street parking services for a public facility that is wholly or partially funded by public monies; that provides parking for one or more vehicles; and that charges a fee for parking.” Businesses currently paying the tax are those who provide parking services for the Salt Lake International Airport (AMPCO, Diamond Parking and Park and Jet), Salt Lake City Library, and Gallivan Plaza. *Does the Council wish to ask the Administration about the status of collecting from all parking lot owners and/or entities that provide off street parking for a public facility wholly or partially funded by public monies? Examples include, the Salt Palace Convention Center, Energy Solutions, SpringMobile Baseball Park and (perhaps Clark Planetarium, Rose Wagner Theater, Others).*

# SALT LAKE CITY CORPORATION

DEPARTMENT OF ADMINISTRATIVE SERVICES  
FINANCE DIVISION

SCANNED TO: Mayor  
SCANNED BY: JT  
DATE: 12/8

## CITY COUNCIL TRANSMITTAL

  
David Everitt, Chief of Staff

DEC 08 2009

Date Received: 12/08/2009  
Date sent to Council: 12/09/2009

**TO:** Salt Lake City Council  
Carlton Christensen, Chair

**DATE:** Dec 4, 2009

**FROM:** Gordon Hoskins  
Deputy Director/Finance Director  
Administrative Services

**SUBJECT:** Amending Ordinance 5.04.200, Salt Lake City Code, Airport Parking  
Services and Other Parking Service Businesses License Tax

**STAFF CONTACT:** Mary Beth Thompson  
801-535-6403

**DOCUMENT TYPE:** Ordinance

**RECOMMENDATION:** That the City Council set a public hearing date to discuss the  
amendment of Ordinance 5.04.200.

**BUDGET IMPACT:** General Fund – minimal impact. The goal of the penalty  
would be to encourage on-time filing and payments.

### BACKGROUND/DISCUSSION:

Airport Parking Services and Other Parking Service Businesses License Tax ordinance 5.04.200 is being amended to change the due date to 30 days after the end of each calendar month and add a provision for a penalty and interest as allowed for in Section 59-1-401 of the Utah State Code.

Currently no interest or penalties are charged for late filing or payments. Adopting this provision would allow the City to charge a late filing penalty equal to 10% of the tax owed if the report and payment are not filed by the due date. In addition, the provision

allows for 2% compound interest to be charged for each calendar month past the due date that the report is filed and payment is made.

**PUBLIC PROCESS:** Public Hearing

Ordinance No. \_\_\_\_\_ of 2010

(Amending Section 5.04.200, *Salt Lake City Code*, pertaining to the Airport parking services and other parking service businesses license tax.)

An ordinance amending Section 5.04.200, *Salt Lake City Code*, pertaining to the Airport parking services and other parking service businesses license tax, by reducing the time period for businesses to submit monthly reports and pay monthly levies from 45 days to 30, and by providing for late payment penalties and interest.

NOW, THEREFORE, BE IT ORDAINED by the City Council of Salt Lake City, Utah, as follows:

SECTION 1. That Section 5.04.200, *Salt Lake City Code*, be amended as follows:

**5.04.200: AIRPORT PARKING SERVICES AND OTHER PARKING SERVICE BUSINESSES LICENSE TAX:**

A. There is levied upon every operator of vehicle parking serving the Salt Lake City International Airport an annual license tax equal to one dollar (\$1.00) per paid vehicle whenever a paid vehicle parks at the Salt Lake City International Airport.

B. There is levied upon every parking service business an annual license tax equal to one dollar (\$1.00) per paid vehicle whenever a paid vehicle parks at public facility off street parking operated by the parking service business, where such parking service business includes in its service a shuttle or other means that transport persons or property from the off street parking to the public facility and where such parking service business includes in its service long term or multiday parking associated with the off street parking; or where the public facility off street parking is located within or as part of a public facility.

C. "Operator" means any private person or entity who operates vehicle parking serving the Salt Lake City International Airport, whether as owner, lessee, agent, joint venture, manager, concessionaire or otherwise.

D. "Vehicle parking serving the Salt Lake City International Airport" means any space provided by an operator in a publicly or privately owned lot or other facility for parking or storing motor vehicles, motorcycles, trailers, bicycles or other similar means of conveyance for passengers or property in exchange for consideration in any form, including a direct charge to customers or a charge to any party for tokens or other instruments that permit use of the lot or other facility, and where:

1. The lot or other facility is located within the property boundaries of the Salt Lake City International Airport; or

2. The lot or other facility provides or arranges for shuttle services or other means that transport passengers or property to the Salt Lake City International Airport.

E. "Parking service business" means a business that primarily provides off street parking services for a public facility that is wholly or partially funded by public monies; that provides parking for one or more vehicles; and that charges a fee for parking.

F. Within ~~forty-five (45)~~ thirty (30) days after the end of each month in a calendar year, the operator or parking service business taxed hereunder shall file with the city treasurer a report of the number of paid vehicles parking at the operator's Salt Lake City International Airport facilities or at the parking service business' public facility off street parking during that calendar month, together with a computation of the tax levied hereunder against the operator or parking service business. Coincidental with the filing of such report, the operator shall pay to the city treasurer the amount of the tax due for that calendar month.

G. If the report is not filed and the corresponding payment made by the due date (30 days after the last day of each calendar month), a penalty is imposed equal to 10% of the amount due for the calendar month being reported on. In addition, for each calendar month beyond the due date that a payment is late, compound interest of 2% will accrue monthly until the tax plus penalties and interest are paid in full.

SECTION 2. This ordinance shall become effective upon first publication.

Passed by the City Council of Salt Lake City, Utah this \_\_\_\_\_ day of \_\_\_\_\_, 2010.

\_\_\_\_\_  
CHAIRPERSON

ATTEST:

\_\_\_\_\_  
CITY RECORDER

APPROVED AS TO FORM  
Salt Lake City Attorney's Office  
Date 12/21/09  
By [Signature]

Transmitted to Mayor on \_\_\_\_\_.

Mayor's Action: \_\_\_\_\_ Approved. \_\_\_\_\_ Vetoed.

\_\_\_\_\_  
MAYOR

\_\_\_\_\_  
CITY RECORDER

(SEAL)

Bill No. \_\_\_\_\_ of 2010.

Published: \_\_\_\_\_.

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