



Business License Tax Measure P Fact Sheet

Election Day is Tuesday, November 6, 2018

What is the business license tax?

The Business License tax is an annual fee that businesses pay each year for doing business in Mountain View. The City's current tax generates about \$250,000 annually and most businesses only pay \$30, regardless of size. Mountain View's basic business license rate has not changed since 1954. If the tax had increased with inflation over time, it would be \$275 per business now.

What is the City proposing?

The City is proposing a progressive increase in the business license tax with larger companies paying higher rates than small businesses. Qualified non-profits and businesses whose annual gross receipts are \$5,000 or less would be exempt. Businesses would pay:

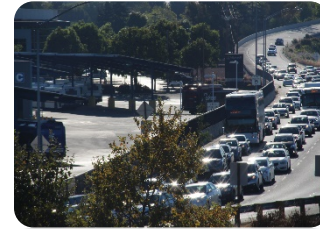
Number of Employees	Business License Tax
1	\$75
2-25	\$75 + \$5/per employee over 1
26-50	\$195 + \$10/per employee over 25
51-500	\$445 + \$75/per employee over 50
501-1,000	\$34,195 + \$100/per employee over 500
1,001-5,000	\$84,195 + \$125/per employee over 1,000
5,001 up	\$584,195 + \$150/per employee over 5,000

How much will Measure P raise?

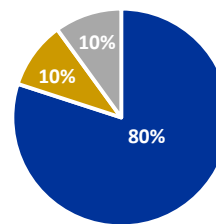
Measure P is expected to generate approximately \$6 million in revenue to fund projects that would offset the impact on our community by the large number of employees commuting to our City daily.

What will Measure P fund?

The Council has indicated it intends to spend most of the funds on transportation.



Spending Priorities



- Transportation
- Affordable Housing
- General Purpose

Major transportation projects such as:

- ✓ Automated Guideway Transit
- ✓ Two Rail/Road Grade Separations (Rengstorff and Castro Street)
- ✓ Transit Center Improvements
- ✓ New Charleston Road Undercrossing
- ✓ Connecting the NASA light rail station to North Bayshore
- ✓ Bike/Pedestrian Improvements
- ✓ Bernardo Avenue Undercrossing
- ✓ Community Shuttle Expansion

Ballot Question:

Shall the measure to fund critical City needs such as reducing traffic congestion, enhancing bicycle/pedestrian friendly routes, providing housing affordable for a range of incomes/ homeless services, by imposing a business license tax of between \$8 and \$149 per employee on average, with larger companies paying more per employee, generating about \$6 million yearly for unrestricted general revenue purposes, until ended by voters, with independent yearly audits, be adopted?



Frequently Asked Questions

About Mountain View's Business License Tax

November 2018 Ballot Measure

Q: *What is the City placing on the ballot?*

A: If passed by the voters, this measure would create a restructured business license tax on Mountain View employers of between \$8 to \$149 per employee on average, depending on company size. The measure is a general-purpose tax expected to generate around \$6 million annually to help offset the impact that employers have on the City's transportation needs, affordable housing and other City services.

Q: *Why is the City placing the Measure on the ballot?*

A: The Mountain View City Council is placing this Measure on the ballot to ensure that the City has an on-going, independent source of locally-controlled revenue to fund much needed and expensive transportation improvements and to help fund affordable housing.

Q: *How did the City develop the proposed Measure?*

A: The City began actively considering a revenue measure in December 2017. The City held over twenty meetings with stakeholders and the community, and conducted a [baseline public opinion poll](#) in March 2018 and a [follow-up public opinion poll](#) in June 2018, as well as an [Open City Hall survey](#). A three-member Ad-Hoc Council Committee was also appointed to serve in an advisory role. The Committee evaluated approximately two dozen different revenue models for restructuring the City's Business License Tax.

Q: *Who will pay the tax and how much will it cost?*

A: All for-profit employers with annual gross receipts greater than \$5,000 that conduct business in Mountain View will pay the tax. There are currently more than 5,000 business licenses in Mountain View, self-reporting over 64,000 employees. Approximately 54% of those are single-employee businesses and would pay an annual registration and tax of \$75. Ninety four percent of businesses have 25 or fewer employees and would pay the annual registration fee plus \$5 per employee per year. The City's largest employers would pay the annual fee and up to \$150 per employee per year for each employee over 5,000.

Q: *When will the new tax go into effect?*

A: The tax would be effective January 1, 2020 for smaller businesses, and larger companies would phase in from 2020 to 2022.

Q: *How can we be sure the revenue will be spent responsibly?*

A: The Measure requires fiscal accountability, including mandatory financial audits and annual public reports to ensure funds are spent properly. In addition, the City Council adopted a resolution establishing spending priorities, indicating they intend 80 percent of the funds to go to transportation and 10 percent for affordable housing, with the remaining 10 percent for general governmental purposes.

Q: *How will the Measure improve transportation?*

A: Mountain View has hundreds of millions of dollars in unfunded [transportation projects](#) that have been identified as important to address traffic congestion, achieve climate goals and maintain the high quality of life and City services. If approved by voters, it is intended that 80% of the revenue will fund coordinated transportation strategies to achieve mobility, connectivity, and safety for people of all ages.

Q: *When is the Election?*

A: Election day is Tuesday, November 6, 2018. Vote by mail ballots will arrive the week of October 9, 2018.

FOR MORE INFORMATION: Visit the City Clerk's page at <https://www.mountainview.gov/> for additional information on the measure, including the City Attorney's Impartial Analysis, the Arguments For and Against, and the full text of the Measure, or call (650) 903-6301.



CITY OF MOUNTAIN VIEW