



Harbor  
Trucking  
Association

July 20, 2020

Ms. Sanaz (Sunny) K. Soltani

Aleshire & Wynder, LLP

18881 Von Karman Ave., Suite 1700

Irvine, CA 92612

Ms. Soltani:

This letter is being sent in your capacity as City Attorney for the City of Carson. The undersigned organizations write to express concerns with the City's proposed "truck-intensive business license tax".

California Revenue and Taxation Code 7233 states "No city, county, or city and county, shall assess, levy, or collect an excise or license tax of any kind, character, or description whatever upon the transportation business conducted on or after the effective date of this chapter, by any for-hire motor carrier of property." While your July 21<sup>st</sup> memo titled *CONSIDER PLACING ONE OR MORE MEASURES ON THE NOVEMBER 3, 2020 REGULAR MUNICIPAL ELECTION (CITY COUNCIL)* indicated the city intends to exempt "common carriers" from the tax, we encourage you to clarify that the city intends to omit all "for-hire motor carriers of property" in order to remain consistent with State law.

Also, we are concerned that the proposed "truck-intensive business license tax" violates State constitutional restrictions on real property taxes.

California Business and Professions Code Section 16000 states "The legislative body of an incorporated city may, in the exercise of its police power, and for the purpose of regulation, as herein provided, and not otherwise, license any kind of business not prohibited by law transacted and carried on within the limits of its jurisdiction...Any legislative body, including the legislative body of a charter city, that fixes the rate of license fees pursuant to this subdivision upon a business operating both within and outside the legislative body's taxing jurisdiction, shall levy the license fee so that the measure of the fee fairly reflects that proportion of the activity actually carried on within the taxing jurisdiction."

However, the city acknowledges in its July 21<sup>st</sup> staff memo that the proposed tax is a "general tax" and not a business license tax levied pursuant to an exercise of police powers. Public entities may not resolve their revenue shortfalls through the subterfuge of enacting taxes on real property which violate those constitutional restrictions by labeling such taxes something they are not. (TESORO LOGISTIC OPERATIONS, LLC v. City of Rialto, 40 Cal. App. 5th 798 - Cal: Court of Appeal, 4th Appellate Dist., 2nd Div. 2019.).



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We thank you for your consideration of these matters and ask that you please consider these during Council deliberations on this matter set for Tuesday, July 21<sup>st</sup>.

Regards,

Alex Cherin

Executive Director, California Trucking Association Intermodal Conference

Weston LaBar

CEO, Harbor Trucking Association