



## CITY COUNCIL AGENDA REPORT

### City of Anaheim OFFICE OF THE CITY ATTORNEY

**DATE:** JULY 19, 2022

**FROM:** OFFICE OF THE CITY ATTORNEY

**SUBJECT: RESOLUTION ORDERING THE SUBMISSION OF A GENERAL TAX MEASURE SET FORTH IN A PROPOSED ORDINANCE ADDING CHAPTER 2.15 (ADMISSIONS TAX) TO TITLE 2 (TAXES) OF THE ANAHEIM MUNICIPAL CODE TO ESTABLISH AN ADMISSIONS TAX ON ATTENDEES OF ENTERTAINMENT AND SPORTING EVENTS AT PRIVATELY MANAGED OR OPERATED FACILITIES WITH A CAPACITY OF OVER 15,000 PEOPLE; REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF ORANGE TO INCLUDE THE GENERAL TAX MEASURE IN THE CONSOLIDATED STATEWIDE GENERAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 8, 2022; SETTING PRIORITIES AND DEADLINES FOR THE FILING OF ARGUMENTS AND REBUTTAL ARGUMENTS; AND DIRECTING THE CITY ATTORNEY TO PREPARE AN IMPARTIAL ANALYSIS**

**ATTACHMENT (Y/N):** YES                      **ITEM # 12**

**REQUESTED ACTION:**

1. That the City Council consider the submission of a general tax measure establishing a 2% admissions tax on attendees of entertainment and sporting events at privately managed or operated facilities with a capacity of over 15,000 people to the qualified voters of the City at the General Municipal Election to be held on Tuesday, November 8, 2022, as called by Resolution No. 2022-057; requesting the Board of Supervisors of the County of Orange to include the general tax measure on the consolidated statewide general election to be held Tuesday, November 8, 2022, as requested by Resolution No. 2022-058; setting priorities and deadlines for the filing of arguments and rebuttal arguments; and directing the City Attorney to prepare an impartial analysis.
2. That the City Council, by the same Resolution, determine that the general tax measure relates to organizational or administrative activities of government that will not result in direct or indirect physical changes in the environment, and therefore is not a project within the meaning of the California Environmental Quality Act ("CEQA") and the State CEQA Guidelines, Section 15378(b).

**DISCUSSION:**

At the June 21, 2022 City Council meeting, Council Member Moreno requested that staff prepare a proposed ordinance imposing an admissions (gate) tax on attendees of events held at entertainment and sporting venues in the City. Council Member Moreno's intent is to apply a 2% tax to the ticket price paid by patrons for events at privately operated/managed venues with a capacity of over 15,000 attendees. Currently, ticket sales for events at Angel Stadium, the Honda Center, and Disneyland would be covered by the proposed tax.

The City's current lease agreement with the Angels states that if the City "imposes, levies or assesses any ticket, admission, parking or other tax or fee based upon revenues derived from operations at the Baseball Stadium or Parking Area, or Team revenues, [the Angels] shall receive a credit against its lease payment obligations to [the City] as they become due equal to the amount of such tax or fee..." Under this clause of the lease, the City may have to reimburse the Angels for revenues collected for events at Angels Stadium unless the Angels agree that the tax does not invoke the reimbursement provision, or the Angels agree to modify the lease, or a Court rules that the reimbursement obligation does not apply to the tax. Because of this uncertainty, the Angels Stadium portion of the tax is not included in the estimated revenues from the tax.

The proceeds of the admissions tax would go to the general fund and be used to provide general City services, such as police, fire and emergency response, street maintenance, and community services. The revenues from the admissions tax are estimated to be in the approximately \$55 to \$82 million range (not including any tax revenues from Angel Stadium ticket sales for the reasons stated above).

The attached Resolution and Ordinance outline the proposed changes to the City's tax code as well as provide ballot language that would be presented to the voters should this item be approved.

**IMPACT ON BUDGET:**

Submission of the ordinance/tax measure to the voters at the General Municipal Election to be held on November 8, 2022 will cost approximately \$8,500. If the measure passes, it is anticipated that it will generate approximately \$55 to \$82 million in annual tax revenues.

Respectfully submitted,

Robert Fabela  
City Attorney

Concurred by,

Jim Vanderpool  
City Manager

**Attachments:**

1. Resolution placing an Admission Tax Measure on the Ballot
2. Proposed Ordinance Adding Section 2.15 to the Anaheim Municipal Code  
(Attachment 1 to the Resolution)