

ZONING COMMISSION STAFF REPORT

DATE: October 24, 2023

TO: Zoning Commission

FROM: Mindy Teague, Planning and Zoning Director

THROUGH: Crystal Caldera, City Manager

SUBJECT: Presentation, Public Hearing, and Discussion to Consider an Ordinance Revising Chapter 15 Zoning, Division 3 Administration, Section 15.02.103 - Certificate of Occupancy, to Require Proof of a Current Sales and Use Tax Permit Upon Application for a Certificate of Occupancy (C of O)

SPONSOR(S): N/A

PURPOSE

The purpose of this item is to consider recommending approval of an Ordinance to amend Chapter 15 Zoning, Division 3 Administration, Section 15.02.103 Certificate of Occupancy, to require proof of a current Sales and Use Tax Permit upon application for a Certificate of Occupancy (C of O)

The current Zoning Code does not have a requirement for businesses wishing to obtain a C of O to show proof of a current Sales and Use Tax Permit and that the permit designates the City of Leon Valley as the recipient of the sales and use taxes.

To assure proper collection of sales tax, it is recommended the Zoning Code be amended to require proof of the permit prior to approval of the C of O.

Current language states:

A certificate of occupancy shall be obtained for any of the following:

- (1) Occupancy and use of a building hereafter erected or structurally altered.
- (2) Change in use of an existing building to a use of a different classification.
- (3) Occupancy and use of vacant land.
- (4) Change in the use of land to a use of a different classification.
- (5) Any major or significant modification, alteration, or change in a nonconforming use.
- (6) Business ownership name change.

A short-term rental (STR) is not required to obtain a certificate of occupancy

New language would state (in blue text):

a. A certificate of occupancy shall be obtained for any of the following:

(1) Occupancy and use of a building hereafter erected or structurally altered.

(2) Change in use of an existing building to a use of a different classification.

(3) Occupancy and use of vacant land.

(4) Change in the use of land to a use of a different classification.

(5) Any major or significant modification, alteration, or change in a nonconforming use.

(6) Business ownership name change; and

b. A short-term rental (STR) is not required to obtain a certificate of occupancy.

c. Proof of a current Sales and Use Tax Permit (if required) designating the City of Leon Valley as the recipient of sales and use taxes must be provided prior to issuance of the permit.

SEE LEON VALLEY

Social – Assuring that all business owners who are required to submit sales tax do so to the City of Leon Valley will ensure equity among all businesses.

Economic – The increase in sales tax collections will assist in providing needed services to citizens and businesses alike.

Environmental – The City uses a portion of the funds it receives to promote and sponsor tree giveaways, the Earthwise Living Day event, and the Community Garden, which all assist in the management of our ecosystem.

FISCAL IMPACT

The requirement to provide proof of a current Sales and Use Tax Permit designating the City of Leon Valley as the recipient will assure the proper allocation of sales tax, which will increase sales tax collections

STRATEGIC GOALS

Economic Development – Revitalize declining commercial areas by creating, reviewing, and enforcing codes that impact Economic Development

RECOMMENDATION

After careful review, Staff has no objection to this request.

APPROVED: _____ DISAPPROVED: _____

APPROVED WITH THE FOLLOWING AMENDMENTS:

ATTEST:

SAUNDRA PASSAILAIGUE, TRMC
City Secretary