

January 10, 2024

Theresa Bass  
Anaheim City Clerk  
200 S. Anaheim Blvd.  
Anaheim, CA 92805

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Dear City Clerk Bass:

RE: Request for Official Ballot Title and Summary/Statement of Proponent for the For-Profit Hospital Gross Receipts Tax Initiative Ordinance

I, Darrell Jerome, am a proponent of the initiative measure that is attached to this letter. Pursuant to Elections Code section 9203, I request that officials of the City of Anaheim, including the City Attorney, proceed with the process of preparing an Official Ballot Title and Summary with respect to the aforementioned initiative measure.

I hereby appoint the attorneys of the Kaufman Legal Group, including George M. Yin and Elizabeth L. Harte; Suzanne Jimenez; Gustavo Medina; and their designees to be my representatives for all purposes and communications related to this effort.

Correspondences regarding initiative process may be sent to:

George M. Yin  
Kaufman Legal Group  
777 S. Figueroa Street, Suite 4050  
Los Angeles, CA 90017  
T: 213-452-6565  
E-mail: gyin@kaufmanlegalgroup.com

**ACKNOWLEDGMENT**  
**(Per Elections Code § 9608)**

I, Darrell Jerome, acknowledge that it is a misdemeanor under state law (Section 18650 of the Elections Code) to knowingly or willfully allow the signatures on an initiative petition to be used for any purpose other than qualification of the proposed measure for the ballot. I certify that I will not knowingly or willfully allow the signatures for this initiative to be used for any purpose other than qualification of the measure for the ballot.

Name: Darrell Jerome  
Address: [REDACTED]  
Anaheim, CA 92805

Dated this 10 day of January 2024

**NOTICE OF INTENT TO CIRCULATE INITIATIVE PETITION FOR THE  
FOR-PROFIT HOSPITAL GROSS RECEIPTS TAX INITIATIVE ORDINANCE**  
*(Cal. Elect. Code § 9202)*

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**NOTICE OF INTENT TO CIRCULATE PETITION**

Notice is hereby given by the persons whose names appear hereon of their intention to circulate a petition within the City of Anaheim ("City") for the purpose of adopting an initiative that will enact provisions imposing a general tax on for-profit hospitals within the City.

**A statement of the reasons of the proposed action as contemplated in said petition is as follows (up to 500 words):**

The purpose of the City of Anaheim For-Profit Hospital Tax Ordinance is to impose a general tax on for-profit hospitals within the City based upon their gross receipts, as defined in the initiative. The revenue generated will be deposited into the City's general fund and may be used for any permissible purpose, including to support municipal interests that promote a healthy City, such as economic growth and development, community services, or recreational opportunities.

Darrell Jerome

\_\_\_\_\_  
**NAME OF PROPONENT**

██████████  
Anaheim, CA 92805

\_\_\_\_\_  
**PROponent's ADDRESS**

██  
\_\_\_\_\_  
**PROponent's SIGNATURE**

1-10-2024  
\_\_\_\_\_  
**DATE**

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**ORDINANCE NO. \_\_\_\_\_ : ORDINANCE OF THE PEOPLE OF THE CITY OF ANAHEIM,  
CALIFORNIA ENACTING A FOR-PROFIT HOSPITAL GROSS RECEIPTS TAX**

The People of the City of Anaheim hereby ordain as follows:

**Section 1.** Chapter 2.15, entitled FOR-PROFIT HOSPITAL GROSS RECEIPTS TAX, is hereby added to Title 2 of the Anaheim Municipal Code.

**2.15.010 Title.**

This ordinance shall be known as the City of Anaheim For-Profit Hospital Gross Receipts Tax Ordinance.

**2.15.020 Effective Date.**

The Hospital Tax shall take effect on January 1 of the year following voter approval. It shall be assessed on an annual basis that year and thereafter.

**2.15.030 Purpose and Intent.**

This ordinance is adopted to achieve the following, among other purposes, and shall be interpreted in order to accomplish those purposes:

.10 To impose a tax on the privilege of operating a for-profit hospital within the City. This general tax shall be operative if a majority of the electors voting on the measure vote to approve the imposition of the tax at an election called for that purpose.

.20 This revenue measure imposes a general tax on the gross receipts of any for-profit general acute care hospital in the City. Hospitals play a central role in caring for the health of City residents and generate profits for their owners in doing so. The City provides support to hospitals by providing municipal services such as street repairs, utility maintenance, clean water, public safety, and other infrastructure. City residents and businesses also support hospitals financially, by paying bills or purchasing insurance, with individuals paying an increasing share of their bills through co-pays and deductibles. The City also supports health in other ways, such as through senior services, recreational programs, and affordable housing. The revenue contributed from the Hospital Tax may be used to support municipal interests such as economic growth and development, community services, and recreational opportunities, all of which promote a healthy city.

**2.15.040 Definitions.**

For purposes of this section the following terms have the following meanings, which apply notwithstanding any other provision of this Code:

.10 "City" means the City of Anaheim, California.

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.20 “Gross Receipts” means the Hospital’s annual net patient revenue as required to be reported to the California Department of Health Care Access and Information pursuant to California Health and Safety Code section 128735, subdivision (b).

.30 “Hospital” means all hospitals as defined in California Health and Safety Code section 1250(a) that operate within the borders of the City, excluding any hospital owned by a nonprofit organization that is exempted from taxation by Chapter 4 of Part 11 of Division 2 of the California Revenue and Taxation Code or Subchapter F (commencing with Section 501) of Chapter 1 of Subtitle A of the Internal Revenue Code, or any law that succeeds these provisions.

.40 “Hospital Tax” refers to the tax established pursuant to this Section.

.50 “Tax Administrator” means the City Treasurer or Director of Finance, or the designee of the City Treasurer or Director of Finance.

**2.15.050 Hospital Tax.**

In addition to any other taxes imposed by the City, the County, any local special districts, the State of California, and the federal government, the City hereby levies an annual tax on each Hospital subject to this section in an amount equivalent to three percent (3%) of the Hospital’s Gross Receipts.

**2.15.060 General Tax.**

The Hospital Tax is a general tax. Proceeds from the Hospital Tax shall be deposited into the City’s general fund.

**2.15.070 Administration of Tax.**

.10 It shall be the duty of the Tax Administrator to collect, receive and direct all taxes imposed by this section, and to keep an accurate record thereof.

.20 The Tax Administrator is charged with enforcing this section, and may prescribe, adopt, develop, and enforce rules and regulations relating to the administration and enforcement of this ordinance. A copy of such rules and regulations shall be on file in the Tax Administrator’s office.

**2.15.080 Apportionment.**

.10 When, by reason of the provisions of the Constitution of the United States or the Constitution of California, this chapter cannot be enforced without there being an apportionment of the Hospital’s Gross Receipts according to the amount of business activity within the City or within the State of California, the Tax Administrator shall determine the appropriate formula for apportionment and shall determine the amount of Gross Receipts to be apportioned pursuant thereto, based on information provided by the Hospital.

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.20 It shall be the Hospital's obligation to request apportionment and to provide all information necessary for the Tax Administrator to determine the appropriate formula for apportionment and determine the amount of Gross Receipts to be apportioned, no later than thirty (30) days prior to the delinquency date established by the Tax Administrator, and if the Hospital does not so request in writing, it shall be conclusively deemed to have waived any apportionment for that year.

.30 If a Hospital believes that the amount of tax owed according to the Tax Administrator's apportionment formula is greater than the facts justify, the Hospital may apply in writing to request a modification. The application shall be accompanied by a statement of facts supporting the requested reduction. The Tax Administrator shall determine whether the amount of tax owed will be reduced, increased, or allowed to stand, based on the evidence presented by the Hospital and any other evidence the Tax Administrator may request or otherwise obtain.

**2.15.090 Severability.**

The provisions of this Ordinance are severable. If any provision, sentence, clause, section, or part of this Ordinance, or their application, is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application. The Electors of the City of Anaheim hereby declare that they would have adopted this Ordinance had such invalid provision, sentence, clause, section, or part thereof not been included herein.

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