

**File ID:** 2026-00922

5/19/2026

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## **Appointment of Hearing Examiner to Hear Administrative Appeals**

File ID: 2026-00922

**Location:** Citywide

**Recommendation:** Adopt a **Resolution:** 1) re-appointing Dennis Hay as a Hearing Examiner to hear administrative appeals arising from parking citations and related violations, the imposition of administrative penalties, and Business Operations Tax assessments and determinations, effective May 19, 2026 through January 31, 2027; and 2) ratifying Mr. Hay's decisions on parking citation appeal hearings from March 26, 2026 and March 27, 2026.

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**Presenter:** None

### **Attachments:**

- 1-Description/Analysis
- 2-Resolution

### **Description/Analysis**

**Issue Detail:** Various chapters of the Sacramento City Code provide the ability to appeal administrative penalties imposed resulting from City Code violations. Under Sacramento City Code (SCC) section 1.28.010.D.4.c, administrative penalty appeals shall be heard by a hearing examiner appointed by the City Council.

The City conducts hearings for administrative penalties, fees, and orders issued by its various enforcement staff for violations of the City Code. A hearing examiner may affirm the administrative penalty amount, reduce the penalty to a lower amount, or find that imposition of the penalty is not warranted. The hearing examiner's decision is based on the evidence presented, the costs of the correction, and the appellant's financial situation. The hearing examiner has the discretion to impose a lower, but not a higher penalty amount. In making the decision, the hearing examiner considers several factors including: the evidence presented by all witnesses, the seriousness of the violation,

the responsible party's efforts to correct the violation, the impact on the neighborhood, and any instances in which the responsible party has been in violation of the same or similar code provisions. Decisions made by the hearing examiner are final.

Additionally, the City's Revenue Division conducts monthly administrative hearings for parking citations that were issued by the City's Parking Enforcement staff. These hearings "shall be conducted by an independent and impartial hearing officer(s) meeting the qualifications specified in California Vehicle Code Section 40215(c)(4), who shall have been appointed by, or contracted with, the city to act in that capacity." (SCC § 10.56.040.D.1.b.)

Finally, Sacramento City Code chapter 3.08.300 provides that the City may make a Business Operations Tax or Cannabis Business Operations Tax (both referred to herein as BOT) deficiency determination, or a re-computation of tax owed (assessment), when the Administrator determines there is reasonable cause to believe the amount of BOT paid by a taxpayer has been erroneous. City Code section 3.08.320 provides that within 15 days of the City mailing the BOT deficiency determination, the recipient of the assessment may file in writing an application for a hearing with the Director of Finance to challenge the assessment and the Director of Finance will make a ruling, or decision, either upholding, dismissing, or amending the assessment. City Code section 3.08.330 provides that any person aggrieved by the decision of the Director of Finance, made pursuant to the provisions of City Code section 3.08.320, may file an appeal to City Council within 15 days after service of the Director of Finance's decision. The City Council may hear the matter itself or refer the matter to a Hearing Examiner authorized by City Code section 1.24.050. This decision shall be final and conclusive with any amounts determined to be due and payable upon service of the decision of City Council or their appointed Hearing Examiner.

City Code section 1.24.050 provides that City Council may appoint a Hearing Examiner to hear appeals initially to be heard by City Council. City Code section 1.24.060 further provides that City Council may, at its sole discretion, delineate one or more categories of appeal which routinely involve a lengthy factfinding process, and instruct staff to schedule such appeal hearings before a Hearing Examiner without further action of the City Council.

Following a Request for Proposal process in 2019, four people, including Dennis Hay, were appointed as hearing examiners to hear administrative appeals and petitions under the Sacramento City Code. Mr. Hay was assigned to handle appeals of administrative penalties for cannabis violations. On March 22, 2022, Mr. Hay was re-appointed as hearing examiner for a four-year term. The scope of Mr. Hay's appointment was expanded twice, first in 2023 to include parking citation appeals, then in 2025 to include BOT determination/assessment appeals. Mr. Hay's appointment expired March 22, 2026. In order to avoid interruption in the City's timely hearing of its administrative appeals, staff recommends that the City Council reappoint Mr. Hay through January 31, 2027, consistent with the expiry of two of the City's other attorney hearing examiners.

Due to the legal complexities posed by some administrative appeal hearings, a California licensed attorney is often needed to serve as the impartial magistrate. Mr. Hay has practiced law for over 30 years with an emphasis in municipal law. He served for 12 years as a hearing examiner for the City of Stockton and the last six years with the City of Sacramento.

Hearing examiners could apply to be reappointed at the end of their term and there are no term limits for hearing examiners or limit to the number that may be appointed.

**Policy Considerations:** None.

**Economic Impacts:** Not applicable.

**Environmental Considerations:** This action is not a project that is subject to CEQA because it is an administrative activity that will not result in direct or indirect physical changes in the environment. (CEQA Guidelines § 15378(b)(5).)

**Sustainability:** Not applicable.

**Commission/Committee Action:** Not applicable.

**Rationale for Recommendation:** Hearing examiners are necessary to ensure due process for appeals of administrative penalties. They are non-city employees who conduct hearings and issue opinions based on findings of fact.

Staff is recommending that the City Council reappoint Dennis Hay as a hearing examiner. Mr. Hay's appointment expired on March 22, 2026. However, he had existing matters on his docket prior to March 22, 2026 that were set for hearing shortly after that date.

On March 26 and 27, 2026, Mr. Hay heard and rendered a decision on 55 parking citation appeal hearings. Council action is requested to ratify his decisions to avoid the need to rehear these matters.

**Financial Considerations:** The rate for hearing examiners is \$150 per hour. This rate applies to review of the hearing packet, the hearing length, and the time to review the evidence and prepare the decision. Hearing costs are partially offset by hearing appeal fees. There are sufficient resources in the Fiscal Year 2025/26 and 2026/27 Finance Department operating budget to fund the hearing costs.

**Local Business Enterprise (LBE):** Not applicable.

## **RESOLUTION NO. 2026-**

Adopted by the Sacramento City Council

\_\_\_\_\_, 2026

### **Appointment of Hearing Examiner to Hear Administrative Appeals**

#### **BACKGROUND**

- A. Sacramento City Code section 1.28.010.D.4.c authorizes the City Council to appoint a hearing examiner to hear appeals of the imposition of administrative penalties without further action of the City Council.
- B. Sacramento City Code sections 1.24 and 10.56 set forth the processes and procedures for the appointment of hearing examiners and appeals of parking and related violations.
- C. Sacramento City Code sections 1.24 and 3.08 set forth the processes and procedures for the appointment of hearing examiners and appeals of decisions rendered by the Director of Finance pertaining to enforcement of the City's business operations tax rules and regulations.
- D. Section 10.56.040.D.1.b. requires that parking citation appeal hearings be conducted by an independent, impartial, and qualified hearing examiner who shall have been appointed by, or contracted with, the City to act in that capacity.
- E. Section 3.08.330 requires that the City Council hear business operations tax appeals or refer the appeals to a hearing examiner.
- F. Section 1.24.060 authorizes the City Council, by resolution, to delineate categories of appeal which routinely involve a lengthy fact-finding process, and to instruct the City Clerk to schedule such appeal hearings before a hearing examiner without further action of the City Council.
- G. Following a Request for Proposal process in 2019, Dennis Hay was appointed as a hearing examiner to conduct hearings related to hear appeals of administrative penalties for cannabis violations.
- H. On March 22, 2022, Mr. Hay was reappointed as a hearing examiner for a four-year term.

- I. During this term, the scope of Mr. Hay's appointment was expanded to include parking citation appeals and administrative appeals of Business Operations Tax determinations and assessments.
- J. Due to Mr. Hay's experience and qualifications, and to avoid interruption in the City's timely hearing of its administrative appeals, staff is recommending that the City Council extend Mr. Hay's appointment to hear appeals arising from parking citations and related violations, the imposition of administrative penalties, and Business Operations Tax determinations and assessments through January 31, 2027.
- K. Mr. Hay's appointment expired on March 22, 2026. However, he had existing matters on his docket prior to March 22, 2026 that were set for hearing shortly after that date. On March 26 and 27, 2026, Mr. Hay heard and rendered a decision on 55 parking citation appeal hearings. Council action is requested to ratify his decisions to avoid the need to rehear these matters.

**BASED ON THE FACTS SET FORTH ABOVE, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

- Section 1. The City Council finds that hearings on appeals arising from parking citations and related violations, the imposition of administrative penalties, and Business Operations Tax assessments and determinations will involve lengthy fact-finding processes which would be more appropriately accommodated by a formal hearing before a hearing examiner.
- Section 2. The City Clerk shall schedule hearings for all business operations tax appeals filed pursuant to Section 3.08 of the Sacramento City Code and parking citation appeals filed pursuant to Section 10.56 of the Sacramento City Code before a hearing examiner.
- Section 3. Pursuant to Sacramento City Code sections 1.24.060 and 1.28.010.D.4.c, Dennis Hay is reappointed as a Hearing Examiner to hear administrative appeals arising from parking citations and related violations, the imposition of administrative penalties, and Business Operations Tax assessments and determinations, effective May 19, 2026, and through January 31, 2027. The scope of his appointment shall remain unchanged.
- Section 4. The City Council ratifies Mr. Hay's decisions on the parking citation appeal hearings, heard and rendered on March 26 and 27, 2026, to avoid the

need to rehear these matters. A list of the affected citation numbers and the initials of the corresponding contestants is included as **Exhibit "A."**

Adopted by the City of Sacramento City Council on \_\_\_\_\_, 2026, by the following vote:

Ayes:

Noes:

Abstain:

Absent:

Attest:

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Mindy Cuppy, City Clerk

*The presence of an electronic signature certifies that the foregoing is a true and correct copy as approved by the Sacramento City Council.*

**Exhibit "A"**

<b>Citation Number</b>	<b>Contestant</b>
610928981	T.S.
308469881	F.I.
610952654	J.A.
610943864	J.H.
311471702	O.E.
315329953	P.J.
274408263	G.H.
323496978	S.M.
286172150	J.S.
610946614	S.H.
610950003	S.H.
253711413	A.C.
271413131	D.T.
340676309	S.M.
270494331	L.P.
272097468	L.P.
281172234	F.G.
283534795	M.S.
281799576	R.C.
610952887	B.B.
610952886	T.W.
610928706	H.M.
270771650	D.T.
610947985	I.T.
324541130	T.B.
610948145	L.N.
610948782	M.Y.
610946081	K.G.
259644139	R.B.
273611371	R.S.
610940829	M.G.
610951657	M.Z.
281723905	G.P.
278554698	S.S.
285408272/2853912389	P.R.
311625554	R.E., Inc.
312851053	M.G.

324590639	K.H.
287911682	S.C.
352183564/349820534	R.G.
346340127	D.W.
281109636	M.A.
610941723	A.C.
610952346	C.S.
254078664	M.V.
313328363	O.S.
610951696	K.M.
325809449	S.S.
327748430	J.M.
337891697	I.G.
352608457	A.E.
307304546	B.D.
267287964/269092865	C.H.
264603560	J.L.