



**Agenda Item C.1**  
**DISCUSSION/ACTION ITEM**  
**Meeting Date: March 6, 2018**

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**TO:** Mayor and Councilmembers

**FROM:** Luke Rioux, Finance Director  
Vyto Adomaitis, Neighborhood Services & Public Safety Director

**SUBJECT:** Business License Programs Update

**RECOMMENDATION:**

Receive an update on the City of Goleta Business License programs.

**BACKGROUND:**

The City of Goleta administers a business license program that encompasses not only general business licenses, but licenses for specific services as well. The City's Finance Department oversees the business license program with the assistance of the Neighborhood Services Department. The various components of the program are contained in the Goleta Municipal Code (GMC) and include:

- GMC Chapter 5.01 Business and Other Licenses
- GMC Chapter 5.02 Junk Yards and Dumps
- GMC Chapter 5.03 Secondhand Dealer Regulations
- GMC Chapter 5.04 Taxicabs
- GMC Chapter 5.05 Massage Regulation
- GMC Chapter 5.05 Sand Removal License
- GMC Chapter 5.07 Tobacco Retailing License
- GMC Chapter 5.08 Short-term Vacation Rentals
- GMC Chapter 5.09 Marijuana Delivery Regulations

Upon incorporation in February 2002, the Goleta City Council adopted by reference the Santa Barbara County Ordinance Code, including sections 22-73 General Business License and 22-74 Fee Schedule. On November 3, 2009, the business license program was codified into the Goleta Municipal Code through Ordinance No. 09-14. In December 2009, Ordinance No. 09-15 was adopted extending the general business license program to all businesses conducting business anywhere in the City. That ordinance is included as Attachment 1 to this report.

The City Council last received a Business Licenses programs update on August 16, 2016. A discussion on the status of the current license programs is provided below.

## **DISCUSSION:**

### General Business License Program

Upon incorporation, the City was required to adopt by reference all of the County's ordinances, including the Business License Ordinance. The County Ordinance, as adopted in 1939, required businesses that operated in the unincorporated area of the County which did not have a fixed place of business in the County to obtain a business license for a fee of \$100. The application of this ordinance in the City after incorporation was to likewise only require licenses for businesses conducting business in the City but which did not have a fixed location within the City.

In February 2008, the City hired the firm of Management Partners to conduct a study of options for a revised business license program. The study included information on business demographics within the City, a survey of other business license programs in the area and provided six options for revising the business license program. The study was presented to the City Council for consideration at a meeting held on May 29, 2008. On June 17, 2008, staff presented a report which proposed a new business tax measure to the voters, however, there was not majority support of Council to move forward with this measure. Instead, the City Council directed staff to pursue a cost recovery fee-based business license fee program.

In December 2009, Council adopted an Ordinance to make all businesses operating in the City subject to the existing general business license program. (Ordinance No. 09-15.) This option was included in the 2008 business license study presented by Management Partners. In that report, Management Partners estimated that business license fee revenues would increase from \$34,000 to \$275,000 based on 2,414 business locations identified through their research. Previously, Council had approved a business license administration fee of \$23 for new businesses and a \$15 fee for renewal licenses, which was limited to the processing of the application as opposed to the costs of the regulatory program itself (Resolution 08-62.) The business license administration fee is subject to an annual adjustment by the Consumer Price Index (CPI). To date, the fees are currently set at \$25 and \$16 respectively. In addition, pursuant to statute, a State Disability Access fee of \$1 is collected with each license, which has since been updated and increased to \$4 to reflect a recent change in the law. Additional information about this state mandated fee increase is provided later in this report

Ordinance No. 09-15 became effective on December 31, 2009, and shortly thereafter, Finance staff prepared a mass mailing to the businesses identified by Management Partners. Staff made various attempts to inform businesses of the new requirements in an effort to ensure compliance with the City's modified business license program. The ordinance provides for an annual license fee of \$100 or a quarterly fee of \$25. The majority of business licenses renew in January of each year since the ordinance went into effect in the month of January of 2010. However, the ordinance does not specifically

require an annual renewal date of January of each year. The table below provides a historical summary of business license activity by fiscal year since incorporation.

FISCAL YEAR	GENERAL	FIREARMS	MASSAGE	TAXI	TOBACCO	MJ	BL TOTALS	REVENUES
FY 02/03	289	-	-	-	-	-	-	\$ 18,235
FY 03/04	547	-	-	-	-	-	-	\$ 32,510
FY 04/05	480	-	-	-	-	-	-	\$ 29,740
FY 05/06	514	-	-	-	-	-	-	\$ 33,215
FY 06/07	612	-	-	-	-	-	-	\$ 38,935
FY 07/08	304	-	33	2	2	-	341	\$ 30,037
FY 08/09	439	5	154	12	37	-	647	\$ 48,467
FY 09/10	1,597	7	94	21	36	-	1,755	\$ 186,150
FY 10/11	1,687	6	80	22	27	-	1,822	\$ 203,730
FY 11/12	1,759	8	86	31	-	-	1,884	\$ 209,887
FY 12/13	1,806	6	86	32	-	-	1,930	\$ 214,020
FY 13/14	2,131	8	91	37	-	-	2,267	\$ 258,402
FY 14/15	2,094	8	79	18	28	-	2,227	\$ 245,774
FY 15/16	2,229	9	71	13	34	-	2,356	\$ 264,010
FY 16/17	2,214	8	59	5	36	19	2,341	\$ 262,208

-MJ is abbreviated for Medical Marijuana Delivery and Service Licensing.

-Business License Software Module was not established until FY 09/10.

Based the historical trends in business licenses issued and in revenue collected, it would appear that the City business license revenues continue to be consistent with the amounts that were originally estimated in the business license study by Management Partners. Variances in revenue received versus licenses issued are attributable to a variety of factors. These includes timing of revenues received and issuance, various amounts of penalties collected, different amounts of quarterly licenses issued versus annual licenses, and new business licenses versus annual renewals, which have a \$9 difference.

### Business License Compliance Efforts

In the past year, staff has made additional efforts to assist businesses in achieving compliance with the City's businesses license program. These efforts include sending notification letters to the business identified through field audits by the State Board of Equalization (now the California Department of Tax and Fee Administration), sales tax consultants and Finance staff. Additionally, staff has been coordinating with the Santa Barbara County Fire Department (County Fire Department) for business license compliance and fire inspection services. City coordination with the Fire Department for business license compliance and improved fire inspection include the following steps:

#### City of Goleta:

- 1) The Planning Department provides a listing of all Certificates of Occupancy (CofO) each month to the City's Finance Department and County Fire Department. This assists the County Fire Department in identifying new businesses for fire

inspections, and also allows Finance staff to identify opportunities for business license compliance follow up.

- 2) The City's Finance Department provide a listing of new business licenses issued (within the City limits) each month to the County Fire Department. This assists the Fire Department with their inspection follow up.

County Fire Department:

- 1) The County Fire Department's Fire Inspectors has added checking the status of business licenses to their Fire Inspection Checklist. They will notify the City about any violations that they identify.
- 2) The Fire Inspector will provide a monthly listing of the Fire Inspections to the City's Finance Department, which will allow staff to cross reference its business license database.

Staff will continue to develop and coordinate its efforts with the County Fire Department to improve business license compliance and fire inspection program.

Staff has also developed informational pamphlets that are distributed at various locations in City Hall and in the community. The information is also provided on the City's website and provided to the Goleta Chamber of Commerce to assist in educating the business community of the City's business license requirements. In addition, staff has recently received updated sales and use tax database information and will be reconciling the City business license database with the sales tax database to assist with compliance efforts.

Other Business License Programs

**Firearms Dealers** – This license type is part of the adopted general business license regulations as described above. Staff reviews licenses for the retail sales of firearms for compliance with applicable City, State Department of Justice (DOJ) and Federal Department of the Treasury, Alcohol, Tobacco and Firearms (ATF) regulations and any additional coordination with the Sheriff's Office. The fee amount is \$100 per year plus the business license administrative fee. Staff has not observed any issues with the processing of these types of business license applications.

**Massage Technician/Establishment Regulation** – This license type involves the review of all new and renewal license applications for both state certified and non-certified massage technicians as well as applications for massage establishments. The processing of non-certified applications for massage establishments and massage technicians also involves coordination with the Sheriff's office. The annual fee amount for a massage technician is \$230 or \$5 if the applicant is state certified, and for a massage establishment the license fee is \$270 or \$5 if the establishment is state certified. Staff has not observed any issues with the processing of these types of business license applications.

**Taxicab Regulation** – Staff reviews all new and renewal license applications for taxicab operators and driver's licenses in conjunction with the Sheriff's Office. As part of the application process, staff reviews all insurance certificates, listings of all vehicles utilized, ensures mandatory controlled substance and alcohol testing programs are in place and issues City permit stickers for vehicles licensed. The fee for taxicab operator and driver's licenses is \$100 per year plus the business license administrative fee. Staff has not observed any issues with the processing of these types of business license applications.

**Tobacco Retailing License (TRL)** – As a result of the adoption of the TRL ordinance by the City in May 2014, staff reviews all license applications for the sale of tobacco products and coordinates with County Public Health Department (PHD) in the review and issuance of all TRLs. County PHD's agreement with the City includes application review, renewal notification services, educational outreach to retailers, enforcement and compliance activities, and assisting with violations, citations, hearings, license denials, revocations, suspensions and hearings, post-hearing monitoring of suspensions and revocations, community relations, and tracking and reporting on TRL activities and outcomes. The annual fee amount is \$543 for a new license and \$534 for a renewal license. The City remits \$419 of the annual fee to the County for the processing and administration of the program. Staff has not observed any issues with the processing of these types of business license applications.

*Please note that during FY 11/12 through FY 13/14 as shown in the table above, it appears there was no tobacco related business license. Finance staff has looked into this database reporting issue, and has confirmed at that time, the tobacco business license activity was recorded in the general business license category, and not tracked separately as it was prior to FY 11/12. The tobacco license activity reported in prior year appears to be tracking-related only. Staff assumes the shift was made due to the same fee structure as a general business license, as the City did not require a specific specialty license with different fees until the TRL Ordinance No. 14-05 was established and implemented, as described above. In early 2013, the City Council directed staff to explore whether the City should adopt regulations on tobacco retailing and second hand smoke in addition to existing state regulations in these areas. The outcome of the adopted ordinance established the TRL requirement, and to properly manage this in the business license software and database, it required the use of a tobacco retailing code, to account for the number of specialty TRL issued and additional fees and pass through costs to the County PHD. The TRL activity is represented starting in FY 14/15.*

**Marijuana Delivery Driver's License/Delivery Service Regulations** – As a result of the Marijuana Delivery ordinance adopted in January 2016, staff reviews all applications to ensure compliance with City regulations which includes obtaining insurance certificates, drug test results, and Live Scan service for applicants, issuing photo identification and vehicle stickers as well as coordination of the application process with the Sheriff's Office. In addition, staff developed an online application, guidelines for the Sheriff's Office process, an overview of the City insurance requirements and a sample policy for alcohol and drug testing. The license fee for either a delivery service or delivery driver is \$126. Staff has not observed any issues with the processing of these types of business license applications.

Business License State Mandated Fee Update (\$1 to \$4 increase)

On October 11, 2017 Governor Jerry Brown signed into law Assembly Bill (AB) 1379. This assembly bill amends section 4467 of the Government Code related to disability access originally established by SB 1186. From January 1, 2018 through December 31, 2023 a \$4 state fee will be imposed on any applicant for a local business license or a renewal and is to be collected by cities. If a business license or its equivalent is not issued by cities, then the \$4 fee is imposed on an applicant for a building permit. AB 1379 has also changed the allocation of the fee collected. The amended code allows the City to retain 90% (with 5% going to the General Fund for administration) and remitting 10% to the state. After December 31, 2023, the fee and allocation will revert to its original amount of \$1 with a 70% allocation to the City and 30% to the state. Below is a table summarizing the amendment:

	<b>Old Fee</b>	<b>New Fee</b>
<b>Established</b>	SB 1186	AB 1379
<b>Effective Date</b>	1/1/2013 - 12/31/2017	1/1/2018 – 12/31/2023
<b>Fee</b>	\$1	\$4
<b>City Allocation</b>	70%	90%
<b>State Allocation</b>	30%	10%
<b>City Use of Funds</b>	Fund increased CASp training and certification of building inspectors. 5% transfer to General Fund.	Establish new special fund – “CASp Certification and Training Fund”. 5% transfer to General Fund
<b>State Use of Funds</b>	Deposited into the Disability Access and Education Revolving Fund	Deposited into the Disability Access and Education Revolving Fund

The purpose of the fee is to increase disability access and compliance with construction-related accessibility requirements. Additionally, the fee assists local jurisdictions in supporting the Certified Access Specialist (CASp) program and provides the Division of the State Architect (DSA) with funds to maintain oversight of the CASp program.

**FISCAL IMPACTS:**

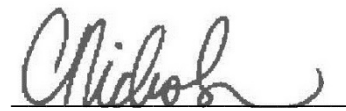
The Fiscal Year 2017/18 budget includes a business license revenue estimate of \$263,000 for the business license program. It should be noted that the City recently awarded a contract to Willdan Financial Services for a Full Cost Allocation Plan and Comprehensive User Fee Study, which will evaluate all user fees currently charged by the City for cost recovery, including business license fees. Depending on the outcome of this study and future direction by Council, the revenue estimates may be adjusted for future years.

The fiscal impacts of implementing AB 1379 are additional staff time for creating the new fund, adjusting its financial software and reporting, and updating its forms and documents. Staff will continue to collect, remit, and submit the fees to the state on a quarterly basis

and file an annual report to the DSA by March 1 for prior calendar year activity, which includes the following information: Funds collected, funds transmitted to DSA, funds spent on administrative services, the activities undertaken and funds spent to increase CASp services, the activities undertaken and funds spent on programs to facilitate compliance with construction-related accessibility requirements. At this time, the City has collected approximately \$7,800 in total since inception of this state mandated fee and historically has collected \$1,490 on annual basis. With the fee increase from \$1 to \$4, staff anticipates collecting approximately \$7,600 on annual basis as part of the City's portion, which is an additional \$6,110. There is currently no programmed use of the funds, due to the minimal balance. As funds accumulate over time, they will be appropriated and programmed for their allowable use during the budget process.

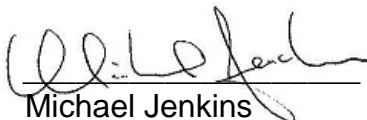
Finance staff is in the process of updating its business license forms and information on its website. A special fund will be created in general ledger called the "CASp Certification and Training Fund", as required by the amended code for transparency and accountability of the funds use. Historically, these funds were tracked in a liability account. The new fund will be included during the mid-cycle budget process to account for projected revenues and expenditures for administrative costs of 5% to comply with AB 1379. Staff will also be including the updated fee in the City's updated User Fee Schedule coming to Council at a later date, for transparency and clarification of total fees required for a business license. Provided as Attachment 2 is a copy of Assembly Bill 1379 for additional information.

**Reviewed By:**



Carmen Nichols  
Deputy City Manager

**Legal Review By:**



Michael Jenkins  
Interim City Attorney

**Approved By:**



Michelle Greene  
City Manager

**Attachments:**

1. Ordinance 09-15 Business License Ordinance Amending Business License
2. Assembly Bill No. 1379 – An act to amend Section 4467 of the Government Code, relating to disability access, and making an appropriation therefor.

## **Attachment 1**

Ordinance 09-15 Business License Ordinance Amending Business License



## ORDINANCE NO. 09-15

### **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GOLETA, CALIFORNIA AMENDING SECTION 5.01.730 AND REPEALING SECTION 5.01.740 OF THE GOLETA MUNICIPAL CODE RELATING TO GENERAL BUSINESS LICENSES AND BUSINESS LICENSE FEE SCHEDULE**

**WHEREAS**, on November 30, 1939, the County of Santa Barbara Board of Supervisors adopted Ordinance No. 1077, An Ordinance Regulating and Licensing Businesses in the Unincorporated Area of the County of Santa Barbara; and

**WHEREAS**, Section 451 of Santa Barbara County Ordinance No. 1077 set a general business license fee of \$100.00 per year for businesses operating in the unincorporated area of the County and without a fixed place of business in the County (Santa Barbara Ordinance Code section 22-73); and

**WHEREAS**, Sections 401 through 450 of Santa Barbara County Ordinance No. 1077 and various subsequent amendments identified certain specified businesses and set a schedule of business license fees for those businesses (Santa Barbara Ordinance Code section 22-74); and

**WHEREAS**, upon incorporation on February 1, 2002, the Goleta City Council adopted Ordinance 02-01 which, along with subsequent actions, incorporated by reference the Santa Barbara Ordinance Code including sections 22-73 and 22-74 into and as the Goleta Municipal Code; and

**WHEREAS**, on May 29, 2008, the Goleta City Council conducted a study session on whether to impose a business license tax as a revenue generating measure, and Council directed staff to conduct further investigation and research rather than bringing the matter forward for action; and

**WHEREAS**, on July 1, 2008, the Goleta City Council considered and rejected the submissions of a Sales and Use Tax to the voters of Goleta, citing a desire not to impose a revenue generating tax on businesses but rather directed staff to consider imposing an equitable fee for a license to conduct business limited to recovering the cost of the business license program; and

**WHEREAS**, on November 3, 2009, the Goleta City Council adopted Ordinance No. 09-14 which recodified the Goleta Municipal Code and renumbered Section 22-73 to 5.01.730 and Section 22-74 to 5.01.740; and

**WHEREAS**, the impact of businesses in the City of Goleta are similar whether or not the business maintains a fixed place of business within the City; and,

**WHEREAS**, a business license fee and regulatory program is most equitably applied to all businesses doing business within the City of Goleta and not favoring by exempting from the program businesses that maintain a fixed place of business within the City; and,

**WHEREAS**, the costs related to the business license program includes providing services to businesses operating in Goleta, interaction with businesses regarding the business license program, assisting in the completion of a license application, review, verification, issuance and follow up related to the business license, code compliance activities related to businesses; and

**WHEREAS**, the projected costs of the business license program exceed the proposed cost of the business license fee, including set-up and renewal fees set by separate fee resolution;

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GOLETA DOES HEREBY ORDAIN AS FOLLOWS:**

**SECTION 1.            Recitals**

The above recitals are true and correct.

**SECTION 2.            Amendment of Section 5.01.730**

Goleta Municipal Code section 5.01.730 is hereby amended to read in its entirety as follows:

***5.01.730. General business license.***

Every person conducting or carrying on a business of any kind or description anywhere in the City of Goleta, a license for which is not otherwise provided for in this chapter or any provision of this Code or other ordinance of the City shall obtain a general business license and shall pay a quarterly fee of twenty-five dollars (\$25.00) therefor.

**SECTION 3.            Repeal of Section 5.01.740**

Goleta Municipal Code section 5.01.740 Fee Schedule, is hereby repealed in its entirety.

**SECTION 4.            Severability.**

If any section, sentence, clause or phrase of this ordinance is for any reason held to be invalid, preempted, or unconstitutional by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions. The City Council hereby declares that it would have passed this

ordinance, and each section, sentence, clause or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared invalid, preempted, or unconstitutional.

**SECTION 5.**            **Effective Date**

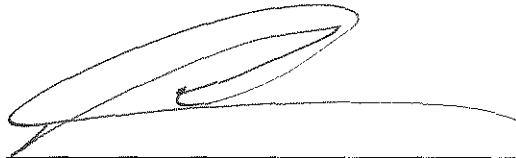
This Ordinance shall take effect on the 31<sup>st</sup> day following the date of its final adoption.

**SECTION 6.**            **Publication**

The City Clerk shall certify to the passage of this Ordinance and cause the same to be published and posted in the manner prescribed by California law.

INTRODUCED ON the 17<sup>th</sup> day of November, 2009.

PASSED, APPROVED, AND ADOPTED this 1<sup>st</sup> day of December, 2009.



ROGER S. ACEVES, MAYOR

**ATTEST:**

**APPROVED AS TO FORM:**

  
DEBORAH CONSTANTINO  
CITY CLERK  
TIM W. GILES  
CITY ATTORNEY

STATE OF CALIFORNIA                    )  
COUNTY OF SANTA BARBARA        )  
CITY OF GOLETA                        )       ss.

I, DEBORAH CONSTANTINO, City Clerk of the City of Goleta, California, DO  
HEREBY CERTIFY that the foregoing Ordinance No. 09-15 was duly adopted by the  
City Council of the City of Goleta at a meeting held on the 1<sup>st</sup> day of December, 2009,  
by the following vote of the Council:

AYES:       MAYOR ACEVES, MAYOR PRO TEMPORE ONNEN,  
              COUNCILMEMBERS BENNETT, CONNELL AND EASTON.

NOES:       NONE

ABSENT:     NONE

ABSTAIN:    NONE

(SEAL)

  
DEBORAH CONSTANTINO  
CITY CLERK

## **Attachment 2**

Assembly Bill No. 1379 – An act to amend Section 4467 of the Government Code, relating to disability access, and making an appropriation therefor.

**Assembly Bill No. 1379**

**CHAPTER 667**

An act to amend Section 4467 of the Government Code, relating to disability access, and making an appropriation therefor.

[Approved by Governor October 11, 2017. Filed with  
Secretary of State October 11, 2017.]

**LEGISLATIVE COUNSEL'S DIGEST**

AB 1379, Thurmond. Certified access specialist program: funding.

(1) Existing law requires the State Architect to establish and publicize a program for voluntary certification by the state of any person who meets specified criteria as a certified access specialist (CASp), as provided. Existing law, on and after January 1, 2013, and until December 31, 2017, inclusive, requires that any applicant for an original or renewal of a local business license or equivalent instrument or permit to pay an additional fee of \$1 for that license, instrument, or permit, to be collected by the city, county, or city and county that issued the license, instrument, or permit.

This bill would extend the operation of this fee indefinitely and, on and after January 1, 2018, and until December 31, 2023, increase the amount from \$1 to \$4. The bill would revert the amount of the fee back to \$1 on and after January 1, 2024. The bill, in any city, county, or city and county that does not issue a business license or an equivalent instrument or permit, would require an applicant for a building permit to pay an additional fee of \$4 on and after January 1, 2018, and until December 31, 2023, and an additional fee of \$1 on and after January 1, 2024, for the building permit, to be collected by the city, county, or city and county that issued the building permit.

(2) Existing law requires that the city, county, or city and county retain 70% of the fees collected under the above-described provision, to be used to, among other things, fund increased CASp services in that jurisdiction for the public, thereby making an appropriation. Existing law requires that the remaining 30% of the fees be transmitted on a quarterly basis to the Division of the State Architect for deposit in the Disability Access and Education Revolving Fund, a continuously appropriated fund.

This bill, on and after January 1, 2018, and until December 31, 2023, inclusive, would require the city, county, or city and county to instead retain 90% of the fees collected. The bill would revert the amount retained back to 70% on and after January 1, 2024. The bill would also require the moneys retained by the city, county, or city and county to instead be deposited in a special fund, established by the city, county, or city and county to be known as the "CASp Certification and Training Fund," and used for increased CASp training and certification within that local jurisdiction, thereby making

an appropriation by expanding the purposes for which the retained fee moneys are required to be spent.

By extending the operation of fees deposited in the Disability Access and Education Revolving Fund, thereby increasing the amount of money in a continuously appropriated fund, this bill would make an appropriation.

(3) By extending the operation of the above-described fee, thereby requiring local officials to collect and allocate these revenues beyond December 31, 2018, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Appropriation: yes.

*The people of the State of California do enact as follows:*

SECTION 1. Section 4467 of the Government Code is amended to read:

4467. (a) (1) On and after January 1, 2013, through December 31, 2017, inclusive, any applicant for a local business license or equivalent instrument or permit, and from any applicant for the renewal of a business license or equivalent instrument or permit, shall pay an additional fee of one dollar (\$1) for that license, instrument, or permit, which shall be collected by the city, county, or city and county that issued the license, instrument, or permit.

(2) On and after January 1, 2018, through December 31, 2023, the following shall apply:

(A) Any applicant for a local business license or equivalent instrument or permit, and any applicant for the renewal of a business license or equivalent instrument or permit, shall pay an additional fee of four dollars (\$4) for that license, instrument, or permit, which shall be collected by the city, county, or city and county that issued the license, instrument, or permit.

(B) In any city, county, or city and county that does not issue a business license or an equivalent instrument or permit, an applicant for a building permit shall pay an additional fee of four dollars (\$4) for that building permit, which the city, county, or city and county that issued the building permit shall collect.

(3) On and after January 1, 2024, the following shall apply:

(A) Any applicant for a local business license or equivalent instrument or permit, and any applicant for the renewal of a business license or equivalent instrument or permit, shall pay an additional fee of one dollar (\$1) for that license, instrument, or permit, which shall be collected by the city, county, or city and county that issued the license, instrument, or permit.

(B) In any city, county, or city and county that does not issue a business license or an equivalent instrument or permit, an applicant for a building

permit shall pay an additional fee of one dollar (\$1) for that building permit, which the city, county, or city and county that issued the building permit shall collect.

(b) (1) The city, county, or city and county shall retain the percentage of the fees collected under this section as specified in paragraph (2), of which up to 5 percent of the retained moneys may be used for related administrative costs of this chapter. The city, county, or city and county shall deposit the remaining moneys in a special fund, established by the city, county, or city and county to be known as the “CASp Certification and Training Fund.” The moneys in the fund shall be used for increased certified access specialist (CASp) training and certification within that local jurisdiction and to facilitate compliance with construction-related accessibility requirements. The highest priority shall be given to the training and retention of certified access specialists to meet the needs of the public in the jurisdiction as provided in Section 55.53 of the Civil Code.

(2) The amount of fees collected under this section and retained by the city, county, or city and county shall be in the following amounts:

(A) On and after January 1, 2018, through December 31, 2023, inclusive, 90 percent.

(B) On and after January 1, 2024, 70 percent.

(c) The remaining amount of all fees collected under this section and not retained by the city, county, or city and county pursuant to subdivision (b) shall be transmitted on a quarterly basis to the Division of the State Architect for deposit in the Disability Access and Education Revolving Fund established under Sections 4465 and 4470. The funds shall be transmitted within 15 days of the last day of the fiscal quarter. The Division of the State Architect shall develop and post on its Internet Web site a standard reporting form for use by all local jurisdictions. Up to 75 percent of the collected funds in the Disability Access and Education Revolving Fund shall be used to establish and maintain oversight of the CASp program and to moderate the expense of CASp certification and testing.

(d) Each city, county, or city and county shall make an annual report, commencing March 1, 2014, to the Division of the State Architect of the total fees collected in the previous calendar year and of its distribution, including the moneys spent on administrative services, the activities undertaken and moneys spent to increase CASp services, the activities undertaken and moneys spent to fund programs to facilitate accessibility compliance, and the moneys transmitted to the Disability Access and Education Revolving Fund.

SEC. 2. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

O