

# Business License Overview

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City of Goleta  
Council Meeting  
March 6, 2018



# General Business License History

- ▶ County Ordinance adopted upon incorporation in 2002
- ▶ Required a Business License (BL) for businesses without a fixed location in the City
- ▶ Annual amount of \$100

# General Business License History

- ▶ May 2008 - Study presented by Management Partners to evaluate alternatives of BL tax programs (6 alternatives identified)
- ▶ June 2008 - Council directed a fee based alternative
- ▶ November 2008 - Resolution approving an administrative fee of \$23 for new BL and \$15 for renewals (after CPI adjustments these fees are currently at \$25 and \$16)
- ▶ December 2009 - Ordinance approved amending the BL Ordinance for a BL annual amount of \$100 or \$25 per quarter to businesses within the City

# General Business License History

- ▶ January 2010 - Implementation of new BL requirements
- ▶ Notifications to 2,414 businesses as identified per the Management Partners Study
- ▶ Compliance increasing since 2010 and consistent with Study projections of 2,414 business and estimated revenues of \$275K

# Business License Activity:

FISCAL YEAR	GENERAL	FIREARMS	MASSAGE	TAXI	TOBACCO	MJ	BL TOTALS	REVENUES
FY 02/03	289	-	-	-	-	-	289	\$ 18,235
FY 03/04	547	-	-	-	-	-	547	\$ 32,510
FY 04/05	480	-	-	-	-	-	480	\$ 29,740
FY 05/06	514	-	-	-	-	-	514	\$ 33,215
FY 06/07	612	-	-	-	-	-	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

- *Business License Software Module implemented use in FY 07/08*
- *Fiscal Year 2017/18 budget includes a business license revenue estimate of \$263,000*
- *Full Cost Allocation Plan and Comprehensive User Fee Study to begin soon, and will evaluate all user fees currently charged by the City for full cost recovery, including business license fees. Depending on outcome of this study and future direction by Council, revenues may be adjusted in future years.*

# General Business License

## Ongoing and Future Efforts

- ▶ Coordination with Fire Dept. inspection program
- ▶ Public outreach at City Facilities
- ▶ Coordination with Chamber of Commerce to educate
- ▶ Field audits
- ▶ Database comparisons (Sales Tax, CofO, Fictitious Business Name)
- ▶ Website listing of businesses
- ▶ Enhanced online application process
- ▶ Follow Up Policy and Procedures

# Other Business License Programs

Other Business License Programs	First Time Total Fee	Renewal Total Fee	Alternative Fee
Firearms Dealers	\$129	\$120	N/A
Massage Establishments	\$274	\$274	\$9
Massage Technicians	\$234	\$234	\$9
Taxicab Operators and Drivers	\$129	\$120	N/A
Tobacco Retailing License <small>(Requires General Business License)</small>	\$543	\$534	N/A
Marijuana Delivery Driver	\$129	\$129	N/A
Marijuana Delivery Service	\$129	\$129	N/A

- Fees are inclusive of State Mandated Fee originally established by SB 1186 for \$1 and recently increased by AB 1379 to \$4
- Alternative Fees for Massage Establishments and Technicians are only applicable if State Certified
- Taxicabs have an additional \$5 annual fee per taxicab sticker (not included in amount above)
- Renewal fees may differ due to the specialty type license
- Fees were adopted and set by ordinance
- Tobacco passthrough costs of \$379 transmitted to County Public Health Department for processing and administration of program
- Marijuana Delivery Driver/Service passthrough costs of \$56 to Sheriff's Office for background checks/live scan

# State Mandated Fee Update

	Old Fee	New Fee
Established	SB 1186	AB 1379
Effective Date	1/1/2013 - 12/31/2017	1/1/2018 - 12/31/2023
Fee	\$1	\$4
City Allocation	70%	90%
State Allocation	30%	10%
City Use of Funds	Funds for increase 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
State Use of Funds	Deposited into the State Disability Access and Education Revolving Fund	Deposited into the Disability Access and Education Revolving Fund

- Fee increase by \$3 (through 2023)
- City annually collects approx. \$1,490 and now anticipating \$7,600 (\$6,110 increase or 410%)
- Forms and website updated
- No current programmed use yet
- \$7,800 current total balance since inception
- Quarterly remittance of fees to State
- Annual Reporting required

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



# Questions?