



# BUSINESS LICENSING

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Proposed Process Improvement Presentation

# Purpose

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- To achieve council's goal of promoting efficient and effective city government to improve levels of service by developing a clear distinction between general business licensing and sales tax licensing



# Current State

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- Municipal code identifies both the general business license and sales tax license as one and the same license
- The purpose of the general business license is to regulate activity within the city, promote health, safety and welfare for the citizens and promote economic development
- Sales tax licensing is a recognized mechanism to provide for the collection of taxes owed



# Current Process

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- In-City
  - Businesses must comply with zoning classification, building standards and fire safety
- Out-of-City
  - Licensing is essentially a registration to obtain business and contact information
  - Zoning, building and fire safety is not a consideration



# Challenge

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- One Process – Two Unrelated Priorities
  - Sales tax collection
  - Zoning and building compliance
- Statutory review period
  - 14 days in code vs 30 days in reality
  - Multiple departments/divisions review: clerk, planning, building, finance, back to clerks



# Challenge

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- License Fee not covering costs
  - \$20 current fee
  - Multiple departments review
    - Clerk, planning, building, finance, back to clerk
- No renewal
  - Once license is issued, staff has no way to know if business is still operating from year to year



# Proposal #1 –Licensing Process

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- Split In-City Process from Out-of-City Process
- In-city application filed with clerk's office
- Application is reviewed by zoning and building
- Upon approval, a general business license is issued and referred to sales tax for registration
- Out-of-City would simply register their business with sales tax



# Proposal #2 – Registration Process

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- Sales Tax Registration, No General Business Licensing
- All businesses would register through Finance
- Business would be notified of their responsibility to comply with zoning and building
- Finance would notify zoning and building after registration is complete



# Wrap Up

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- Discussion and Q&A

