



Legislation Text

File #: Pres 20-04, **Version:** 1

General Business Licensing Program

Summary and Background Information: For many years, general business licensing and sales tax licensing have been combined into one license, despite the different priorities each license serves. Sales tax licensing is a recognized mechanism to provide for the collection of taxes owed and general business licensing is a way to regulate activity within the city, promote health, safety and welfare for our citizens and promote economic development. Our current code requires all businesses, regardless of whether or not they are physically located within the city to obtain a general business license that also serves as their sales tax license. Challenges arise when businesses are in violation of zoning and building codes yet still owe sales tax. Our current code requires a 14-day processing period from application to issuance, when in reality, reviews can take up to 30 days because of the number of departments that review each application. Our current fee of \$20 does not cover the cost of the program, nor is there any annual renewal so that once a license is issued, staff has no way to know if the businesses exists from one year to the next. Staff is seeking policy direction from council on (1) separating general business licensing from sales tax collection by keeping a general business license requirement for in-city businesses and requiring a sales tax registration for both in-city and out of city businesses or (2) eliminating general business licensing entirely and moving to a sales tax registration system. Upon registration, businesses would be advised that they must be in compliance with zoning and building codes. Both models will require code amendments, a communications plan and process modifications.

Staff Responsible (Department Head): City Clerk Laura Bauer

Staff Member Presenting: City Clerk Laura Bauer