

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

<p>(1) DEPARTMENT Auditor - Controller - Treasurer - Tax Collector</p>	<p>(2) MEETING DATE 4/7/2015</p>	<p>(3) CONTACT/PHONE Justin Cooley, (805) 781-5852 Gordon Eiland, (805) 781-5848</p>	
<p>(4) SUBJECT Introduction of an ordinance amending Title 6 (Business Licenses and Regulations) of the County Code to provide consistency, clarity, and ease of reference for County residents and those agencies that have regulatory authority for County Business Licenses. Public Hearing to be set for April 21, 2015. All Districts.</p>			
<p>(5) RECOMMENDED ACTION It is recommended that the Board:</p> <ol style="list-style-type: none"> 1. Introduce the proposed amendment to Title 6 (Business Licenses and Regulations) of the County Code to provide consistency, clarity, and ease of reference for County residents and those agencies that have regulatory authority for County Business Licenses. 2. Direct the Clerk to set the item for public hearing and action on April 21, 2015. 3. Authorize the Auditor-Controller-Treasurer-Tax Collector to prepare a notice to be published by the Clerk in a newspaper of general circulation in the County no later than April 11, 2015, summarizing the proposed ordinance that will be considered on April 21, 2015, which can act as an alternative publication pursuant to Government Code Section 25124(b)(1). 			
<p>(6) FUNDING SOURCE(S) N/A</p>	<p>(7) CURRENT YEAR FINANCIAL IMPACT \$0.00</p>	<p>(8) ANNUAL FINANCIAL IMPACT \$0.00</p>	<p>(9) BUDGETED? N/A</p>
<p>(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ___) <input type="checkbox"/> Board Business (Time Est. ___)</p>			
<p>(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> N/A</p>			
<p>(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A</p>		<p>(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A</p>	
<p>(14) LOCATION MAP N/A</p>	<p>(15) BUSINESS IMPACT STATEMENT? N/A</p>	<p>(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A Date: _____</p>	
<p>(17) ADMINISTRATIVE OFFICE REVIEW <i>Nikki J. Schmidt</i></p>			
<p>(18) SUPERVISOR DISTRICT(S) All Districts.</p>			

County of San Luis Obispo



TO: Board of Supervisors

FROM: James P. Erb, CPA
Auditor - Controller - Treasurer - Tax Collector

DATE: April 7, 2015

SUBJECT: Introduction of an ordinance amending Title 6 (Business Licenses and Regulations) of the County Code to provide consistency, clarity, and ease of reference for County residents and those agencies that have regulatory authority for County Business Licenses. Public Hearing to be set for April 21, 2015. All Districts.

RECOMMENDATION

It is recommended that the Board:

1. Introduce the proposed amendment to Title 6 (Business Licenses and Regulations) of the County Code to provide consistency, clarity, and ease of reference for County residents and those agencies that have regulatory authority for County Business Licenses.
2. Direct the Clerk to set the item for public hearing and action on April 21, 2015.
3. Authorize the Auditor-Controller-Treasurer-Tax Collector to prepare a notice to be published by the Clerk in a newspaper of general circulation in the County no later than April 11, 2015, summarizing the proposed ordinance that will be considered on April 21, 2015, which can act as an alternative publication pursuant to Government Code Section 25124(b)(1).

DISCUSSION

Summary

The Auditor-Controller-Treasurer-Tax Collector's Office (ACTTC) is submitting updates and amendments to Title 6 (Business Licenses and Regulations) of the County Code for the Board's approval. Updating Title 6 will provide consistency, clarity, and ease of reference for residents and those agencies that have regulatory authority for County Business Licenses.

County Code provides that the Tax Collector is responsible for the issuance of County Business Licenses for businesses operating in the unincorporated areas of the County. Businesses operating within the limits of incorporated cities are under the jurisdiction of those cities.

The Business Licensing process begins when an application is submitted to the ACTTC. The ACTTC then refers the applicant to other County departments which may have jurisdiction over certain business types. For example, an application for a "restaurant" business would be referred to the Planning Department (to evaluate land use) and to the Public Health Agency (to review for food safety). If the applicant receives a positive recommendation, and is issued any required permits, the ACTTC issues the County Business License.

The ACTTC has maintained a philosophy of avoiding unnecessary regulation. Where a business is already regulated by state regulations, the ACTTC will honor the state license or certification. Additionally, any business already licensed in one of the incorporated cities in the County will not be required to obtain a County Business License for occasional or incidental operations in the unincorporated areas of the County.

County Business License fees are a cost-recovery measure, rather than a significant source of revenue. For the upcoming 2015-16 Fiscal Year, the Board authorized County Business License fees will be \$35.00 for a new Business License and \$26.00 for annual Business License Renewals. By contrast, business license fees in incorporated cities are often substantially higher.

The County Business License Ordinance has not had a comprehensive update since 1984. Many existing provisions are outdated and do not reflect current or best business practices. Many of the proposed changes are non-substantive and affect gender specific language, archaic language, or the formatting of the ordinance. These sections are being amended to provide clarity.

The ACTTC worked closely with agencies having regulatory authority over certain types of County Business License, including County Planning, the Sheriff, the Health Agency, Public Works, the Ag Commissioner, Risk Management, Animal Control, and Cal-Fire. These agencies provided input during the drafting process and approved proposed changes to Title 6 relevant to their agencies.

Listing of Key Changes and Summary Attachment

A listing of proposed substantive amendments to the existing ordinance is included as Attachment A. The key substantive changes to the San Luis Obispo County Business License Ordinance are as follows:

1. Section 6.04 defines businesses, business license types, and regulating agencies which may be called upon to review County Business License Applications for specific types of businesses. The additional definitions should provide clarity for County residents and reviewing agencies.
2. Chapter 6.08 is amended to reflect current business practices. Social Security and Drivers License Numbers are no longer included on the Business License application. Additionally, a simplified hearing and appeal process is added in order to save time, both for license applicants as well as County staff.
3. Section 6.08.051.1 (Prerequisite to Issuance of Certain Business Licenses) is amended to clarify which business types require review by other County agencies as a prerequisite to issuance of a County Business License.
4. Section 6.12.040 (Schedule of Fees) is re-titled as Fees. This section has been updated to reflect the current practice of charging the annual Business License fees authorized by the Board of Supervisors. An archaic and confusing fee schedule has been deleted.
5. Chapter 6.24 (Transient Merchants – Solicitors and Canvassers) is amended to reflect current, business practices. Additional sections are being added to simplify and modernize the issuance and renewal of Solicitors Business Licenses and Identification Badges.
6. Chapter 6.32 is amended to simplify the renewal process for Fireworks Displays once the initial application has been approved by the Board of Supervisors.
7. Chapter 6.36 (Card Rooms and Tables) is amended to reflect updated state law. Since the last comprehensive update of the Business License Ordinance, state law has been amended to require that the local ordinance specify the days and hours a card room is able to operate. The State Gambling Control Board has stated that our existing ordinance does not adequately state the allowed hours of operation. The proposed amendments specify the allowed hours of operation, which have not changed. The amendments to Chapter 6.36 also clarify that the license is not issued on the date of board approval, but may be issued at a later date. This change makes the issuance period consistent with other County Business Licenses.

8. Chapter 6.40 has been amended to delete reference to "pinball machines", which were previously prohibited. Additionally, a prohibition on advertising certain activities, including businesses that "tell fortunes", has been removed.
9. Chapter 6.75 is added in order to clarify the requirements for Massage business license applicants and to reflect current state law, which may exempt certain applicants from a County Business License.
10. Chapter 6.80 is added in order to clarify the requirements for Body Art business license applicants and to indicate those operators who may be exempt from obtaining a Body Art Establishment license.
11. Various references to misdemeanor violations have been updated to reference the specific state laws which set the penalties for these violations.

Notable Chapters Not Updated At This Time

Chapter 6.56 on Temporary Commercial Outdoor Entertainment Licenses is not being updated at this time. The County Planning and Building Department has taken the lead on updating this section but the updates have been put on hold at this time.

Chapter 6.70 on Taxicabs is not being updated at this time as more extensive coordination of regulation with other agencies will be required.

Alternative Publication of Amendment

The California Government Code, Section 25124(b)(1), establishes specific publication requirements for ordinance amendments. Your Board can authorize publication of a summary of the proposed ordinance amendment be published in a newspaper of general circulation in the County at least five days prior to the public hearing and within 15 days following action on the amendment. The approval of alternative publication, i.e., a summary instead of the full text, would be less costly than publishing the full text of the proposed ordinance amendment.

OTHER AGENCY INVOLVEMENT

The Department of Justice, Bureau of Gambling Control, Cal-Fire, the Department of Planning and Building, the Health Department, the Public Works Department, the Ag Commissioner's Office, the Animal Services Division, Risk Management, and the Sheriff have reviewed the proposed amendments.

County Counsel has reviewed and approved the proposed amendments for form and legal effect.

FINANCIAL CONSIDERATIONS

None. County Business License fees are set annually by the Board of Supervisors and are not affected by this ordinance update.

RESULTS

The result of this Board action will be to introduce an amendment to Title 6 (Business Licenses and Regulations) of the County Code, and set the item for Public Hearing on April 21, 2015. The purpose of the amendment is to provide an updated set of regulations for business licenses, to comply with state law, and to provide increased clarity to the ordinance where needed. Streamlining and updating Title 6 meets the County's goal of providing A Well Governed Community by being responsive to the community's need for clear and consistent business license regulation.

ATTACHMENTS

1. Attachment A - Summary of Substantive Changes
2. Attachment B - Business License Ordinance
3. Attachment C - Business License Ordinance Strikeout
4. Attachment D - Alternative Publication