



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

(1) DEPARTMENT ACTTCPA	(2) MEETING DATE 1/14/2020	(3) CONTACT/PHONE Justin Cooley (805) 781-5852 Lori Guidotti (805) 781-5840	
(4) SUBJECT Request to set a hearing to consider an appeal of a denial for a county business license for "Golden Hand Massage", by Weizhen Zhang. Hearing date set for February 4, 2020. District 2.			
(5) RECOMMENDED ACTION It is recommended that the Board set a public hearing on February 4, 2020 to consider an appeal of a denial for a county business license for "Golden Hand Massage".			
(6) FUNDING SOURCE(S) N/A	(7) CURRENT YEAR FINANCIAL IMPACT \$0.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? no
(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. _____)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A    Date _____	
(17) ADMINISTRATIVE OFFICE REVIEW <i>Nikki J. Schmidt</i>			
(18) SUPERVISOR DISTRICT(S) District 2			



## COUNTY OF SAN LUIS OBISPO

TO: Honorable Board of Supervisors

FROM: James W. Hamilton, CPA  
Auditor – Controller – Treasurer – Tax Collector – Public Administrator

DATE: January 14, 2020

SUBJECT: Request to set a hearing to consider an appeal of a denial for a county business license for “Golden Hand Massage”, by Weizhen Zhang. Hearing date set for February 4, 2020. District 2.

### **RECOMMENDATION**

It is recommended that the Board set a public hearing on February 4, 2020 to consider an appeal of a denial for a county business license for “Golden Hand Massage”.

### **DISCUSSION**

On August 12, 2019, the Auditor-Controller-Treasurer-Tax Collector’s Office (ACTTC) received an application for a County Business License for “Golden Hands Massage” from applicant Weizhen Zhang. County Code requires that applications for massage businesses be referred to the Sheriff prior to the issuance of a business license.

The ACTTC has previously denied massage business license applications for this location (1002 Los Osos Valley Rd., Los Osos, CA) based on recommendations from the Sheriff. The previous applicant was denied a license based on the Sheriff’s investigation which revealed that the previous applicant had engaged in sexually explicit advertising. The previous applicant’s business in the Fresno area was also found to have engaged in numerous violations by Fresno law enforcement.

When the ACTTC received the business license application on August 12, 2019, applicant Zhang was accompanied by the previous unsuccessful applicant.

The ACTTC received a recommendation of denial from the Sheriff for Ms. Zhang’s application and subsequently issued a notice of denial on October 16, 2019. County Code provides for two levels of appeal for any applicant or business license holder. First, the applicant may request a “reconsideration hearing” before the Tax Collector or their designee. If the applicant or license holder is not satisfied with the outcome of the reconsideration hearing, they may then appeal to your Board.

The applicant requested a reconsideration hearing pursuant to County Code Section 6.08.170. Accordingly, a reconsideration hearing was held on November 13, 2019 with Lesa Gofourth of the County Assessor's Office serving as the hearing officer. Under Section 6.08.170(f), the ACTTC designates hearing officers from other County agencies in the interest of promoting impartiality and fairness.

Tax Collector staff and Deputy Maria Johnston were present at the hearing, along with a Deputy County Counsel. The applicant appeared at the hearing along with a representative. As required under County Code, the hearing was recorded and the complete audio recording is available upon request. At the reconsideration hearing, the hearing officer heard testimony from the applicant and Deputy Johnston, who performed the required investigation. The hearing officer had the opportunity to ask questions of both the applicant and the investigating deputy.

On November 27, 2019, the hearing officer's decision was delivered to the applicant via certified mail and via email. The hearing officer upheld the denial for a county business license based on evidence presented during the November 13, 2019 hearing. The hearing officer made the following findings:

1. "The Sheriff's investigation related to the business license application included a search of your potential criminal history, a search of businesses where you have worked, and an internet search of those business locations for advertisements related to explicit adult services.
2. The Sheriff's investigation did not indicate that you had a criminal history. However, two of the places you have been employed did have advertisements in sexually explicit internet forums.
3. The ads were placed while you indicate you were the only employee in the Minnesota massage therapy business, called New Oriental Massage.
4. There were also sexually explicit reviews from purported clients during the time you were admittedly the only employee at the spa. ["New Oriental Massage", referenced above]
5. There were also explicit internet advertisements for services at the Dream Spa, a California spa during the time you worked at that establishment. Also there were numerous reviews posted on "Rubb Maps," an internet site that advertises and provides reviews of illicit sexual services at massage parlors.
6. Based on testimony by Officer Maria Johnston you have been operating [at the location specified in the application] without a license and without proper posting of your massage license and the human trafficking notices as required by California State Law. Officer Johnston testified that operating without a license is a misdemeanor and illegal business activity."

The hearing officer's complete Notice of Decision document is attached to this staff report for review. Item 6 from the Notice of Decision, it should be noted, correctly states that operating as a business before the County Business License is issued is in and of itself, designated as a misdemeanor under Section 6.00.020 of County Code and would be sufficient to justify the denial of the license.

On December 11, 2019, the applicant notified the ACTTC that she wished to appeal the decision of the hearing officer, as provided under 6.08.180 of County Code. The applicant's Request for Appeal (see attached) indicates her disagreement with some of the hearing officer's findings. She also notes that she should have brought a translator to the reconsideration hearing. During the reconsideration hearing, applicant Zhang made use of a translation

application on her smartphone. She was also accompanied by an acquaintance who advocated on her behalf and appeared to be performing informal translation. At all stages of the hearing and appeal process, the applicant was advised that she should bring a professional translator, legal representation, and any witnesses or other evidence she feels would be helpful. Accordingly, this request for hearing is being made for the February 4, 2020 Board date.

### **Proposed Procedure**

Under Section 6.08.180 (a) of County Code, this "...appeal will be limited to the record as presented at the hearing before the tax collector. No new evidence may be presented at an appeal before the board".

The applicant has been encouraged to bring a professional translator and legal representation to this appeal, although neither appear to be required by Code.

### **OTHER AGENCY INVOLVEMENT/IMPACT**

The Sheriff conducted the investigation prior to the issuance of a county business license, as required by Section 6.75.050 of County Code. Lesa Gofourth of the County Assessor served as the designated hearing officer. County Counsel was present at the reconsideration hearing and has reviewed all application materials.

### **FINANCIAL CONSIDERATIONS**

The applicant has previously paid the standard county business license application fee of \$43.

### **RESULTS**

Approval of this recommendation will result in scheduling of a business license denial appeal hearing before your Board on February 4, 2020.

### **ATTACHMENTS**

- 1 Business License Application Materials
- 2 Sheriff Recommendation of Denial
- 3 Golden Hand Denial Notice
- 4 Golden Hand Massage Hearing Decision
- 5 Appeal materials received from applicant