

**TOWN OF SAN ANSELMO
STAFF REPORT
July 2, 2013**

For the meeting of July 9, 2013

TO: Town Council

FROM: Debra Stutsman, Town Manager

Subject: Business License Administrative Fee

RECOMMENDATION

That Council receive the report on the Business License Administrative Fee and provide direction to staff.

BACKGROUND

On March 12, 2013 Council approved an ordinance repealing San Anselmo Municipal Code §6-1.15 (Business License Administrative Fee). The administrative fee was repealed due to a court decision, *Weisblat V. City of San Diego*, (2009) 176 Cal.App.4th 1022, concerning whether the Town should continue charging the business license administrative fee. Based on the language of *Weisblat*, it appeared prudent to discontinue the fee and re-evaluate. The ordinance went into effect on April 12, 2013.

DISCUSSION

Business License renewals are processed on an annual basis. The business license renewals for current businesses are sent out in November and December for the upcoming year. They are due by April 15 of the following year. If they are not received by April 15, late penalties apply.

For the 2013 calendar year, business license renewals were sent out in November and December 2012. Renewals typically trickle in over the five or six month period preceding April 15, although many businesses wait until the beginning of April to send in their renewals.

The Town has taken in 1,222 business license renewals for 2013 for which the administrative processing fee of \$15 was paid, equaling \$18,330 in administrative fees. Of those, 30 were collected between April 12 and April 15, amounting to \$450. There were 255 business license renewals received late (after April 15) and the administrative fee collected for those is \$3,825.

When the Council adopted Ordinance 1085 repealing the administrative fee, the Council did not indicate that the elimination of the fee would apply retroactively to 2013 renewals. Therefore,

staff proceeded with the understanding that Ordinance 1085 would apply in the 2014 renewal year. Accordingly, when the Town sends out business license renewals in November and December of this year, the administrative fee will not be charged.

At a recent Council meeting, Councilmember Greene asked that this item be agendaized for discussion.

OPTIONS

Should Council wish to revisit the staff interpretation of the issue, there are several options to consider:

1. Continue to collect the business license administrative processing fee for 2013 renewals, as has been done thus far.
2. Refund the administrative processing fee for 2013 renewals paid after April 11, 2013 (Approximately \$4275 to 285 businesses).
3. Refund the administrative processing fee for the 2013 renewals in total (\$18,330 to 1,222 different businesses).
4. Direct staff to credit next year's business license renewals with a \$15 credit toward the renewal, in addition to having no administrative fee charged.

CONCLUSION

Staff is requesting direction from the Town Council regarding the collection of the business license administrative fee for 2013 renewals.

Respectfully submitted,



Debra Stutsman
Town Manager