



To: Sarah Johnson, City Clerk
Cc: Bill Powell, Deputy City Clerk
From: City Attorney's Office – Corporate Division
Date: 9/17/2014
Re: Proposed Ordinances for Business License Review

This Memorandum contains five (5) parts. Part One lists the proposed ordinances related to your business license review. Part Two identifies the licenses that you are proposing to repeal. Part Three summarizes your proposed general licensing amendments. Part Four summarizes your additional, license-specific proposed amendments. And Part Five summarizes other procedural changes you have indicated that you intend to make in connection with your business license review.

**PART ONE—
PROPOSED ORDINANCES**

We have drafted the following proposed ordinances at your request in connection with your business license review:

1. An ordinance amending Article 1 (General Business License Provisions) of Chapter 2 (Business Licensing, Liquor Regulation and Taxation) of the Code of the City of Colorado Springs 2001, as amended, pertaining to general business license provisions Ch. 2, Art. 1
2. An ordinance repealing Part 1 (Circuses, Carnivals and Menageries) of Article 2 (Amusements) of Chapter 2 (Business Licensing, Liquor Regulation and Taxation) of the Code of the City of Colorado Springs 2001, as amended, pertaining to circus, carnival, and menagerie licenses Ch. 2, Art. 2, Part 1
3. An ordinance repealing Part 2 (Billiard and Pool Tables) of Article 2 (Amusements) of Chapter 2 (Business Licensing, Liquor Regulation and Taxation) of the Code of the City of Colorado Springs 2001, as amended, pertaining to billiard and pool table licenses Ch. 2, Art. 2, Part 2

4. An ordinance repealing Part 3 (Coin-Operated Machines) of Article 2 (Amusements) of Chapter 2 (Business Licensing, Liquor Regulation and Taxation) of the Code of the City of Colorado Springs 2001, as amended, pertaining to coin-operated machine licenses Ch. 2, Art. 2, Part 3
5. An ordinance repealing Part 4 (Game Rooms) of Article 2 (Amusements) of Chapter 2 (Business Licensing, Liquor Regulation and Taxation) of the Code of the City of Colorado Springs 2001, as amended, pertaining to game room licenses Ch. 2, Art. 2, Part 4
6. An ordinance amending Part 2 (Private Security Services) of Article 3 (Sales of Goods and Services) of Chapter 2 (Business Licensing, Liquor Regulation and Taxation) of the Code of the City of Colorado Springs 2001, as amended, pertaining to private security service licenses Ch. 2, Art. 3, Part 2
7. An ordinance amending Part 3 (Tree Service) of Article 3 (Sales of Goods and Services) of Chapter 2 (Business Licensing, Liquor Regulation and Taxation) of the Code of the City of Colorado Springs 2001, as amended, pertaining to tree service licenses Ch. 2, Art. 3, Part 3
8. An ordinance amending Part 4 (Alarm Licenses and Registration) of Article 3 (Sales of Goods and Services) of Chapter 2 (Business Licensing, Liquor Regulation and Taxation) of the Code of the City of Colorado Springs 2001, as amended, pertaining to alarm licenses Ch. 2, Art. 3, Part 4
9. An ordinance repealing Part 5 (Ash, Garbage, Refuse, Trash and Rubbish Haulers) of Article 3 (Sales of Goods and Services) of Chapter 2 (Business Licensing, Liquor Regulation and Taxation) of the Code of the City of Colorado Springs 2001, as amended, pertaining to ash, garbage, refuse, trash and rubbish hauler licenses Ch. 2, Art. 3, Part 5
10. An ordinance amending Part 6 (Escort Services) of Article 3 (Sales of Goods and Services) of Chapter 2 (Business Licensing, Liquor Regulation and Taxation) of the Code of the City of Colorado Springs 2001, as amended, pertaining to escort services licenses Ch. 2, Art. 3, Part 6

11. An ordinance amending Sections 701 (Definitions) and 702 (License Required; Fee; Term) of Part 7 (Peddler of Food Wares) of Article 3 (Sales of Goods and Services) of Chapter 2 (Business Licensing, Liquor Regulation and Taxation) of the Code of the City of Colorado Springs 2001, as amended, pertaining to food peddler licenses Ch. 2, Art. 3, Part 7
12. An ordinance amending Sections 803 (License Required; Fee; Term) and 804 (Bonds Required) of Part 8 (Pawnbrokers) of Article 3 (Sales of Goods and Services) of Chapter 2 (Business Licensing, Liquor Regulation and Taxation) of the Code of the City of Colorado Springs 2001, as amended, pertaining to pawnbroker licenses Ch. 2, Art. 3, Part 8
13. An ordinance repealing Part 9 (Going-Out-of-Business Sales) of Article 3 (Sales of Goods and Services) of Chapter 2 (Business Licensing, Liquor Regulation and Taxation) of the Code of the City of Colorado Springs 2001, as amended, pertaining to going-out-of-business sale licenses Ch. 2, Art. 3, Part 9
14. An ordinance amending Part 10 (Taxicabs) of Article 3 (Sales of Goods and Services) of Chapter 2 (Business Licensing, Liquor Regulation and Taxation) of the Code of the City of Colorado Springs 2001, as amended, pertaining to taxicab licenses Ch. 2, Art. 3, Part 10
15. An ordinance amending sections 1103 (License Required; Expiration; Transferability; Fees), 1104 (Applications; Funeral Escort Service Agency, Funeral Escort Service Agency Officers) and 1105 (Funeral Escort Agency License; Insurance Requirements; Training) of Part 11 (Funeral Escorts) of Article 3 (Sales of Goods and Services) of Chapter 2 (Business Licensing, Liquor Regulation and Taxation) of the Code of the City of Colorado Springs 2001, as amended, pertaining to funeral escort licenses Ch. 2, Art. 3, Part 11
16. An ordinance amending Article 4 (Sexually Oriented Businesses) of Chapter 2 (Business Licensing, Liquor Regulation and Taxation) of the Code of the City of Colorado Springs 2001, as amended, pertaining to sexually oriented business licenses Ch. 2, Art. 4

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| 17. | An ordinance amending Section 203 (Application for License; Bond and Insurance Requirements; Suspension or Revocation) of Part 2 (Excavations) of Article 3 (Streets and Public Ways) of Chapter 3 (Public Property and Public Works) of the Code of the City of Colorado Springs 2001, as amended, pertaining to excavation licenses | Ch. 3, Art. 3,
Part 2 |
| 18. | An ordinance repealing Part 4 (Private Snow Removal Activities on Public Streets) of Article 3 (Streets and Public Ways) of Chapter 3 (Public Property and Public Works) of the Code of the City of Colorado Springs 2001, as amended, pertaining to private snow removal licenses | Ch. 3, Art. 3,
Part 4 |
| 19. | An ordinance amending Part 5 (Concrete Contractors) of Article 3 (Streets and Public Ways) of Chapter 3 (Public Property and Public Works) of the Code of the City of Colorado Springs 2001, as amended, pertaining to concrete contractor licenses | Ch. 3, Art. 3,
Part 5 |
| 20. | An ordinance reordaining Section 507 (License Fees Enumerated) of Part 5 (License Fees) of Article 1 (General Business License Requirements) of Chapter 2 (Business Licensing, Liquor Regulation and Taxation) of the Code of the City of Colorado Springs 2001, as amended, pertaining to business license fees | Ch. 2, Art. 1,
Part 5 |

These proposed ordinances implement the changes to the business license provisions of the City Code that we have discussed through the date of this Memorandum. Those changes are summarized below.

**PART TWO—
PROPOSED LICENSE REPEALS**

The proposed ordinances would repeal the following licenses in their entirety, effective upon final adoption and publication as provided by Charter:

1. **Circuses, carnivals, and menageries;**
2. **Billiards and pool tables;**
3. **Coin-operated machines;**
4. **Game rooms;**

5. **Ash, garbage, refuse, trash and rubbish haulers;**
6. **Going-out-of-business sales;** and
7. **Private snow removal on public streets.**

**PART THREE—
GENERAL LICENSING AMENDMENTS**

The proposed ordinances would implement changes to general licensing provisions, effective as of January 1, 2015, and after final adoption and publication as provided by Charter, to accomplish the following:

1. Facilitate the anticipated shift to an online system for business license applications, renewals, and payment of fees;
2. Simplify and consolidate the general application requirements for all licenses subject to the General Licensing Code and incorporate the general requirements by reference into the specific license provisions;
3. Standardize the expiration date for all licenses to one (1) year from the date of issuance;
4. Replace the notarization requirements for initial and renewal applications with affirmation requirements and make it unlawful to knowingly make a false statement or omit pertinent information on a business license application or renewal application;
5. For licenses with insurance requirements, (a) shift notice of cancellation requirement from the insurer to the licensee and remove the 30-day advance notice period, (b) standardize commercial general liability insurance limits to \$1,000,000, (c) eliminate requirement that the City be named as an additional insured, and (d) allow for nonnotarized statement that workers' compensation insurance coverage is not required in lieu of a request for an exemption from the City;
6. Clarify that, in accord with section 1.2.404 of the City Code, the City Attorney shall approve the *form* of required bonds or surety documents but not the surety(ies) of the bonds themselves;
7. Provide that notices sent the last mailing or e-mail address furnished to the City Clerk's Office shall constitute sufficient notice and *prima facie* evidence that the notice was received to eliminate the requirement (though not the option) for service by certified mail;

8. Allow the Licensing Officer (*i.e.*, the City Clerk) to continue hearing (a) appeals of the Deputy Licensing Officer's decisions and (b) allegations of license violations requiring a suspension or revocation hearing, or to designate a "hearing officer" to do so;
9. Align suspension and revocation provisions with the hearing process set forth in Article 1, Part 8;
10. Replace references to the "Colorado Department of Revenue" with the "Colorado Secretary of State" to reflect the transfer of trade name registration responsibilities in 2006;
11. Include invoices, receipts, and applicable tax returns within the definition of "records";
12. Clarify throughout the general and specific license provisions that license and related fees shall be "as established by the City Council under article 1, part 5 of chapter 2"; and
13. Harmonize definitions and other language in the General Licensing Code with the rest of the City Code.

**PART FOUR—
ADDITIONAL LICENSE-SPECIFIC AMENDMENTS**

The proposed ordinances also include the following additional license-specific amendments, effective as of January 1, 2015, and after final adoption and publication as provided by Charter:

1. **Private security service**
 - a) Eliminate social security number requirement;
 - b) Eliminate passport photo and fingerprint requirements;
 - c) Clarify the issuance of licenses to private security officers in the form of identification cards;
 - d) Clarify differences between basic training and optional specialized training requirements for private security officers; and
 - e) Increase the number of sets of handcuffs that may be used or carried by private security officers from one (1) set to two (2) sets in response to existing licensee's request.

2. **Tree service**

- a) Establish two (2) classes of licenses – (1) a “general” license that allows cutting, training, pruning, shaping, or removing tree from or above the ground, and (2) a “limited” license that allows such activities from the ground only; and
- b) Allow the City Forester to waive any or all of the current exam requirements if the applicant is a certified arborist or tree worker of the International Society of Arboriculture (ISA).

3. **Escort services**

Modify/add definitions, transferability, application requirements, renewal application deadline, and mitigating factors provisions to conform to the requirements of the Colorado Escort Service Code, C.R.S. § 12-25.5-101 *et seq.*

4. **Taxicabs**

- a) Eliminate place of birth, social security number, race, gender, height, weight, eye color, and hair color application requirements;
- b) Eliminate photo and fingerprint requirements;
- c) Replace the requirement of a “Colorado *class C* driver’s license” with only a “Colorado driver’s license” to reflect changes in the classifications of Colorado driver’s licenses;
- d) Maintain the requirement for applicants be physically fit to safely operate a taxicab but eliminate the requirement that applicants submit a physical examination report to the City Clerk’s Office; and
- e) Modify grounds for denying an initial or renewal application to align with the disqualification grounds under the Colorado Public Utilities Commission Rules Regulating Transportation by Motor Vehicle, 4 CCR 723-6.

5. **Funeral escorts**

- a) Eliminate social security number requirement;
- b) Eliminate fingerprint requirement; and
- c) Clarify the issuance of licenses in the form of identification cards to funeral escort officers.

6. **Sexually oriented businesses**

Align suspension and revocation provisions with the hearing process set forth in Article 1, Part 8.

7. **License fees**

- a) Reordain section 2.1.507 to enumerate fees for all licenses subject to the General Licensing Code except for medical marijuana businesses;
- b) Reduce all application fees from \$15 to \$0;
- c) Reduce all background check fees from \$20 to \$7 and clarify when the fee shall be collected;
- d) Reduce most license and renewal fees to \$90; and
- e) Reduce the tree service exam packet fee to \$0.

**PART FIVE—
OTHER PROCEDURAL CHANGES**

In addition to the Code changes to be implemented through the proposed ordinances, you have indicated that you intend to make the following procedural changes:

- 1. Eliminate duplicative background checks by the City Clerk's Office and the Police Department; and
- 2. Cease performing certain background checks (*e.g.*, for tree service, contract security agency, and alarm license applicants).

These changes would not require any amendments to the City Code at this time.