

City Clerk's Business License Review and Proposal

September 22, 2014

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City Clerk

2014 City Clerk Breakthrough Strategy

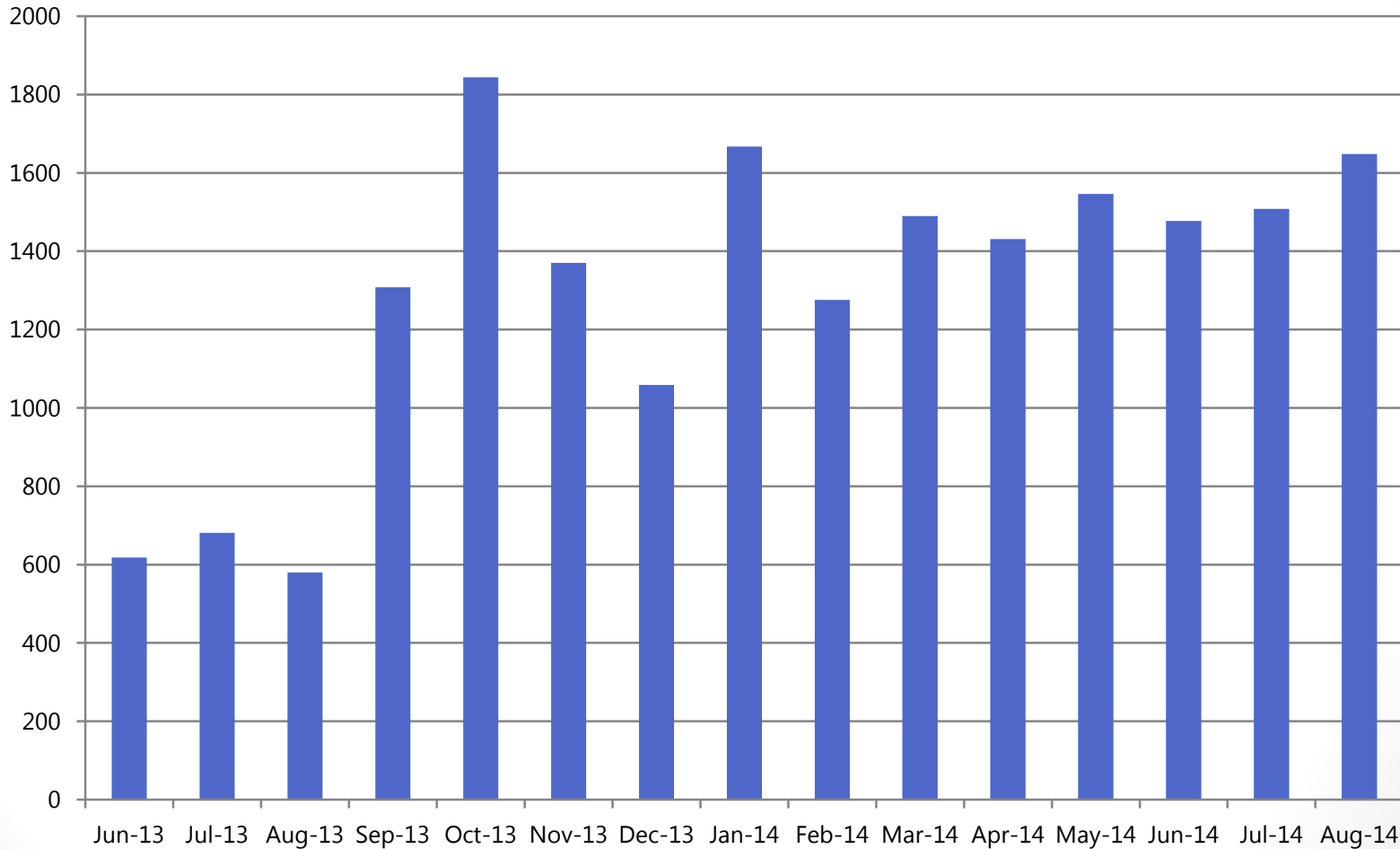
- Conduct a thorough review of all business license types and requirements to ensure they are relevant and meeting the needs of the City.
 - Reviewed the 17 General Business License Types
 - Worked closely with:
 - City Attorney's Office
 - Finance Office
 - CSPD
 - City Forester
 - Risk Management
 - Engineering/Public Works

General Business Licenses

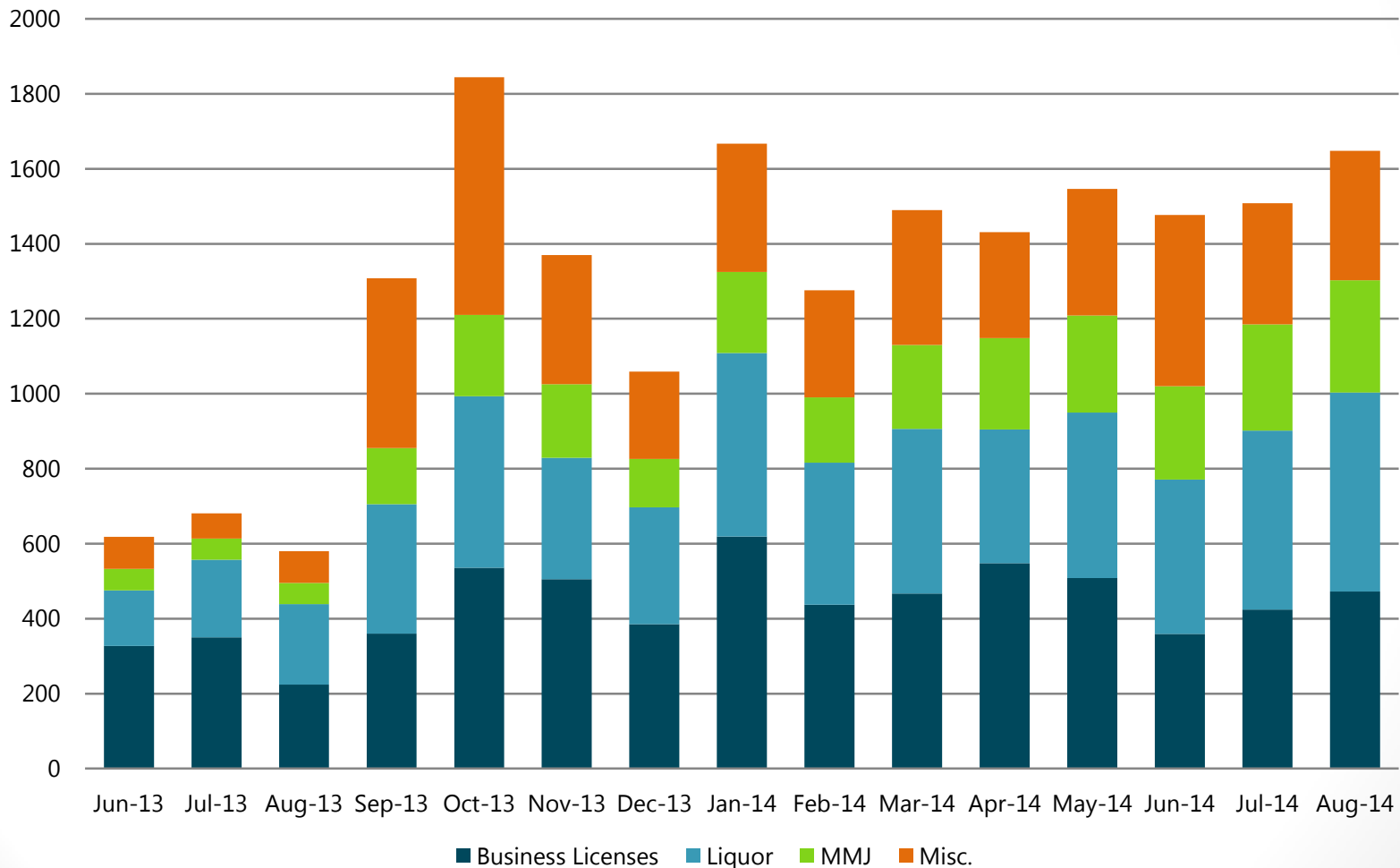
License Type	1 st Year Implemented	Code Section
Alarm Company	1965	2.3.401---2.3.410
Billiards and Pool Tables	1906	2.2.201---2.2.203
Circus, Carnival, Menageries	1906	2.2.101---2.2.103
Coin-operated Machines	1935	2.2.301---2.2.307
Concrete Contractor / Excavation Contractor	1997	3.3.2
Escort Runner / Bureau	1999	2.3.601---2.3.610
Funeral Escort Agency / Private Funeral Escort Officer	2014	2.3.11
Game Rooms	1943	2.2.401--2.2.404
Going-out-of-Business Sales	1969	2.3.901---2.3.910
Pawnbrokers	1906	2.3.801---2.3.811
Peddlers	1863/1903	2.3.701---2.3.703
Security Agency / Private Security Officer	1963	2.3.201---2.3.216
Sexually Oriented Business	1992	2.4.101---2.4.121
Taxi Driver License	1922	2.3.1001-2.3.1009
Ash, Garbage, Refuse, Trash and Rubbish Haulers	1953	2.3.501---2.3.507
Tree Service	1970	2.3.301---2.3.307

City Clerk Customer Contacts by Month

(walk-in, phone and email)

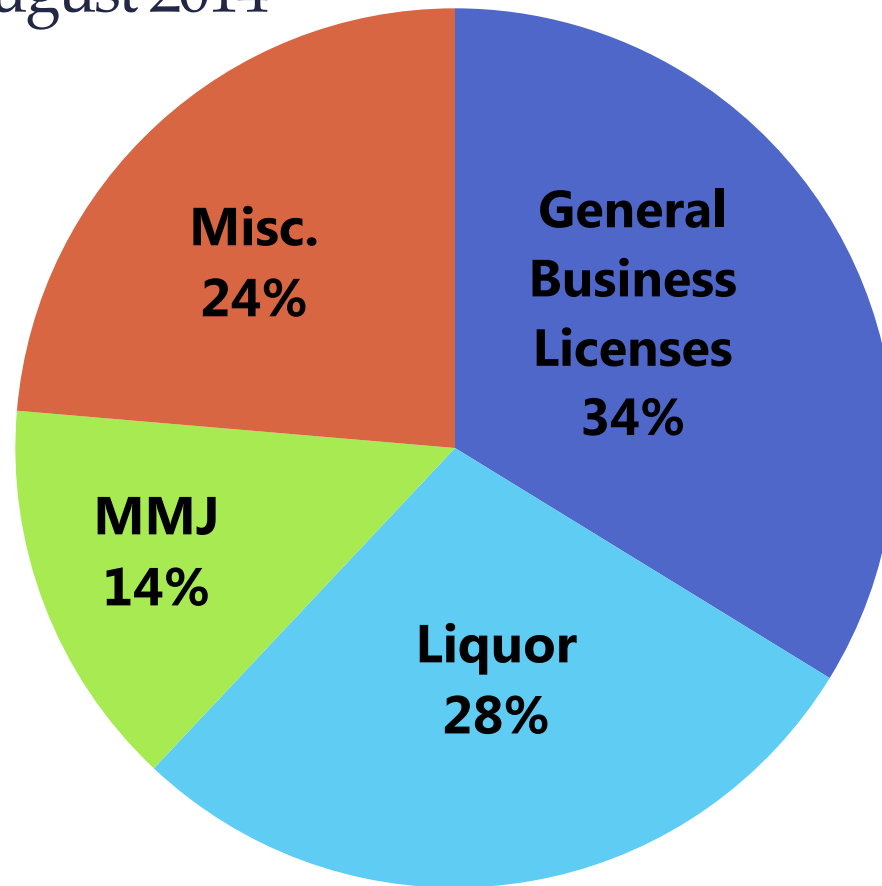


City Clerk Customer Contacts All License Types by Month



City Clerk Customer Licensing Contacts

June 2103-August 2014



Why and How Municipalities Regulate or License Lawful Businesses

1. Municipalities regulate (or license) lawful businesses:
 - To promote the public welfare and protect public health and safety
 - To protect consumers from abuses that might occur as a result of incompetent or unethical practices, particularly in skilled trades and professions
 - To protect public facilities and/or property
2. The authority to regulate can be statutory or derived from the City's police power
3. Regulation is accomplished through conditions imposed upon licensees that are reasonably related to the purpose of the regulation

Why and How Municipalities Regulate or License Lawful Businesses

4. Regulation can be applied at the federal (i.e., banks, interstate travel and commerce), state (i.e., doctors, insurance, real estate professionals, salons) and/or local levels
5. Can also have dual-licensing scheme (i.e., liquor, medical marijuana)
6. Regulatory authority generally cannot be delegated or contracted away

Proposal Includes

- General Licensing City Code Amendments
- License-Specific City Code Amendments
- Repeal of Certain City Code Licensure Provisions
- Other Procedural Changes
- License Fee Review

General Licensing Amendments

- Facilitate anticipated shift to an online business license system
- Simplify and consolidate the general business license application requirements
- Standardize the expiration date for all licenses to one (1) year from the date of issuance
- Replace the application notarization requirement with an affirmation requirement

General Licensing Amendments

- For licenses requiring insurance
 - Remove 30 day notice of cancellation by the insurance company
 - Shift notice of cancellation to the licensee
 - Standardize General Liability to \$1,000,000
 - Eliminate City as additional insured
 - Allow for statement of worker's compensation insurance to not be required for qualifying entities
- City Attorney will approve the acceptable *form* of bonds
- Notices sent to last known address constitute sufficient notice and *prima facie* evidence of receipt

General Licensing Amendments

- Allow the Licensing Officer or Designee to continue hearing
 - Appeals of the Deputy Licensing Officer's decisions
 - Allegations of licensing violations
- Align suspension and revocation provisions with the hearing process
- Replace references to the "Colorado Department of Revenue" with the "Colorado Secretary of State" , where necessary

General Licensing Amendments

- Include invoices, receipts, and applicable tax returns within the definition of “records”
- Clarify that business license fees are established by the City Council
- Harmonize definitions and other language with the rest of the City Code

Specific License Amendments

Private Security Agency and Officer

- Eliminate social security number requirement on application
- Eliminate passport photo and fingerprint requirements
- Clarify that the issuance of licenses to private security officers are in the form of identification cards
- Clarify differences between basic training and optional specialized training requirements for private security officers
- 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

Specific License Amendments

Tree Service

- Establish two classes of licenses
 - “General” license – allows cutting, trimming, pruning, shaping, or removing from above the ground
 - “Limited” license – allows above activities from the ground only
- Allow City Forester to waive current exam requirements if the applicant is a certified arborist or tree worker of the International Society of Arboriculture

Specific License Amendments

Escort Services

- Modify/add language to conform with Colorado Escort Service Code, C.R.S. § 12-25.2-101 *et seq.*

Specific License Amendments

Taxicabs

- Eliminate social security number and other demographic application requirements
- Eliminate photo and fingerprint requirements
- Replace the requirement of a “Colorado class C driver’s license” with a “Colorado driver’s license”
- Maintain the requirement for applicants to be physically fit to safely operate a taxicab but eliminate the physical examination report
- Modify grounds for denying an initial or renewal application to align with the disqualification grounds under the Colorado Public Utilities Commission Rules

Specific License Amendments

Funeral Escort Agency and Officer

- Eliminate social security number requirement on application
- Eliminate fingerprint requirement
- Clarify that the issuance of licenses are in the form of identification cards to funeral escort officers

Specific License Amendments

Sexually Oriented Businesses

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

Specific License Amendments

Excavations

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

Specific License Amendments

Concrete Contractors

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

Specific License Amendments

Pawnbrokers

- CSPD will be coming forward at a later date with additional changes to this section of City Code.

Alarm

- CSPD will be coming forward at a later date with additional changes to this section of City Code.

Licenses to be Repealed

- Circus, Carnival, Menageries
- Billiards and Pool Tables
- Coin-operated Machines
- Game Rooms

Licenses to be Repealed

- Ash, Garbage, Refuse, Trash and Rubbish Haulers
- Going-out-of-Business Sales
- Private Snow Removal on Public Streets

Other Procedural Changes

1. Eliminate duplicate background checks by the Clerk's Office and the Police Department
2. Discontinue background checks on certain licenses
 - Alarm Company
 - Private Security Agency
 - Tree Service

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

License Fee Cost Recovery

- GFOA Recommended Practice: Setting of Government Charges and Fees
 - *“A fee is imposed as a result of a public need to regulate activities, typically related to health, safety, or other protective purposes.”*
 - *“Fees result in the purchase of a privilege or authorization...”*
 - *“If the full cost of a good or service is not recovered, than a rational should be provided.”*
- City's Financial Policy Section 9 Revenue Policy
 - *“The City will evaluate cost recovery and align fees with cost recovery goals.”*

License Fee Cost Recovery

- Recommend maximum license fees set at 90% cost recovery
 - *Efficiencies will be identified with process changes/code changes*
- Methodology for determining "full cost"
 - *Direct costs of City Clerk's Office employees who administer these licenses*
 - *Indirect costs associated with such as identified in the City's Full Cost Allocation Plan*
- Methodology for determining "maximum cost per license"
 - *Full cost/number of licenses recommended to be retained*

Revenue Impact – (\$156.7K)

Licenses eliminated	# of Licenses	Current Fees	Proposed Fees	Annual \$ Impact
Games/Coin Operators	1583	\$15-\$500	\$0	(\$36,440)
Refuse	328	\$50-\$100	\$0	(\$17,840)
Circus	3	\$300	\$0	(\$900)

Licenses retained – Fee changes	# of Licenses	Current Fees	Proposed Fees	Annual \$ Impact
Alarm	209	\$250	\$90	(\$33,440)
Security	1254	\$95-\$1,000	\$90	(\$22,955)
Contractor, Peddler, Taxi, Tree	788	\$30-\$260	\$25-\$90	(\$7,175)

Other Fee Reductions/ Eliminations	#	Current Fees	Proposed Fees	Annual \$ Impact
Background Check, Application fee, Endorsement fee, Transfer fees	2,785	\$15-\$25	\$0-\$25	(\$38,858)

Administrative Information

- The first reading of these ordinances is scheduled for October 14, 2014
- The second reading will be October 28, 2014

Conclusion/Questions