



## Legislation Text

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**File #:** 14-0252, **Version:** 1

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Proposed ordinances relating to the elimination of certain business licensing fees, including excavation & concrete contractors' licenses and sales tax licenses.

**From:**

Councilmember Helen Collins

**Summary:**

During 2013, in line with City Council's 2014 strategic goal relating to improving Colorado Springs business-friendly climate, Councilmember Collins indicated an interest in examining the possibility of eliminating business licensing fees as a tool for enhancing Colorado Springs' business environment. In January 2014, a majority of Council members requested that staff research the history and current state of business licensing in the City of Colorado Springs. The Clerk's Office has provided data relating to the number and types of business licenses issued by the City, and the Budget Department has provided information relating to actual and budgeted business licensing revenue (excluding liquor-related and medical marijuana businesses.)

Councilmember Collins proposes, and the City Attorney's Office has drafted, ordinances that effectively eliminate the current fees to do business in the City, including application, license, background check, exam, exam packet, registration, renewal, and replacement fees, as well as the sales tax license fee.

**Previous Council Action:**

N/A

**Background:**

Included with this item for discussion are a table comparing business license fee types for various Front-Range cities; a table containing details about Colorado Springs' various business licenses, including new and renewal fees, ordinance references, information about additional license requirements, and the number of active licenses in each category as of March 2014.

Among the City Clerk's breakthrough strategy for 2014 is the following: "Conduct a thorough review of all business license types and requirements to ensure they are relevant and meeting the needs of the city." Review and recommendations are expected by the completion of the third quarter of 2014.

**Financial Implications:**

The Budget Department provided 2013 actual and 2014 budgeted license revenue, as well as 2014 year-to-date revenue. Business license fees have historically been recommended by the Clerk's office and adopted by Council based on a cost-recovery model, in which costs associated with issuing licenses are paid, at least in part, by licensees, rather than taxpayers. The revenue goes to

the City's general fund, and is used to cover expenses associated with licensing and enforcement activities in a variety of City departments (e.g. Clerk, Police, Fire, Planning, Forestry).

**Board/Commission Recommendation:**

N/A

**Stakeholder Process:**

Council staff and Councilmember Collins have discussed the project with representatives of the City Attorney's Office, City Clerk's Office, and City Finance staff.

**Alternatives:**

Council could request that the draft ordinances be placed on an upcoming regular Council agenda for consideration. Alternatively, Council could request that staff work with executive branch staff and other stakeholders to conduct additional research on the topic, coordinating its work with the Clerk's work on its 2014 breakthrough strategy relating to business licensing.

**Proposed Motion:**

N/A

N/A