



## Fees and Charges Report

**Date:** September 15, 2021  
**To:** City Council  
**Through:** Michael Kennington, Chief Financial Officer/Deputy City Manager  
**From:** Edward Quedens, Business Services Director  
Tim Meyer, Business License and Revenue Collections Administrator  
**Subject:** Fees and Charges – Business Services (Citywide)

### Purpose and Recommendation

The purpose of this report is to propose new fees for business licenses and for bodywork establishments. The Fees and Charges if approved by City Council will be effective as of January 1, 2022.

### Background / Discussion

**Business License** - A Business License program will improve data collection abilities which will allow citizens to acquire demographic information of like businesses. The program will also improve communication between the City and local businesses, for instance, sharing information regarding codes changes and providing notifications that may affect the business. Improved data on licensed businesses will provide Public Safety the ability to better communicate on issues that affect the health, safety and welfare of our citizens. The City will also be able to identify service based and home-based businesses and identify taxable businesses not currently reporting sales tax. Staff is proposing a \$10 application/license fee for the first year and a \$25 annual renewal license fee.

**Massage/Bodyworks License** – The Massage License is being expanded to include Bodyworks Establishments and will be one license. Licensing Bodyworks Establishments will expand the scope of regulated businesses to include all businesses engaged in manipulating the human body through touch. Certain businesses will be exempt from this license if they are operating within the scope of another license. This change should have minimal effect on the law-abiding organizations and will allow the Police Department to have more tools to investigate businesses that are not operating in a lawful manner. It will also hold landlords accountable who rent to tenants who are operating outside of the law.

Staff is proposing the same fees for the Bodyworks Establishments as the Massage Establishments:

## **Alternatives**

Council could decide not to implement any of the changes recommended by the Business Services Department.

## **Fiscal Impact**

Business License – The Business License fee is expected to generate \$100,000 for Calendar Year 2022 and \$300,000 annually once fully implemented. To support the program, Business Services proposes hiring 2.0 FTE's at an annual cost of approximately \$141,000 and other administrative costs.

Bodywork Establishment – The bodywork establishment fee is expected to generate \$4,000.

## **Coordinated With**

The Business Services Department has coordinated with the Office of Management and Budget on the fee modifications recommendation.

## Fees & Charges Schedule – Key

### Heading Configuration

<b><u>Schedule of Fees &amp; Charges</u></b>
<b>Department</b>
Contact Information
<b>HEADING 1</b>
HEADING 2
<i>Heading 3</i>
Description of Fee
Description of Fee 2

### Font Indications

Font	Font Indications
Regular Font	Existing fee or language
<del>Strikethrough</del>	Fee or language will be deleted from the Fee Schedule
<b>BOLD CAPS</b>	Language is being added to Fee Schedule
<b>Bold</b>	New or increased Fee Amount

**Schedule of Recommended Fees**  
**Exhibit A – Revenue Collection Operations**  
**Department: Business Services Department**

DESCRIPTION OF SERVICE	Current Fee	Proposed Fee	Unit	Revenue Code	Total Fiscal Impact	Notes
<b>BUSINESS LICENSE</b>				<b>1101-4104</b>	<b>\$100,000-\$300,000</b>	<b>New fee to allow the City to document/record businesses within City limits</b>
<b>APPLICATION/ LICENSE FEE</b>		<b>\$10.00</b>				
<b>ANNUAL RENEWAL FEE</b>		<b>\$25.00</b>	<b>ONE YEAR</b>			
Massage/ <b>BODYWORK</b> Establishments				<b>1101-4104</b>	<b>\$4,000</b>	<b>New fee to separate out bodywork establishments for new ordinance</b>
Application Fee		\$100.00				
License Fee		\$100.00				
Annual Renewal Fee		\$100.00	One year			
Renewal Late Fee ( <b>MASSAGE ESTABLISHMENT ONLY</b> )		\$25.00				<b>Not applicable to bodywork license; if late, license will expire</b>
Establishment Location Change		\$50.00	Location			

**Total Annual Fiscal Impact: \$104,000-\$304,000**