

RESOLUTION NO. 2012-034

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REEDLEY ADOPTING A
BUSINESS LICENSE ISSUANCE & RENEWAL POLICY**

WHEREAS, the City of Reedley issues and renews annual business licenses to businesses operating within city limits; and

WHEREAS, the City assesses and collects regular or intermittent fees from business owners; and

WHEREAS, under current City procedure, the City does not check to see if a business owner is delinquent in paying City fees, or enforce payment thereof, before issuing or renewing a City Business License; and

WHEREAS, effective July 1, 2012, the City will no longer issue or renew a Business License to any business that has delinquent City fees, for the prior year defined as July 1st through June 30th, including accrued late fees or collections costs; and

WHEREAS, this policy specifically does not apply to delinquent utility service fees.

WHEREAS, if business owners are unable to bring their account(s) current in time for the issuance or renewal of a City Business License, staff may negotiate a payment plan for delinquent fees, including accrued late fees or collections costs, to be fully remitted generally within six months or less; and

WHEREAS, staff will issue a temporary Business License for the term of the payment plan; and

WHEREAS, once the delinquent account(s) are brought current, whether at the end of the payment term or earlier, staff shall then issue an annual City Business License.

WHEREAS, once a payment plan is negotiated, staff will freeze the accrual of applicable additional interest and late fees that would apply during the duration of the payment plan; and

WHEREAS, such applicable interest and late fees will be reinstated and added back to the delinquent account should payments not be made as agreed.

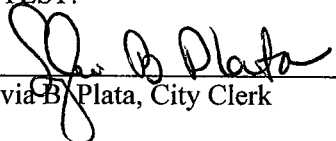
NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Reedley does hereby resolve and authorizes the implementation of the Business License Issuance & Renewal Policy.

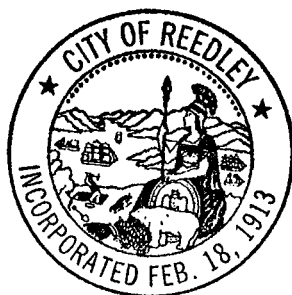
The foregoing resolution was passed, approved and adopted by the City Council of the City of Reedley at a regular meeting held on April 24, 2012, by the following vote:

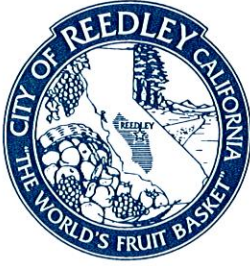
AYES: Beck, Chavez, Soleno, Betancourt.
NOES: None.
ABSENT: Fast.
ABSTAIN: None.


Mary L. Fast, Mayor

ATTEST:


Sylvia B. Plata, City Clerk





REPORT TO CITY COUNCIL

MEMORANDUM

AGENDA ITEM NO: 8

COUNCIL MEETING DATE: April 24, 2012

**SUBJECT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REEDLEY
ADOPTING A BUSINESS LICENSE ISSUANCE & RENEWAL POLICY**

RECOMMENDATION:

Staff is recommending the adoption of a Business License Issuance & Renewal Policy that requires businesses to pay delinquent fees before a City Business License is issued or renewed. This policy would extend to any and all delinquent City fees, for the prior year defined as July 1st through June 30th, including accrued late fees or collections costs, except those related to utility services (i.e. water, sewer, and solid waste).

BACKGROUND:

Under current City procedure, the City does not check to see if a business owner is delinquent in paying City fees before issuing or renewing a City Business License. For example, a business owner may be delinquent in Streetscape or Fire inspection fees, however this currently has no affect on their ability to obtain or renew a Business License.

The catalyst for this policy stems from a long-time concern by the Downtown Streetscape Committee. From as far back as 2001, the Committee has called for and supported a requirement that businesses pay any delinquent Streetscape fees before a Business License is renewed. At that time, staff received an opinion from the City Attorney that supported the adoption of this requirement, with the notable exception of fees related to utility services. Of the 137 businesses required to pay the monthly Streetscape fee of \$16.50, approximately 10 owners, or 7.30%, are delinquent every month. And of those delinquent accounts, approximately four to five of those are ultimately sent to collections.

With the adoption of this policy, effective July 1, 2012, the City will no longer issue or renew a Business License to any business that has delinquent City fees, including Streetscape, for the prior year defined as July 1st through June 30th, including accrued late fees or collections costs. This policy would not apply to delinquent utility service fees. Since this policy would initially primarily impact business owners required to pay Streetscape, the change will be communicated through the monthly invoicing process in advance of July 1st, so that those who are currently delinquent will have time to bring their accounts current with the City.

Negotiated Payments

If business owners are unable to bring their account(s) current in time for the issuance or renewal of a City Business License, the new policy would allow for staff to negotiate a payment plan. Under the payment plan, payment of delinquent fees, including accrued late fees or collections costs, would be fully remitted, generally in six months or less. Staff would then issue a temporary Business License for the term of the payment plan. For example, if a business owner requires three months to pay delinquent City fees, staff would issue the owner a temporary business license valid from July 1st to September 30th. Once the account(s) is brought current, whether at the end of the payment term or earlier, staff would then issue a full annual Business License. Once a payment plan is negotiated, staff will pull the delinquent fees out of collections (if applicable) and put a 'freeze' on the accrual of applicable additional interest, late fees, or collections costs. Typical of other governmental agencies or private enterprise, if payments are not made as agreed, the applicable additional interest penalties and late fees that would have accrued during the duration of the payment plan will be reinstated and added back to the delinquent account.

FISCAL IMPACT:

The adoption of this policy is anticipated, over time, to reduce delinquencies and improve collection ratios for City fees, namely the monthly Downtown Parking & Improvement Area monthly 'Streetscape' fee, of which this revenue directly benefits Downtown Reedley.

Prepared by:  Director of Administrative Services

Approved by:  City Manager

Attachments: Resolution 2012-034

Motion: _____

Second: _____