

Agenda Report

December 3, 2012

TO: Honorable Mayor and City Council
THROUGH: Finance Committee
FROM: Finance Department
SUBJECT: SB1186 \$1.00 Mandated Fee on All Business Licenses and Renewals

RECOMMENDATION:

It is recommended that the City Council amend the Fiscal Year 2013 Fee Schedule to include a new State mandated fee of \$1.00 to all Business Licenses and Renewals.

BACKGROUND:

On September 19, 2012 Governor Brown signed into law, SB1186. This bill imposes, on or after January 1, 2013 an additional state fee of \$1.00 on any applicant for a local business license or similar instrument or permit or renewal thereof. The primary intent of the bill was to limit the liability to businesses against lawsuits under the American Disability Act (ADA). A component of this bill is to increase disability access and compliance with construction-related accessibility requirements and to develop educational resources for businesses in order to facilitate compliance with federal and state disability laws, as specified.

Under federal and state law, compliance with disability access laws is a serious and significant responsibility that applies to all California building owners and tenants with buildings open to the public.

SB1186 will be in effect on January 1, 2013 and the additional \$1.00 fee will apply to all local businesses including rental properties, out-of-town businesses, home based businesses, contractors, exempt businesses and non-profits. The bill divides the revenue collected between the State Architect and the City. Of the collected revenue, 70% will be retained by the City and restricted for use in its Certified Access Specialist Program (CASP) and for associated administrative costs while the remaining 30% is transmitted to the State.

COUNCIL POLICY CONSIDERATION:

This action supports the City Council strategic goal to maintain fiscal responsibility and stability.

ENVIRONMENTAL ANALYSIS:

The proposed action is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15061 (b).

FISCAL IMPACT:

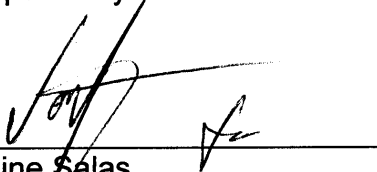
It is estimated that the City will receive additional revenue of \$140,000 during the 6 years of SB1186 as a result of the \$1 fee increase on all business licenses. 70% of the revenue or \$98,000 will be retained by the City to cover the administrative cost for the program and provide ADA educational requirements. The remaining 30% or estimated \$42,000 will be remitted to the state.

Respectfully submitted,



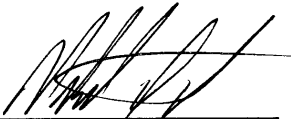
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