Agenda Report

TO: **CITY COUNCIL** DATE: **March 16, 1999**

Attn: **Legislative Committee**

FROM: **City Manager**

SUBJECT: **OPPOSITION OF ASSEMBLY BILL 83: BUSINESS LICENSES AND FEES: RESIDENCE AS PLACE OF BUSINESS**

RECOMMENDATION
It is recommended that the City Council adopt the attached resolution and authorize the Mayor to send a letter to the appropriate officials *opposing* Assembly Bill 83: Business Licenses and Fees: Residence as Place of Business.

BACKGROUND
Existing law authorizes cities and counties to license any kind of business not prohibited by law transacted and carried on within the limits of their jurisdictions, and to fix the rates of the license fee and provide for its collection.

BILL IMPACT
This bill would prohibit the City of Pasadena from requiring the collection of a business license or home business occupation permit on any person solely because that person receives an income for work performed at or from the person's place of residence. Pasadena could only require the collection of a business license or home occupation permit from persons who have filed a fictitious business name statement or who regularly solicit business at their place of residence by advertisement.

BILL STATUS
Assembly Bill 83 was introduced by Assembly Member Cardenas on December 12, 1998. The bill was referred to the Committee on Local Government on January 11, 1999. No date has been set for the first hearing of this bill.
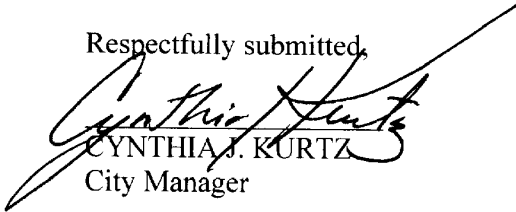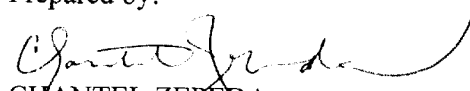
FISCAL IMPACT

The City of Pasadena is projected to receive over $3.2 million in General Fund revenue from Business License Tax and Home Occupation Permit revenues in each fiscal year 1999 and 2000. The passage of Assembly Bill 83 threatens the future receipt of at least $146,000 of home-based business related Business License Tax revenue. This amount represents 5% of the total projected Business License Tax revenue.
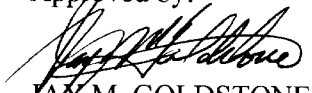
Respectfully submitted,

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