

City of Fernley  
Business Impact Statement  
Business License Fee Restructure 2018

The following Business Impact Statement was prepared pursuant to NRS 237.090 to address the proposed impact of revising the City of Fernley business license fee schedule relating to businesses identified as industrial, warehouse, manufacturing or distribution only. These businesses are not properly represented with the current license type and fee schedule. The business license fees for these customers will be based on square footage of the building(s) used for the business operations based on the table below or gross receipt revenue, whichever is greater.

Proposed Square Foot Pricing:		
\$1-\$10,000	\$	0.09
\$10,001-\$50,000	\$	0.07
\$50,001-\$100,000	\$	0.05
\$100,001-\$250,000	\$	0.03
\$250,0001+	\$	0.01

1. The following constitutes a description of the number and the manner in which comment was solicited from affected businesses, a summary of their response and an explanation of the manner in which other interested persons may obtain a copy of the summary. (*List all trade association or owners and officers of businesses likely to be affected by the proposed rule that have been consulted*).
  - a. Manner in which comment was solicited from affected businesses:
    - i. Notices were mailed on September 25, 2018 to 32 businesses identified as industrial, warehouse, manufacturing or distribution. The notice included an explanation of the proposed changes, an invitation to attend one of two (2) public workshops, a public comment form and an example page that compared gross revenue business license fees to square footage business license fees.
    - ii. Two Public Workshops were scheduled October 9<sup>th</sup> at 5pm and October 25<sup>th</sup> at 5:30pm. Public Notices were published in the Reno Gazette Journal News on October 3<sup>rd</sup> and October 24<sup>th</sup> The Workshop were held at Fernley City Hall.
    - iii. Notices were posted to the City website, [www.cityoffernley.org](http://www.cityoffernley.org), providing links to the public comment form and the workshop invitation.
    - iv. The notice, public comment forms and the fee comparison example were made available at the City Clerk's office at 595 Silver Lace Blvd, Fernley, NV. 89408

- b. Summary of responses and an explanation of the manner in which other interested persons may obtain a copy of the summary.
  - i. One business representative attended the workshop on October 9<sup>th</sup>. He did not comment in writing. He suggested staff add another level to the proposed square footage calculation, he wanted to know what additional revenue will be used for, he inquired if the empty buildings were being charged a fee. He was not opposed to the increase adding he wanted to make sure all businesses were being charged fairly.
  - ii. No other comments either in favor of or opposed to the proposed changes were provided.
  - iii. No one attended the workshop held on October 25<sup>th</sup>.
  - iv. A copy of this summary can be obtained from the City Clerks
2. The estimated economic effect of the proposed rule on businesses, including, without limitation, both adverse and beneficial effects, and both direct and indirect effects:
  - a. A total of 32 notices were sent out and 1 verbal comment was received. The effects and benefits named in the verbal public comment is summarized below.
    - i. Adverse effects:  
None identified
    - ii. Beneficial effects:
      1. The workshop participant inquired what the additional revenue would be used for. Staff explained that the proposed business license increase would add revenue to the General Fund for repairs of infrastructure which includes the Industrial Area where the employees, customers and trucking companies deliver merchandise to his company and others, would have better and safer roads to drive on.
      2. The participant stated he was not opposed to the increase which ensures all businesses are being charged equally.
    - iii. Direct effects:  
None identified
    - iv. Indirect effects:  
The participant suggested that staff add another level to the proposed square footage calculation to create a more even distribution.
3. The following constitutes a description of the methods the local government considered to reduce the impact of the proposed rule on businesses ad a statement regarding whether any, and if so which, of these methods were used: *(Include whether the following was considered: simplifying the proposed rule; establishing different standards of compliance for a business; and if applicable, modifying a fee or fine set forth in the rule so that business could pay a lower fee or fine).*
  - a. At first staff considered adding a tiered flat fee to the amount of the square footage, similar to what other jurisdictions charge. After calculating projected numbers, staff determined the impact would be too significant.

4. The governing body estimates the annual cost to the local government for enforcement of the proposed rule is:
  - a. No additional cost is predicated
5. (If applicable, provide the following:) The proposed rule provides for a new fee or increases, and existing fee and the total annual amount expected to be collected is:
  - a. \$ 33,534
6. The money generated by the new fee or increase in existing fee will be used by the local government to:
  - a. Improve and maintain City infrastructure and roads.
7. (If applicable, provide the following:) The proposed rule includes provisions that duplicate or are more stringent than federal, state or local standards regulating the same activity. The following explains when such duplicative or more stringent provisions are necessary:
  - a. Businesses identified as industrial, warehouse, manufacturing or distribution are not properly represented with the current license type and fee schedule. In comparing license fees paid by these types of business were significantly lower than like businesses in the same area.

Certification required per NRS 237.090(2):

I, Daphne Hooper, as City Manager of the City of Fernley, hereby certify that, to the best of my knowledge and belief, the information contained in this Business Impact Statement was prepared properly and accurately.

Dated this 13 day of December 2018.



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Daphne Hooper, City Manager