



CITY OF FERNLEY

CITY COUNCIL

AGENDA REPORT

Meeting Date: October 16, 2019

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| REPORT TO: | Mayor and City Council |
| REPORT THRU: | Daphne Hooper, City Manager |
| REPORT FROM: | Kim Swanson, City Clerk |
| REVIEWED BY: | Brandi Jensen, City Attorney |
| REVIEWED BY: | Denise Lewis, City Treasurer |

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|---|---|----------------------|
| FINANCIAL IMPACT: Yes: <input type="checkbox"/> No: <input checked="" type="checkbox"/> | CURRENTLY BUDGETED: Yes: <input type="checkbox"/> No: <input checked="" type="checkbox"/> | FUND/ACCOUNT: |
|---|---|----------------------|

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| ACTION REQUESTED: <input type="checkbox"/> Consent <input checked="" type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input type="checkbox"/> Motion <input type="checkbox"/> Receive/File |
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| AGENDA ITEM: Staff Report (For Possible Action): Discussion and possible action to introduce Bill # 278, an Ordinance modifying the Fernley Municipal Code, Section 10, Business License Regulations. |
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| Business Impact (per NRS Chapter 237): <input type="checkbox"/> A Business Impact Statement is Attached. <input checked="" type="checkbox"/> A Business Impact Statement is not required because this is not a rule (term excludes vehicles by which legislative powers are exercised under NRS Chapters 271, 278, 278A, or 278B). |
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| Agenda Item Brief: Staff is requesting City Council to introduce Bill #278, updating Fernley Municipal Code with changes listed under Project Summary. |
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See attached report for background, analysis, alternatives.

RECOMMENDED MOTION:

“I move to introduce Bill #278, an Ordinance modifying the Fernley Municipal Code, Section 10, Business License Regulations by adding definitions for distribution facility, manufacturing plant, and square footage; adding provisions pertaining to enforcement of unlicensed businesses; adding square footage as another way to calculate license fees for business identified as industrial, warehouse, distribution and manufacturing; by removing the grace period from the business license fee schedule; and updating provisions pertaining to multiple enterprises licensed as one”.

ALTERNATIVES:

City Council could choose to make additional changes, request additional information, or propose an alternative.

PROJECT SUMMARY:

City Council approved a Business Impact statement that added square footage as an additional way to determine license fees for businesses identified as manufacturing, industrial, warehouse or distribution. This update to the Municipal Code includes definitions for a distribution facility, manufacturing facility and defines square footage. Sections 10.01.03, 10.01.05, & 10.01.06, will be updated to reflect this change.

Currently, the customer has a 30-day grace period and a large number of businesses wait until the end of the grace period to pay their license fee. Staff is proposing to remove the grace period from the Code, so that the penalty period will begin the day after the license expires. This would be an update to Section 10.01.12. If this change is approved, staff anticipates that businesses will pay the license fee before a penalty is assessed. This will reduce the amount of time staff spends on delinquent accounts.

Additionally, in Section 10.01.12, draft language has been added for businesses that are operating unlicensed in the City. If, approved, their fees will begin upon initial contact by the department, penalties and other fees will be assessed if the business is not in compliance within 60 days of initial contact.

Updates have also been made to Section 10.01.18, Multiple Enterprises Licensed as one. Staff is recommending that “under the same businesses classification” is added to this Section. This way a licensee that operates more than one business out of the same location with different business classifications/categories must have separate licenses.

BACKGROUND:

The City Clerks office is constantly sending letters to businesses to come into compliance with the business license regulations. Currently, the business license fees start when the licensee submits a business license application. We have had several instances where the department has contacted businesses several times, using vital City resources to bring the business into compliance. The current code does not allow the department to collect any other fess besides the annual license fee, which does not allow the City to cover the resources that have been utilized.

ANALYSIS:

Staff has identified opportunities for improvement in the Section of Business License Regulations of the Municipal Code.

FINANCIAL IMPLICATIONS:

With these changes staff will be able to collect fees that would allow the City to cover the cost of resources used to bring business into compliance.

ATTACHMENTS:

FMC Title 10 Business License Regulations.