



North Ogden City

Memorandum

To: Mayor and City Council
From: Debbie Cardenas, Finance Director *DMC*
Date: 10/20/10
Re: Business License Fee Information

1. Justification for a **base business license fee** to cover the basic costs to administer business licenses: UCA 10-1-203(2). This allows the city to establish business license fees to recover the basic regulator cost for businesses within the city subject to the restrictions related to charging disproportionate fees.
2. Justification for disproportionate regulatory fees and disproportionate service fees: UCA 10-1-203(5)(a)(i)(C)
 1. The **disproportionate regulatory fee** covers the cities costs that go above and beyond the base cost for each license. Often, license categories have unique regulatory requirements that may differ from the base license cost. In North Ogden City's case, rental units are reviewed by code enforcement and, if a good landlord program were to be instituted, would have the costs related to administering that program. Thus, these licenses have a disproportionate regulatory fee.
 2. The **disproportionate service fee** is based on the calls for service for police services above what a typical single family residence is paying.

At the October 12, 2010 Council meeting, Council asked staff to bring the police call data used to determine the disproportionate service fee. The police department has been working to pull that information and it will be available at the October 26, Council meeting.

Also at the last Council meeting, the Council was given several options to consider in adopting the new business license fees. The staff is attaching the option considered to cause the least hardship while also trying to recoup some of the costs in providing services to businesses and rental units.