



## City Council Agenda Item

**City Council Meeting Date:** December 17, 2019

**TO:** Jim Throop, City Manager

**FROM:** Stacy L. Lawson, Senior Environmental Coordinator  
s\_lawson@ci.lompoc.ca.us

**SUBJECT:** Establishment of Provisional Business Tax Certificate Procedure Under Senate Bill 205 and BTC Storm Water Processing Fee; Adoption of Resolution Nos. 6293(19) and 6294(19)

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### **Recommendation:**

Staff recommends the City Council:

- 1) Establish a provisional Business Tax Certificate (BTC) procedure, along with a storm water processing fee, to address the requirements of California Senate Bill 205 (SB 205);
- 2) Adopt Resolution No. 6293(19) establishing a provisional Business Tax Certificate procedure (Attachment 1); and
- 3) Adopt Resolution No. 6294(19) updating the Master Fee Schedule to adopt a fee for processing of storm water information in BTC applications (Attachment 2); or
- 4) Provide alternate direction.

### **Background/Discussion:**

On October 2, 2019, the California Governor signed Senate Bill 205 (Attachment 3) which requires any person operating a business regulated under the State's Industrial General Storm Water Permit (IGP) to demonstrate their enrollment in the permit when applying for a Business Tax Certificate (BTC), or BTC renewal.

The new law requires the business owner to provide specified information, under penalty of perjury, with the BTC application, including the applicable Standard Industrial Classification Code(s) for the business. That requirement applies to all applications for initial BTCs and BTC renewals submitted on and after January 1, 2020. (A draft copy of the required form is shown as Attachment 4.)

For businesses renewing their BTCs, cities have the option of establishing a procedure allowing issuance of a provisional BTC for a maximum of three months, to allow time for businesses to submit the information required by the new state law. Staff is recommending this option be adopted to assist regulated businesses in complying with the requirement.

**Fiscal Impact:**

SB 205 constitutes an unfunded mandate, imposing additional regulatory requirements on local government. The state has exempted itself from having to pay for the costs of local government implementation of SB 205. Implementation will result in new costs to the City in the form of staff time for implementing these new BTC requirements.

Since this is an unfunded State mandate, staff recommends a new storm water fee of \$25.00 be adopted to cover the required review of new BTC applications. The fee is proposed to be added to new BTC applications only, to off-set the cost of their initial review.

**Conclusion:**

While the City does not welcome new mandatory requirements from the state, particularly those which constitute unfunded mandates, we are bound to comply with them. The City has the option of allowing an additional three months for regulated businesses renewing their BTC to comply with the IGP. Staff recommends this option be adopted to assist businesses and recommends a new storm water fee be adopted to cover review of new BTC applications as required by the new State law.

Respectfully submitted,

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Stacy L. Lawson, Senior Environmental Coordinator

**APPROVED FOR SUBMITTAL TO THE CITY MANAGER:**

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Christie Alarcon, Community Development Director

**APPROVED FOR SUBMITTAL TO THE CITY COUNCIL:**

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Jim Throop, City Manager

- Attachments:
- 1) Resolution No. 6293(19)
  - 2) Resolution No. 6294(19)
  - 3) Senate Bill 205
  - 4) Industrial General Permit Compliance Documentation Form