



City of Long Beach  
Working Together to Serve

Office of Robert Garcia  
Council Member, First District

**Date:** March 2, 2010

**To:** Honorable Mayor and Members of the City Council

**From:** Councilmember Robert Garcia, First District *RG*  
Councilmember Suja Lowenthal, Second District *SL*  
Councilmember Dee Andrews, Sixth District *DA*  
Vice Mayor Val Lerch, Ninth District *Val*

**Subject:** **Artists' Business License Fee Exemption**

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**Background:**

*Create Long Beach, A Cultural Plan Framework for Long Beach* encourages the City to "develop programs to attract, retain, and sustain creative individuals and industries." Among the means suggested to achieve this goal are tax incentives, zoning variances, and assistance in the use of vacant spaces for temporary exhibitions (goal 4-5).

Currently, a professional artist who rents or owns a space to create artwork must pay an annual business license fee. This does not create revenue for the City, but may discourage artists from setting up in the City. The City of Los Angeles exempts artists with gross receipts of less than \$300,000 annually from their business license tax. Seal Beach does the same for receipts under \$20,000. This may encourage artists in the South Bay to set up in neighboring cities.

All but the most prominent artists rarely earn more than a meager living, and starting a career as an artist is very difficult. Though the City offers many spaces for artists to work, the license fee is burdensome to all but the most successful. Artists engaged primarily in creating, rather than selling art, are different from a traditional business, in that their spaces are not usually open to the public for retail sales on a regular basis. It is contrary to the City's goal of encouraging arts and culture to continue charging artists a license fee to maintain a work space.

**Recommendation:**

Request the City Attorney work with Business Licensing to draft an ordinance within 60 days that provides exceptions to the business licensing requirements for artists who rent or own a space used primarily for the creation of art, with gross receipts below a reasonable threshold.