



Legislation Text

File #: 10-0321, **Version:** 1

Recommendation to adopt resolution providing for a temporary amnesty period for unlicensed businesses for the period from April 1, 2010 through April 1, 2011. (Citywide)

Pursuant to City Council request, the Department of Financial Management is prepared to implement a Business License Amnesty Program. The purpose of the Amnesty Program is to facilitate voluntary compliance with obtaining a business license, by providing unlicensed businesses 30 days to apply for a business license and waiving up to three years of back taxes and penalties. Once a business is licensed, it pays business license tax annually. During this amnesty period, the attached Resolution will waive past-due taxes and penalties for any unlicensed business that completes a business license application within 30 days of being notified by the City that a Long Beach business license is required.

The City has successfully participated in the Local Government Sharing Program (AB 63 Program) for the past seven years. Through the AB 63 Program, the City receives from the State Franchise Tax Board (FTB) a list of the businesses that filed an income tax return using a Long Beach zip code. Using this list, Business License staff locates businesses that are operating without a current business license. In 2010, staff expects to continue the effectiveness of the program by licensing an additional 1,000 businesses.

In conjunction with the AB 63 Program, the City authorized an amnesty program in 2007 to those businesses that applied for a business license within 30 days of receiving a letter from the City. The previous Amnesty Program expired on December 31, 2007. Reinstating the Amnesty Program will provide relief to those businesses that may currently be operating without a license.

This matter was reviewed by Deputy City Attorney Amy R. Burton on March 1, 2010 and Budget Management Officer Victoria Bell on March 4, 2010.

City Council action on this item is requested on March 23, 2010, as the Amnesty Program cannot become effective without City Council approval.

Should the City realize 1,000 new business licenses from the combination of the AS 63 Program and the Amnesty Program, as much as \$215,000 in additional revenue would be deposited into the General Fund annually. During the last two years of the prior Amnesty Program, 671 new business licenses were issued, for approximately \$250,887 in ongoing annual revenue.

Approve recommendation.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH TO PROVIDING FOR A TEMPORARY AMNESTY PERIOD FOR UNLICENSED BUSINESSES FOR THE PERIOD FROM APRIL 1, 2010 THROUGH APRIL 1, 2011

LORI ANN FARRELL
DIRECTOR OF FINANCIAL MANAGEMENT/CFO

NAME
TITLE

APPROVED:

PATRICK H. WEST
CITY MANAGER