

December 17, 2013

TO: Steve Forrester, et al

FROM: Captain Michael Boyd 



SUBJECT: Consideration of a Business License Ordinance

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**Background:**

Except for some limited exceptions, the City of Prineville does not have a business license requirement.

**Discussion:**

Although the lack of a business license requirement can be seen as business friendly, there are some issues that arise. These issues include:

- Lack of information on businesses. The Police Department often responds to calls for service at businesses which are closed. Because there is no central registry of contact information on businesses, we are often stymied trying to determine who owns the business. This leads to delays to resolving problems.

A secondary issue involves not knowing the nature of the business. Without information, we do not know if the business contains hazardous materials, potential weapons or other special conditions we need to consider in our response.

Finally, in the event of a major critical incident, we may not know about very important resources the business has to offer.

- Inability to control illegal or unethical businesses. Occasionally, businesses come to Prineville in order to prey upon our citizens and to divert revenue from legitimate enterprises. A few years ago, following a large hail storm, several "gypsy" car repair businesses came to town, setting up shop in vacant buildings. With a properly crafted business license ordinance, we may be able to support legitimate businesses while holding unscrupulous businesses accountable.
- No efficient way to direct City business to local vendors: The City of Prineville makes numerous purchases each year. Without knowledge of the nature of Prineville businesses, we very likely miss the opportunity to "buy local". Business licenses will help us know what is available in our community.

### **Additional Considerations**

I have read the League of Oregon Cities “*Business License Ordinances – Policy Considerations and Examples from Oregon Cities*” handbook. This guide includes a section on determining the purpose a business license ordinance. Some communities create ordinances to raise revenue to pay for services used by businesses. Others seek to regulate businesses. Finally some communities seek to generate revenue and regulate businesses.

My recommendation, based upon input from community members, is to create a business license that creates minimal cost to the licensee, provides needed information and reasonable necessary control. City of Prineville Information Technology Manager James Wilson has advised with on-line license issuance, the cost of the City would be minimal.

### **Fiscal Impact:**

There would be some initial start-up costs and some enforcement expense as the business license ordinance is enacted. Exact costs will be determined as the ordinance is developed and refined.

### **Conclusion:**

This is a preliminary query to the City Manager and the Council to determine the viability of development of a general business license requirement for the City of Prineville. With City Management and Council approval, we would like to create a work group to begin development of a general business license proposal.