



STAFF REPORT

Report To: Board of Supervisors **Meeting Date:** January 7, 2021

Staff Contact: Hope Sullivan, AICP, Planning Manager

Agenda Title: For Possible Action: Discussion and possible action regarding a proposed emergency ordinance establishing a temporary suspension on the assessment of penalties for the late renewal of certain business licenses. (Hope Sullivan, hsullivan@carson.org)

THIS ORDINANCE MUST BE ADOPTED BY UNANIMOUS VOTE OF THE BOARD OF SUPERVISORS.

Staff Summary: This agenda item is for the consideration and possible adoption of a proposed emergency ordinance to establish a temporary suspension on the assessment of penalties for the late renewal of certain business licenses. Because this is an emergency ordinance that is introduced pursuant to Art. 2, Sec. 2.110 of the Carson City Charter ("Charter"), two separate readings of the ordinance are not required but the ordinance may only be passed by unanimous consent of the full, current membership of the Board of Supervisors ("Board"), thereby requiring five votes in favor of the ordinance.

Agenda Action: Formal Action / Motion **Time Requested:** 20 minutes

Proposed Motion

I move to adopt Bill No. _____, Ordinance No. 2021-_____.

Board's Strategic Goal

Efficient Government

Previous Action

N/A

Background/Issues & Analysis

Carson City Municipal Code ("CCMC") Chapter 4.04 governs business licenses. CCMC 4.04.072 provides that except for a marijuana establishment or medical marijuana establishment, annual renewal fees for a business license are due on or before January 15 of each year. Failure to pay by this date results in a 25 percent penalty.

In November 2019, the City implemented new software for the preparation of invoices for business license renewals. As part of "going live" on that software, businesses had to apply for renewals and the data was entered into the system to build the database. This is the first year the City is renewing business licenses utilizing the new software. With the new software, each renewal invoice must be manually built. Consequently, at the time of writing this staff report, some businesses still have not received their invoices. Temporary staff has been brought in to help build and send the invoices. But, due to workspace social distancing requirements as the result of COVID-19, the workplace can only accommodate one part-time temporary employee. Also due

to COVID-19, businesses have been inquiring about a grace period for the payment of the business license renewal fee.

Based on the foregoing, staff is requesting adoption of the proposed ordinance to establish a grace period through September 1, 2021 for the payment of business license renewal fees so that invoices can be built, sent and paid without the assessment of late penalties and so as to provide additional time to businesses who may be experiencing adverse economic impacts from operational restrictions related to COVID-19. Staff will coordinate with the software vendor to try to identify methods to streamline the business renewal process in the future.

Because this ordinance is proposed as a means to facilitate some degree of financial assistance to local business owners who are presumably suffering economic hardship as the result of certain operating restrictions imposed by the State of Nevada in response to the COVID-19 pandemic, and also because the City is experiencing unexpected delays in the processing of invoices from the implementation of new software, the ordinance properly qualifies as an “emergency” ordinance under Art. 2, Sec. 2.110 of the Charter. Ordinarily, both that provision of the Charter and NRS 244.095 to 244.115, inclusive, require two readings of a proposed ordinance for passage and adoption. But because this is an emergency ordinance, passage and adoption or “final action” may be taken immediately by the Board during one meeting. However, the ordinance may only be passed by unanimous consent of the full, current membership of the Board.

In addition, although publication of the notice of filing of the ordinance is waived because that occurs in between first and second readings and there is no second reading for this ordinance, one publication of the title in a newspaper in Carson City is still required by Art. 2, Sec. 2.110(4) of the Charter before the ordinance may become effective.

This proposed emergency ordinance does not apply to marijuana establishments, medical marijuana establishments or the holder of a business license that is expired or suspended, cancelled or revoked pursuant to CCMC Chapter 4.04. These foregoing business owners would still be required to pay their customary renewal fees and remain subject to any late payment penalties. Additionally, this ordinance does not apply to any other fee or payment that may be required by CCMC to renew a business license.

Finally, if adopted, both the ordinance and the grace period established by the ordinance would expire by limitation on September 1, 2021. Based on staff expectations, the expiration date provides sufficient time for staff to carry out the provisions of the ordinance.

The substantive text of the ordinance is not assigned a CCMC section number because the ordinance is not required or intended to be codified.

Applicable Statute, Code, Policy, Rule or Regulation

NRS Chapter 244; Article 2 of the Carson City Charter; CCMC 4.40.072

Financial Information

Is there a fiscal impact? Yes

If yes, account name/number: 1011080-421100 General Fund/Business License Revenue Account

Is it currently budgeted? No

Explanation of Fiscal Impact: The City will forfeit late fees that would otherwise be payable if the grace period is not extended. Based on historical data, annual revenue from penalties is \$23,000.

Alternatives

Do not adopt the ordinance.

Attachments:

[Ord_2020_Business License Late Fee Temporary Suspension12-30-20.docx](#)

Board Action Taken:

Motion: _____

1) _____

2) _____

Aye/Nay

(Vote Recorded By)

Summary: Establishes a temporary suspension on the assessment of penalties for the late renewal of certain business licenses.

BILL NO. ____

ORDINANCE No. 2021 - _____

AN ORDINANCE RELATING TO BUSINESS LICENSING FEES; ESTABLISHING A TEMPORARY SUSPENSION ON THE ASSESSMENT OF PENALTIES FOR THE LATE RENEWAL OF CERTAIN BUSINESS LICENSES; AND PROVIDING OTHER MATTERS PROPERLY RELATING THERETO.

The Board of Supervisors of Carson City do ordain:

SECTION I:

1. The Board hereby finds and declares that:

(a) As a result of the global pandemic caused by the novel coronavirus, known as COVID-19, certain health measures to mitigate against the exposure to and transmission of the infectious disease have necessarily been implemented by the Governor of the State of Nevada;

(b) Such health measures have severely impacted the continued operation of state and local businesses in an unprecedented manner, including the mandatory reduction of permissible operating hours and capacity, and thereby adversely affecting the financial viability of those businesses;

(c) In addition, the recent implementation of a new software system for the preparation of invoices for the renewal of business licenses has caused an unexpected delay in the issuance of those invoices by the city; and

(d) Therefore, in recognition of the serious consequences to the community, families and individual owners of businesses from the impact of COVID-19 and to provide additional time for the issuance of invoices that has been delayed due to the implementation of a new software system, it is the purpose and effect of this section to establish a temporary suspension on the assessment of penalties for the late renewal of certain business licenses in calendar year 2021.

2. Notwithstanding the provisions of CCMC 4.04.072 or any other provision of CCMC, the city will not assess a penalty against, or collect or require a penalty payment from, the holder of a business license who fails to renew his or her business

license on January 15, 2021, if the fee for renewal is paid in full on or before September 1, 2021.

3. The appropriate departments of the city shall prepare and implement the necessary administrative tasks to carry out the provisions of this section as soon as reasonably practicable.

4. This section does not apply to:

(a) A marijuana establishment or a medical marijuana establishment;

(b) The holder of a business license that is expired or suspended, cancelled or revoked pursuant to chapter 4.04 of CCMC; or

(c) A fee or payment required by any other provision of CCMC.

5. As used in this section:

(a) "Board" means the Board of Supervisors.

(b) "Business" has the meaning ascribed to it in subsection 5 of CCMC 4.04.005.

(c) "Marijuana establishment" has the meaning ascribed to it in subsection 17 of CCMC 4.04.005.

(d) "Medical marijuana establishment" has the meaning ascribed to in subsection 24 of CCMC 4.04.005.

SECTION II:

That no other provisions of the Carson City Municipal Code are affected by this ordinance.

PROPOSED on _____, 2021.

PROPOSED by _____.

PASSED on _____, 2021.

VOTE: AYES: SUPERVISORS: _____

NAYS: SUPERVISORS: _____

Lori Bagwell
Mayor

ATTEST:

Aubrey Rowlett
Clerk-Recorder

This ordinance:

1. Shall be in force and effect from the 9th day of the month of January of the year 2021; and
2. Expires by limitation on September 2, 2021.