



AGENCY: City Council  
MEETING DATE: June 29, 2020  
DEPARTMENT: Finance  
PRESENTED BY: V. Damiani  
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## AGENDA ITEM SUMMARY

**TITLE:**

**Receive Report and Consider Adoption of City Council Resolution Waiving Business License Renewals for Businesses that Operated in the First Quarter of 2020 but Subsequently Ceased Operations as a Direct Result of the COVID-19 Shelter-In-Place Order**

**ISSUE:**

While business license renewals are not due in the City of Fort Bragg until February 28, the period covered by the license is January 1 thru December 31. In 2020 at least one business operated between January 1 and the start of the Mendocino County Health Officer's shelter in place order but had not at that time renewed their business license. The subsequent shelter in place order led to the permanent closing of the business. The business owner intends to file a renewal indicating they have ceased operations and requests a waiver of the 2020 license taxes and fees despite having operated for approximately 2 ½ months. Staff believes there may be many more businesses with the same set of circumstances that may also request a waiver.

**RECOMMENDED ACTION:**

Authorize the City's Finance Director to grant waivers for businesses that cease operations due to the Countywide shelter in place order. Requests for waiver must be received by July 15, 2020 in order to be considered.

**ALTERNATIVE ACTION(S):**

Do not grant the waiver.

**ANALYSIS:**

As of June 9, 2020 there are 100 business license renewals outstanding. Some portion of the 100 outstanding renewals are likely to eventually be paid. Similarly, some portion are likely to cease operations. Staff does not have a good methodology to forecast the proportion of businesses that will eventually renew versus those that will permanently close. There is a high probability that collecting business license fees from businesses that have ceased operations will be challenging. Rather than refusing to pay, many business owners would prefer to meet their legal duty by filing a renewal but would also request a waiver of taxes and fees due to the circumstances shaped by the COVID-19 state of emergency. If waivers are granted, staff expects the City to lose between \$2,400 and \$5,600 in fees plus an unknown amount of lost tax revenue.

**GREENHOUSE GAS EMISSIONS IMPACT:**

No impact.

**CONSISTENCY:**

The requested action is not consistent with current City policy but is requested due to the unprecedented circumstances shaped by the COVID-19 state of emergency.

**IMPLEMENTATION/TIMEFRAMES:**

Immediately.

**ATTACHMENTS:**

1. Resolution

**NOTIFICATION:**

None.