

**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

747



**FROM:** Transportation & Land Management Agency

**SUBMITTAL DATE:**  
February 17, 2016

**SUBJECT:** Initiation of an Amendment to Ordinance No. 857, Relating to the Establishment of a Business Registration and Licensing Program in the County of Riverside. All Districts; [\$15,000] – TLMA Administrative Funds

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Adopt an order initiating an amendment to Ordinance No. 857 Regarding the Establishment of a Business Registration and Licensing Program; and
2. Direct the County of Riverside Transportation and Land Management Agency (TLMA) to work with County Counsel to prepare and process the ordinance amendment.

Departmental Concurrence

Patricia Romo, Assistant Director of Transportation

Juan C. Perez  
Director of Transportation and Land Management

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (Per Exec. Office)
COST	\$ 15,000	\$ 0	\$ 15,000	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	
<b>SOURCE OF FUNDS:</b> TLMA Administrative Funds				<b>Budget Adjustment:</b> No	
				<b>For Fiscal Year:</b> FY15/16-	

**C.E.O. RECOMMENDATION:**

APPROVE

BY:   
Tina Grande

County Executive Office Signature

**MINUTES OF THE BOARD OF SUPERVISORS**

- Positions Added
- Change Order
- A-30
- 4/5 Vote

**Prev. Agn. Ref.:** 09/27/05, Item 3-7;  
11/07/06, Item 3-34

**District:** All

**Agenda Number:**

3-29

**BACKGROUND:**

**Summary**

There is a need to re-evaluate and amend our business license and registration program in order to make it more “Business Friendly” and to accurately reflect the program’s intent. Although it is labeled as a business registration and licensing program, the County functionally uses the program as a means to monitor compliance with State storm water regulations, not to monitor the operation of a business or determine if they are in compliance with other State or County Codes (such as zoning or building requirements).

In 2005, the County took steps to implement a National Pollutant Discharge Elimination System (NPDES) Commercial/Industrial Compliance Program and Business Registration and Licensing Program, in order to meet State mandates. This was in response to the 2004 NPDES Municipal Separate Storm Sewer System (MS4) Permit issued by the San Diego Regional Water Quality Control Board which, for the first time, required the County to establish a formal water quality/storm water discharge inspection program of commercial and industrial facilities. The Santa Ana and Colorado River Basin Water Boards, the other two State Water Quality Control Boards which oversee portions of Riverside County, included similar requirements in the NPDES MS4 Permits they issued in 2007 and 2008, respectively. The intent of these programs is to monitor business activity that has the potential for discharging pollutants into our storm water system.

The Board of Supervisors adopted Ordinance No. 857 on November 7, 2006. Ordinance No. 857 requires businesses in the unincorporated area of Riverside County to register with the County and to obtain a separate business registration and storm water compliance inspection for each fixed physical location, and for those that are operated on a mobile commercial basis. Ordinance No. 857 also requires the payment of business registration fees to cover the reasonable costs of providing the registration and licensing regulatory service, as well as payment to the County for the actual costs of periodic business inspections.

The County currently has 5,746 businesses in our database that participate in the Business Registration and Licensing Program. The State, through its Water Quality Control Boards, requires that the County keep an inventory of all uses that are not otherwise exempted. Certain uses are exempt from the ordinance. The current ordinance is attached as Exhibit “A”. Businesses that are not exempt are categorized by Priority based on their potential to discharge pollutants into the storm water system, as follows:

None – Examples of businesses in this category include home based businesses like internet sales, or commercial businesses like a barbershop or a realtor office, where all business operations are conducted inside and a business is very unlikely to produce a storm water pollutant. Inspections are not required for these businesses, which constitute about 40% of the businesses in the inventory register.

Low – Inspections required at least once every 5 years. An example of a low priority business would be an automotive glass or deli. Approximately 20% are considered low priority

Medium – Inspections required at least once every 2 years. An example of a medium priority business would be a restaurant or pharmacy. Approximately 15% are considered medium priority.

High – Inspections required annually. An example of a high priority business would be a gas station, automotive repair facility, or manufacturing facility. Approximately 25% are considered high priority

Given that the emphasis is on storm water compliance, TLMA has shifted program oversight from our Building and Safety Department to our Transportation Department. Our grading/environmental compliance inspectors now reside in the Transportation Department, since Transportation also interacts with the Water Boards on our own Capital Projects and oversees compliance of new developments with our MS4 permits.

The purpose of this submittal is to initiate the amendment of Ordinance No. 857, by re-evaluating the provisions contained therein. Proposed changes to be considered include:

- Changing the title from Business Registration and Licensing Program to Business Storm Water Compliance Program.
- Making the Ordinance less intrusive to businesses through advance notice and coordination prior to entering the premises to conduct an inspection.
- Ensure that Ordinance No. 857 has a clear and understandable goal of water quality compliance, not overall business practice regulation.
- Re-evaluate the program as a whole to see if businesses are appropriately categorized in the database based on their actual potential for risk to the storm water system. Align our inspection protocol with the risk assessment to look for opportunities to reduce overall inspection costs by grouping field visits and performing inspections in a more cost-efficient manner. Consider fixed-fee options (which may also require amendment of other County fee ordinances) for low and medium priority businesses, which are now treated similar to the high priority businesses in a deposit based fee approach to cover inspection costs.

**Impact on Residents and Businesses**

Amending Ordinance No. 857 will streamline the Business Registration and Licensing Program to be more efficient; reduce redundancy; reflect current legal and jurisdictional conditions; and improve customer service for business owners within unincorporated Riverside County.

**SUPPLEMENTAL:**

**Additional Fiscal Information**

An assessment of the revised business license fees will be conducted as part of the Ordinance amendment process.

**Contract History and Price Reasonableness**

A standard business license fee is currently charged by the County to cover the reasonable costs of providing the regulatory services included in the Business Registration and Licensing Program. The appropriate amount will be updated based on this ordinance review. It is anticipated that the overall cost of program compliance will drop for some businesses.

**ATTACHMENTS:**

ATTACHMENT A – Ordinance No. 857

# CURRENT ORDINANCE

## ORDINANCE NO. 857

### AN ORDINANCE OF THE COUNTY OF RIVERSIDE REGARDING THE ESTABLISHMENT OF A BUSINESS REGISTRATION AND LICENSING PROGRAM

The Board of Supervisors of the County of Riverside Ordains as Follows:

#### **Section 1. Statement of Purpose and Intent.**

The purpose of the provisions of this ordinance is solely to provide for necessary regulation of lawful businesses being conducted within the unincorporated area of Riverside County, in order to protect the public health, safety, and welfare of the people of Riverside County. Business license fees charged under the provisions of this ordinance shall be revenue-neutral in that they may not exceed the reasonable costs of providing the regulatory services included in the business registration and licensing program. No business license fee charged under the provisions of this ordinance shall be construed as a business license tax.

#### **Section 2. Definitions.**

"Business" shall mean and include professions, trades, vocations, enterprises, establishments, occupations, and all and every kind of calling, any of which are conducted, transacted or carried on for the purpose of earning in whole or in part a profit or livelihood, whether or not a profit or livelihood actually is earned thereby, whether paid in money, goods, labor, or otherwise. This definition shall apply to business establishments located within the unincorporated area of Riverside County that are operated at a fixed physical location and those that are operated on a mobile basis by a mobile-operator as defined herein.

"County" shall mean the County of Riverside and its respective agencies and departments thereof.

"Home Occupation" means those uses that are customarily conducted in a residence, provided that such uses must be incidental and secondary to the principal use of a dwelling as a residence. The following criteria shall apply to any home occupation: 1) Except for large family day care homes which may require two assistants and small family day care homes which may require one assistant to be present in addition to the licensee or provider, no person other than a resident of the dwelling shall be employed on the premises in the conduct of a home occupation; 2) A home occupation shall be conducted entirely within the dwelling and shall be incidental and secondary to the use of the dwelling as a residence; 3) A home occupation shall not be conducted in an accessory structure and there shall be no storage of equipment or supplies in an accessory structure or outside building; 4) The residential character of the exterior and interior of the dwelling shall not be changed; 5) No vehicles or trailers except those normally incidental to residential use shall be kept on the site; and 6) No signs other than one unlighted identification sign, not more than two square feet in area, shall be erected on the premises.

"License Inspector" shall mean any employee, agent, representative or contractor designated by the Director of the Transportation and Land Management Agency of the County of Riverside to carry out license inspections under the provisions of this ordinance.

"Local law enforcement or governmental entities" means any city, charter city, county, charter county, or city and county, or the respective agencies and departments thereof, in the State of California.

"Mobile-Operator" shall mean and refer to those businesses that are operated on a mobile basis utilizing a motor vehicle to visit customer locations to carry out business-related services. This term shall be expressly limited to those mobile-operated businesses involving: mobile

automobile or other motor vehicle washing; pest control services; mobile carpet, drape or furniture cleaning; concrete mixing or cutting; masonry, painting and coating; landscaping; pool and fountain cleaning; and Port-a-Potty or other portable toilet servicing.

"Nuisance" shall have the same meaning as set forth in California Civil Code § 3479.

"Person" shall mean and include all domestic and foreign corporations, associations, syndicates, joint stock corporations, partnerships of every kind, clubs, common-law trusts, societies, and individuals conducting, transacting or carrying on any lawful business within the unincorporated area of Riverside County other than as an employee.

"Productive Hourly Rate" shall mean and refer to the fully burdened hourly rates for each job classification required to provide a specified service. Hourly rates for services shall be established through the yearly budget process and adopted by the Board of Supervisors as part of the County budget public hearings.

"Retail Greenhouses" shall mean and refer to all commercial greenhouses other than those that are licensed by the State of California in the "producer" category to grow and sell nursery stock in the amount of \$1,000 or more in one year and that are inspected by the County Agricultural Commissioner pursuant to California Food & Agricultural Code §§ 6701 et seq. and any applicable state regulations promulgated thereto.

"Retail Nurseries" shall mean and refer to all commercial nurseries other than those that are licensed by the State of California in the "producer" category to grow and sell nursery stock in the amount of \$1,000 or more in one year and that are inspected by the County Agricultural Commissioner pursuant to California Food & Agricultural Code §§ 6701 et seq. and any applicable state regulations promulgated thereto.

"Sworn statement" shall mean a written affidavit, declaration, or statement made under penalty of perjury under the laws of the State of California.

"TLMA" shall mean and refer to the Transportation and Land Management Agency of the County of Riverside and departments thereof.

### **Section 3. Business Registration and License Required.**

Every person conducting or carrying on a business as defined in this ordinance anywhere in the unincorporated area of Riverside County shall register by obtaining a business license. A separate business license shall be obtained for each physical location (including branch establishments) or for each business operated on a mobile basis by a mobile-operator as defined herein.

### **Section 4. Exemption.**

The payment of business license fees contained in this ordinance, including inspection and enforcement fees as provided in Sections 10 and 13, shall not be required for those businesses falling within any of the exempt categories described in this section so long as a timely claim of exemption is filed with TLMA as hereinafter provided. Any person claiming an exemption pursuant to the provisions of this section shall, within sixty (60) calendar days of being sent initial written notification of the requirement to obtain a business license, file a sworn statement with TLMA stating the facts upon which an exemption is claimed. In the absence of such statement substantiating the claim or in the event that the statement is filed with TLMA on an untimely basis, such person shall be liable for the payment of the business license fees imposed by this ordinance, including inspection and enforcement fees as provided in Sections 10 and 13.

**A. Residential Facilities.** Apartments, rooming houses, and other residential facilities in which living units are rented or leased solely on a term of thirty days or longer, residential care homes for adults or children, family day care homes are exempt as provided in this section.

**B. Churches, Temples or Other Places of Worship.** Churches, temples or other places of worship, to the extent of their use for worship, religious education or the social affairs of the religious group are exempt as provided in this section. This exemption shall not apply to other activities, which are not undertaken primarily for members of the religious group, including, but not limited to, day schools, social service programs or Church-owned or operated business enterprises.

**C. Home Occupations.** Home occupations that operate within the limitations defined herein are exempt as provided in this section. This exemption shall not apply to those home occupations that are subject to compliance with water quality requirements imposed by Riverside County Ordinance Nos. 457 and 754, California Water Code §§ 13000 et seq. (Porter-Cologne Water Quality Control Act), Title 33 U.S.C. §§ 1251 et seq. (Clean Water Act) and any applicable state or federal regulations promulgated thereto, and any related administrative orders or permits issued in connection therewith.

**D. Agriculture.** The following agricultural activities are exempt as provided in this section: agricultural pursuits consisting of the growing of crops, raising of livestock, and dairying, including auxiliary and ancillary uses incidental to the operation of a farm or ranch, consisting of the purchase and storage of substances, materials, supplies, animal feeds and produce, and the marketing of farm products; provided however, that a business license shall be required in connection with any of the following: 1) retail nurseries; 2) retail greenhouses; and 3) wholesaling, processing, storage or manufacturing use which involves assembly of the products of multiple farms or ranches by a cooperative or other business enterprise for marketing distribution.

**E. Federal or State Law.** The provisions of this ordinance shall not be deemed or construed to apply to any person transacting or carrying on any business exempt by virtue of the Constitution or applicable statutes of the United States or of the State of California from the payment of such regulatory business license fees charged pursuant to this ordinance.

**F. Non-Profit Organizations.** Any non-profit organizations that are legally recognized as tax-exempt pursuant to the provisions of 26 U.S.C. § 501(c)(3) are exempt as provided in this section.

**Section 5. Evidence of Doing Business.**

The following circumstances shall be considered prima facie evidence that a person is conducting business in the unincorporated area of Riverside County: where any person, by use of any sign, circular, card, brochure, telephone book, magazine, newspaper, website, electronic media or other publication, shall advertise, hold out or by any other means represent that the person is in business in the unincorporated area of Riverside County, or when any person holds an active license or permit issued by a governmental agency indicating that the person is in business in the unincorporated area of Riverside County, and such person fails upon request of TLMA to sign and provide to the County a sworn statement attesting that such person is not conducting or carrying on a business from the unincorporated area of Riverside County. TLMA shall provide a form for the purposes of the sworn statement required by this section.

**Section 6. Application and Issuance of Business License.**

**A. Application Contents.** Any person required to obtain a business license pursuant to this ordinance shall apply therefore by submitting the information required by TLMA on behalf of the County. Such information shall be a sworn statement, upon a form provided by TLMA, that includes the name of the applicant, the ownership of the business involved, and the following information:

1. The name, location and exact nature or kind of business for which the license is requested. In the event that the business is not carried out at a permanent location, the names and places of residence of those owning the business shall also be required.
2. A copy of any current permit issued by the State of California Board of Equalization to a person who contracts, sells or delivers any goods, wares, or merchandise in the unincorporated area of Riverside County for which sales or use tax is payable to the State of California.
3. In the event that application is made for the issuance of a license to a person doing business under a fictitious name, the application shall set forth the names and places of residence of those owning said business.
4. In the event that application is made for the issuance of a license to a corporation or partners, the application shall set forth the names and place of residence of the officers or partners thereof.
5. The urban runoff and stormwater information form shall also be completed and signed.
6. Any further information which TLMA may require to enable it to issue a business license for which the application is made.

**B. Issuance.** A business license shall be issued upon satisfactory completion of an application and payment of the fee prescribed in this ordinance. Said license shall remain in full force and effect for a period of one year unless one of the following events takes place: business changes address or name, business is discontinued or business ownership changes.

**C. License Fee.** A standard business license fee shall be charged by the County to cover the reasonable costs of providing the regulatory services included in the business registration and licensing program. The business license holder shall also be subject to periodic supplemental charges by the County in the form of an additional license inspection and enforcement fee as provided in Sections 10 and 13 of this ordinance. No business license fee charged under the provisions of this ordinance shall be construed as a business license tax.

**Section 7. Renewal of Business License.** Any person who has obtained a business license pursuant to this ordinance shall apply for renewal on an annual basis prior to expiration of the then-current business license term. Said renewal application shall be accompanied by payment of the business license fee prescribed by this ordinance.

**Section 8. Nontransferable – Change of Location or Ownership, Name of Business.** No business license issued pursuant to this ordinance shall be automatically transferable; provided however, that where a license is issued indicating a person is conducting, transacting or carrying on a business at a particular place under a particular name, such license holder, upon application therefore, and payment of a change fee may obtain a new license showing some other location and/or name of the business and/or business ownership change. A new business registration and license shall be required as provided in Section 3 herein in the event that there are any other changes that take place with regard to a business.

**Section 9. Duplicate License.** A duplicate license may be issued to replace any license issued hereunder which has been lost or destroyed where such license holder submits a statement of such fact and provides payment of a duplicate license fee.

**Section 10. License Fees.**

**A.** License fees charged pursuant to the provisions of this ordinance shall be according to the rates set forth herein as follows:

1. Standard business license fee (one year) - \$45
2. Business license annual renewal fee - \$30
3. Change Fee - \$30
4. Duplicate Fee - \$10
5. Inspection Fee – Productive Hourly Rate of a Building Inspector II (currently set at \$131.00/hr. in FY 2005-2006) as approved annually by the Board of Supervisors.
6. Enforcement Fee –Productive Hourly Rate of a Code Enforcement Officer II (currently set at \$111.00/hr. in FY 2005-2006) as approved annually by the Board of Supervisors.

**B.** TLMA may require a business license holder to provide an advance deposit amount to the County to cover the cost of inspection fees in an amount not to exceed three (3) hours depending on the size and/or complexity of the business that is subject to inspection. For deposit-based inspection fee functions only, fees collected in excess of the actual cost of providing the inspection service shall be refunded. In the event that the actual cost of providing the inspection service exceeds the advance deposit amount then there shall be required an additional deposit to cover the costs incurred by the County.

**Section 11. Contents of Business License; Display Required.**

**A.** Every person who has submitted a satisfactory application and who has paid the required fee, as provided in this ordinance, shall be issued a business license which contains the following information:

1. The name of the person to whom the license is issued;
2. The name of the business licensed;
3. The physical location where such business is to be transacted and carried on;
4. The date of expiration of such license; and
5. Such other information as may be necessary for the enforcement of the provisions of this ordinance.

**B.** Any person conducting, transacting or carrying on a business at a fixed location in the unincorporated area of Riverside County shall keep the business license posted in a conspicuous place in plain public view upon the physical premises where such business is taking place.



C. Any person conducting, transacting or carrying on a business but not operating at a fixed location in the unincorporated area of Riverside County shall keep the business license on his or her person at all times while conducting, transacting or carrying on the business for which it is issued. Such person shall display the business license to any license inspector, code enforcement officer, peace officer or any other authorized representative employed by the County upon request.

**Section 12. License Inspectors.** License inspectors may enter free of charge, at any time, any place of business for which a business license is required by this ordinance and demand the display of any such license by any person engaged or employed in the transaction or carrying on of such business.

**Section 13. Water Quality Inspections and Enforcement; Additional License Fees.** A license inspector, code enforcement officer or peace officer employed by the County may enter free of charge, at any time, any place of business for which a business license is required by this ordinance and inspect the premises, grounds, facilities and structures located therein for compliance with water quality requirements imposed by Riverside County Ordinance Nos. 457 and 754, California Water Code §§ 13000 et seq. (Porter-Cologne Water Quality Control Act), Title 33 U.S.C. § 1251 et seq. (Clean Water Act) and any applicable state or federal regulations promulgated thereto, and any related administrative orders or permits issued in connection therewith. Failure to maintain the business premises, grounds, facilities and structures located therein in compliance with water quality requirements is a violation of this ordinance. The County may initiate enforcement actions against business license holders whose business premises are found upon inspection to be in violation of water quality requirements. The business license holder shall be liable to the County for an additional license inspection and enforcement fee based on the hourly rates provided in Section 10 of this ordinance.

**Section 14. False Statements.** Every person who makes any false statement or representation in any application for a business license commits a violation of this ordinance.

**Section 15. Unlawful Business.** No business license issued pursuant to this ordinance shall be construed as authorizing the conduct of or continuance of any occupation, use or activity of any kind which is prohibited by County ordinance, state or federal law or regulation.

**Section 16. Violation – Penalty.** Any person in violation of this chapter is subject to the procedures and penalties set forth in Riverside County Ordinance No. 725.

**Section 17. Severability.** If any portion, provision, section, paragraph, sentence, or word of this Ordinance is rendered or declared to be invalid by any final court action in a court of competent jurisdiction, or by reason of any preemptive legislation, the remaining portions, provisions, sections, paragraphs, sentences, and words of this Ordinance shall remain in full force and effect and shall be interpreted by the court so as to give effect to such remaining portions of the Ordinance.

**Section 18.** This ordinance shall take effect thirty (30) days after its adoption.

**Adopted:** 857 Item 3.34 of 11/07/2006 (Eff: 12/07/2006)