



Where Life is Sweet

Mayor and Members of the City Council
STAFF REPORT
 For the Meeting of January 8, 2024

Title/Subject

Ordinance No. 2352 – Adopting a Business License Fee

Summary and Background

The City of Hermiston has not had a Business License Fee up to this point in its history. It is a common fee for many cities in Oregon and throughout the country. This fee grants a business the right to do business within the City of Hermiston.

The proposed ordinance is a combination of the League of Cities model ordinance and items from other Oregon cities including the City of Pendleton.

Tie-In to Council Goals

N/A

Fiscal Information

Even though the fee schedule is not to be adopted within this proposed ordinance, I wanted to show the proposed fee schedule here because there seemed to be a lot of confusion over what this fee schedule might look like. Below is the proposed fee schedule:

Businesses WITH a Permanent Location WITHIN City Limits 1. Base Fee – Includes 0-5 Full-Time Equivalent (FTE) Employees 2. 6-49 FTE Employees 3. 50+ FTE Employees	1. \$85.00 2. Base + \$15.00 per Employee 3. \$1,000.00
Businesses WITHOUT a Permanent Location WITHIN City Limits 1. Base Fee- Includes 0-5 Hermiston Full-Time Equivalent (FTE) Employees 2. 6-49 FTE Hermiston Employees 3. 50+ FTE Hermiston Employees	1. \$100.00 2. Base + \$20.00 per Employee 3. \$1,200.00

The proposed Business License Fee schedule is estimated to add to general fund revenue \$100,000 per year.

Alternatives and Recommendation

Alternatives

1. Adopt Ordinance No. 2352 without modification.
2. Adopt Ordinance No. 2352 with minor modifications.
3. Direct staff to make major changes to Ordinance No. 2352 and return at a later date.

Recommended Action/Motion

Adopt Ordinance No. 2352 without modification.

Submitted By: Byron D. Smith