



**City of Needles, California**  
**Request for City Council Action**

CITY COUNCIL    NPUA

Regular    Special

**Meeting Date:**   May 26, 2026

**Title:**   Business License and Event Licensing Requirements for Vendors Participating in Community Events

**Background:** The City of Needles Municipal Code generally requires any person conducting business within the City to obtain a business license prior to engaging in business activities. This requirement applies regardless of whether the business operates from a commercial location, residence, or temporary event.

Recently, questions have arisen regarding the applicability of business license requirements to vendors participating in community events such as the Needles Farmers Market, the City's Annual Fall Festival, Route 66 events, and events hosted by nonprofit organizations. Staff's review found that many vendors participating in these events are not solely occasional event vendors but also operate ongoing businesses throughout the year, often from their homes. Examples include home bakers, cottage food operators, jewelry makers, candle makers, coffee vendors, craft vendors, specialty food producers, food vendors, and mobile food vendors.

Staff notes that several vendors participating in community events have already obtained City business licenses and are operating in compliance with current City requirements. The City Council may wish to consider the impact of any future policy changes on businesses that have already obtained licenses and paid applicable fees.

The City currently utilizes three primary licensing categories for these activities:

License Type	License Fee	Processing Fee	State-Mandated Fee	Total Cost	Typical Vendors
<b>General Business License</b>	\$30	\$46	\$4	<b>\$80 annually</b>	Candle makers, craft vendors, jewelry vendors, artists, clothing vendors, gift vendors, handmade goods vendors, retail merchandise vendors, consultants, and other home-based businesses selling non-food products
<b>Food Catering License</b>	\$30	\$46	\$4	<b>\$80 annually</b>	Home bakers, coffee vendors, dessert vendors, snack vendors, specialty food vendors, beverage vendors, food booths, barbecue vendors, food trucks, and other prepared food sellers
<b>Amusement/Event License</b>	<b>\$10 per day</b>	\$46	\$4	<b>\$60 for a one-day event</b>	Temporary event vendors, exhibitors, promotional booths, entertainment vendors, game operators, festival attractions, and vendors participating in a single event who are not operating an ongoing business within the City

Staff notes that the license cost is comprised of three separate components: a business license fee, an administrative processing fee, and a state-mandated fee. Even applicants qualifying for a Municipal Code exemption remain responsible for payment of the processing fee and state-mandated fee. Staff further notes that the Amusement License fee itself is \$10 per day. The total one-day cost of \$60 consists of the \$10 amusement license fee, a \$46 processing fee, and a \$4 state-mandated fee. As a result, the majority of the total cost associated with the Amusement License is attributable to administrative processing and state-mandated charges rather than the amusement license fee itself.

### Existing Municipal Code Exemptions

Section 12-5 of the Needles Municipal Code exempts certain applicants from payment of the business license fee, including:

- Organizations conducted wholly for charitable purposes or from which profit is not derived directly or indirectly;
- Religious, charitable, fraternal, educational, military, state, county, and municipal organizations;
- Farmers selling exclusively fruits, vegetables, or other products raised upon their own lands, provided proof is furnished to the City Clerk;
- Certain professionals rendering services on a casual basis; and
- Certain residential rental activities.

The exemption applies only to the business license fee and does not waive the processing fee or state-mandated fee.

Applicant Type	License Fee	Processing Fee	State Fee	Total Cost
Standard Applicant	\$30	\$46	\$4	<b>\$80</b>
Exempt Applicant	\$0	\$46	\$4	<b>\$50</b>

The nonprofit exemption generally applies to the organization conducting the event itself and does not expressly exempt individual for-profit vendors participating in those events. Accordingly, a nonprofit organization hosting an event may qualify for an exemption while individual vendors selling products or services for profit may still be subject to business licensing requirements.

### Regional Comparison

Staff reviewed neighboring jurisdictions regarding business licensing and temporary-event vendors.

**Bullhead City** allows vendors without a business license to obtain a one-time vendor permit for \$30 per event.

**Kingman** exempts vendors participating in approved special events when included on a vendor roster maintained by the event organizer.

**Lake Havasu City** requires annual business licenses for ongoing businesses but allows vendors participating in approved events to obtain a temporary event license for \$16 per day (maximum four days).

**Barstow** requires event organizers to obtain a Temporary Use Permit and further requires participating vendors to maintain an active City business license.

Staff's review indicates that all surveyed jurisdictions regulate businesses operating on an ongoing basis through business licensing requirements; however, the manner in which temporary-event vendors are regulated varies significantly among jurisdictions.

Jurisdiction	Business License Required for Ongoing Businesses	Temporary Event Option Available	Cost of Event Option	Business License Required for Event Vendors
<b>Needles</b>	Yes	Amusement License	\$60 for one-day event	Depends on activity
<b>Bullhead City</b>	Yes	Temporary Vendor Permit	\$30 per event	No
<b>Kingman</b>	Yes	Approved Event Vendor Roster	No additional vendor fee	No
<b>Lake Havasu City</b>	Yes	Temporary Event License	\$16/day (maximum 4 days)	No
<b>Barstow</b>	Yes	Event Organizer Permit Required	\$94 (\$42 nonprofit) plus inspections	Yes

## Key Findings

Staff's review identified the following:

1. The City of Needles currently maintains both annual business licenses and an existing event-based Amusement License, providing a licensing option for vendors participating in temporary community events.
2. Many vendors participating in community events are operating ongoing businesses throughout the year and are not solely temporary-event vendors.
3. Regional cities utilize a variety of approaches ranging from requiring business licenses for all vendors (Barstow), to temporary-event permits (Bullhead City and Lake Havasu City), to approved-event vendor exemptions (Kingman).
4. Under the City's current fee structure, the Amusement License fee itself is \$10 per day; however, the total one-day cost of \$60 includes a \$46 processing fee and a \$4 state-mandated fee.

## Policy Options

The City Council may wish to consider one of the following approaches:

**Option 1 – Maintain Existing Requirements (Status Quo)**

Continue requiring vendors conducting business within the City to obtain the applicable license under Chapter 12 of the Municipal Code, including General Business Licenses, Food Catering Licenses, or Amusement Licenses, depending on the nature of the activity.

**Option 2 – Modify the Existing Amusement License Requirements**

Direct staff to prepare amendments to the existing Amusement License provisions to simplify participation in community events. Potential modifications could include revised fees, streamlined application requirements, multi-day permits, annual event-vendor permits, or other amendments deemed appropriate by the City Council.

**Option 3 – Exempt Vendors Participating in Approved Community Events**

Direct staff to prepare an ordinance exempting vendors participating in approved community events from City business licensing requirements when operating under an event permit issued by the City and included on a vendor roster maintained by the event organizer.

**Fiscal Impact:** Fiscal impact will depend upon the policy direction provided by the City Council. Maintaining existing requirements preserves current licensing revenue. Modifying the Amusement License structure or exempting vendors participating in approved community events may reduce licensing revenue and administrative cost recovery. The fiscal impact will depend on the specific policy direction provided by the City Council and cannot be quantified until a preferred option is identified.

**Recommendation:** Receive and file the report, discuss business license and event licensing requirements for vendors participating in community events, and provide staff direction regarding future licensing requirements. If directed, staff will return with any necessary Municipal Code amendments, fee schedule amendments, or administrative procedures for Council consideration.

**Submitted By:** Patrick Martinez, City Manager

**City Management Review:** Patrick J Martinez Date: 5/21/2026  
**Other Department Approval (when required):** \_\_\_\_\_ Date: \_\_\_\_\_