



STAFF REPORT

Meeting Type: City Council
Meeting Date: February 3, 2025
From: Kelly O'Neill Jr., Development Services Director
Subject: PUBLIC HEARING – Ordinance 2025-03: Business License Code Modifications (SMC Chapter 5.04)

DECISION TO BE MADE:

Hold a legislative public hearing for Ordinance No. 2025-03 to adopt code modifications to Chapter 5.04 of the Sandy Municipal Code.

BACKGROUND / CONTEXT:

Chapter 5.04 contains code regulations for business licenses in the city of Sandy. The last code revisions to Chapter 5.04 were in 2015, but most of the code provisions in this chapter have not been modified since 1974. The proposed Municipal Code amendments are an extension of efforts for the Code Enforcement code modifications project as was explained at the City Council work session on October 7, 2024.

Staff desires to amend this chapter to reference current standards and practices in line with the League of Oregon Cities model code. There are some modifications to the model code as recommended by the City Attorney.

KEY CONSIDERATIONS / ANALYSIS:

City staff have deleted all the sections within this chapter and replaced them with the model code language. The following information outlines the primary proposed code modifications:

Section 5.04.010 – Creates a definitions section for Chapter 5.04.

Section 5.04.020 – Creates a revised 'purpose' section that elaborates on what was contained in 5.04.040. The purpose of collecting a business license fee is important for several reasons, but is especially important for transit tax, scheduling Building Division and Fire Department safety inspections, and to offset costs associated with assisting new businesses.

Section 5.04.030 – Added as a legal provision.

Section 5.04.040 – Creates an exhaustive list of businesses that are required to obtain a business license. Also provides a clause for reducing fees for non-profits with an IRS 501(c)(3) classification.

Section 5.04.050 – Creates a list of required submission information for business license applications.

Section 5.04.060 – Specifies that the City Council can adopt fee rates in accordance with the master fee schedule. This section also establishes the terms of the annual license and when fees are due each year.

Section 5.04.070 – Specifies that the City issued business license shall be posted and available for inspection by the public and City employees.

Section 5.04.080 – Includes information on business transfers and relocations.

Sections 5.04.090 – Creates an exhaustive business license exemption list, including but not limited to businesses run by minors (lawn mowing, lemonade stands, etc.), garage sales, and for community events.

Section 5.04.100 – This section specifies how business licenses are approved, denied, revoked, or suspended, and provides information on reapplication when that is necessary.

Section 5.04.110 – This section outlines the process for a business license applicant to appeal the denial, revocation, or suspension of a business license. The appeal is heard by the City Council.

Section 5.04.120 – Modified to reference Chapter 1.18, Class C Civil Infraction (\$250) for violations instead of \$100.00 as was listed in Section 5.04.160. Also removed the provision that someone violating Chapter 5.04 could be imprisoned for up to 30 days. This section also contains information on inspections, right of entry, and legal proceedings by the City Attorney.

Section 5.04.130 – Added as a legal provision.

Section 5.04.140 – Creates an exhaustive section for processing residential rental property through the business license program. Owners of residential rental property in Sandy have been required to obtain business licenses for several decades, but the municipal code has never had a clearly written code section addressing the requirements.

RECOMMENDATION:

Staff recommends that the City Council hold a legislative hearing and adopt Ordinance No. 2025-03.

LIST OF ATTACHMENTS / EXHIBITS:

- Ordinance No. 2025-03
 - Exhibit A. Chapter 5.04 edits