



Department Source: Finance
To: City Council
From: City Manager & Staff
Council Meeting Date: December 4, 2023
Re: Amend Articles II and III of Chapter 13

Executive Summary

Proposed amendments to Articles II and III of Chapter 13 for the purposes of eliminating or updating outdated practices; expanding communication options and examining business licensing fees.

Discussion

Almost the entirety of the Business License Division's daily responsibilities and processes are designed around policies and provisions articulated in Chapter 13, Article II, which involves occupational licenses. The majority of Article II was adopted in 1964, and few ordinances in that article have been amended in the intervening years.

The bulk of the amendments being proposed focus on expanding communication options and eliminating or updating licensing processes that are no longer common in cities of Columbia's size and which place unnecessary burdens on applicants. In 2018, the Business License Division implemented a citizen self-service software solution. Five years in, we recognize that to take full advantage of the capabilities of that software, some outdated practices in Article II must be amended or repealed.

Staff is also asking that the fees associated with annual business licenses be given consideration. In September, 2022, Sec. 13-27 was amended such that the maximum annual business license fee was increased from \$750 to \$3,000. While this change only impacted approximately 10% of businesses in Columbia, it created a significant positive impact on the licensing and permitting category of general fund revenue. In the time since, staff has recognized that the fees associated with business licensing are still considerably lower in Columbia than in other Missouri cities of a similar size; primarily due either to those cities having established a significantly higher maximum annual license fee or by the complete elimination of a fee cap.

No change is being proposed to the rate used to calculate business license fees, which has remained \$0.25/\$1,000 in gross receipts since it was established in 1978. Instead, we are proposing a gradual progression, over the next five fiscal years, toward a maximum annual business license fee of \$50,000, which is on par with other similarly sized cities in Missouri.

There are other fees described in Article II that have not been updated consistently and have failed to keep pace with increased personnel costs involved with the administration of as well as the inspections and reviews required for the business license approval and renewal



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processes. Staff is recommending an increase in the application fee described in Sec. 13-22, from \$30 to \$45, and is requesting the addition of a \$25 processing fee for license renewals.

Finally, staff is proposing amendments to Article III, which involves armed guards and security guards. Current ordinance places full responsibility for qualifying an armed guard license candidate's firearms knowledge and skills on the Police Chief or designee. That responsibility increases the liability to which the City is exposed should a licensed guard be involved in a litigious situation. The amount of staff time involved in qualifying the firearms knowledge and skills is extensive relative to the number of individuals that hold armed guard licenses. Furthermore, it is unclear whether a criminal records check *not* performed by a law enforcement agency is consistently sensitive enough to capture all conditions that may prevent someone from being able to legally carry a firearm.

To address these concerns, staff is proposing that a Missouri Concealed Carry Permit shall be a requirement for issuance of an armed guard license, and shall replace those requirements currently outlined in Sec. 13-50. The requirements for obtaining a concealed carry permit in Missouri exceed those outlined in existing ordinance; both with regard to the firearms qualifications as well as the criminal records check involved, which is conducted by a law enforcement agency rather than a private company.

While there are other articles within Chapter 13 that are in need of similar updates, those policies described in articles II and III control the bulk of business licensing activities and are the most deserving of immediate attention. These proposed changes, if approved will allow staff the latitude – with regard to communication methods and adopting forms – to optimize implementation of self-service software solutions and to provide applicants greater flexibility, autonomy and transparency within the license application and renewal processes.

Fiscal Impact

Short-Term Impact: No increase in cost is expected. Total expected additional general fund revenue is \$1,400,000 during the first two fiscal years (FY24-FY25), above revenue in the adopted FY24 budget.

Long-Term Impact: No increase in cost is expected. When fully implemented in FY29, additional general fund revenue is expected to be approximately \$1,200,000 per year greater than is currently budgeted for FY24.

Strategic & Comprehensive Plan Impact

Strategic Plan Impacts:

Primary Impact: Organizational Excellence, Secondary Impact: Resilient Economy, Tertiary Impact: Not Applicable

Comprehensive Plan Impacts: Primary Impact: Not Applicable, Secondary Impact: Not applicable, Tertiary Impact: Not Applicable



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Legislative History

Date	Action
09/19/2022	Council Bill B215-22 was passed, amending Chapter 13 of the City Code relating to the license fee schedule for businesses and occupations.

Suggested Council Action

Approve the proposed amendments.