

March 14, 2011
8:30 A.M.
Newport, Oregon

The Business License/Room Tax Review Task Force for the City of Newport met on the above date in the City Council Chambers of the Newport City Hall. In attendance were Rob Oberbillig, Art Moore, Steve Beck, Lee Hardy, Tracy Wiley, Patti Cauduro, Lon Brusselback, Mark McConnell, Patricia Patrick-Joling and Woody Ouder Kirk.

Staff present was City Manager Voetberg, City Attorney McCarthy, and City Recorder Hawker.

INTRODUCTIONS

Introductions of Task Force members and staff were made.

ELECT CHAIR AND VICE CHAIR OR CO-CHAIRS

Hardy agreed to chair the Task Force, and Oberbillig agreed to be the vice chair of the Task Force.

REVIEW EXISTING ORDINANCE AND DISCUSS CURRENT PROBLEMS

Hardy noted that copies of the existing ordinance are included in the packet. She suggested the discussion begin with questions regarding the existing ordinance. Oberbillig questioned definitions including: short term, overnight, and weekly. It was noted that the definitions should be consistent between the room tax and business license ordinances.

Hardy noted that definitions are key to the ordinance, particularly once a purpose has been established. A discussion ensued regarding the purpose of the business license ordinance, including revenue generator and the importance to the public health, safety, and welfare.

A discussion ensued regarding the need for a business license database. It was asked whether a business license has been denied for non-payment. Wiley asked what the purpose is of the business license, noting that if it is to fund city processes, it could be used to develop a database. Brusselback noted that the business license is a permit to operate a business within the city. McConnell added that there is some regulatory value as well.

A discussion ensued regarding a mechanism for enforcing the ordinance. Voetberg noted that the more specific the ordinance is, the greater the challenges in enforcing it. Hardy noted that the biggest flaw refers to rentals, but does not exclude commercial rentals. McConnell suggested that the city enforce the ordinance through processes established by the city administration. Voetberg reported that a section on "doing business in Newport" has been placed on the city's website, and that the Chamber of Commerce plans to link to

this section. He added that the issue is education. Cauduro noted that businesses need utilities, and that might be the time to communicate with business owners. Ouderkirk noted that realtors and delivery firms, from outside the area, but operating in Newport, have been untouched by the city's business license ordinance. Hardy asked whether the entity assumes liability in the case of a co-operative. Another discussion ensued regarding enforcement. Ouderkirk noted that a framework is needed that contains reasonable specificity. It was suggested that the group provide specifics at the next meeting. McCarthy noted that evidence that a rental advertisement is on the internet is prima facie evidence that a rental situation exists. Hardy noted that a database would expose businesses that are likely not obtaining licenses. McCarthy noted that the Finance Department needs resources to administer and enforce this ordinance. Beck asked what the revenue would be if all businesses were licensed. Hardy noted that there are many exceptions to the licensing ordinance including non-profits and events such as the Seafood and Wine Festival and Loyalty Days and the Farmer's Market. Patrick-Joling reported that all the vendors near the cruise ship dock in Astoria are licensed individually. McCarthy noted that the license fees could be assessed based on taxpayer identification numbers or state registration numbers. It was noted that some businesses utilize the owner's social security number rather than having a taxpayer identification number. A discussion ensued regarding adherence to other codes, including the fire codes. McCarthy noted that the business license code affects the room tax code, and the attempt is to sync the codes. Oberbillig noted that enforcement is a big issue. McConnell added that education is the greatest issue. It was suggested that residential rentals be added to the definitions so that it is clear a license is required for these rentals. Voetberg noted that the antique mall pays one fee. It was suggested that the rental of real or personal property could be added to the definitions. Hardy suggested adding the phrase, "including but not limited to," to cover types of businesses that may not be considered during the discussion.

DEVELOP NEXT AGENDA

It was agreed that the next agenda would include:

1. Purpose
2. Definitions

Task Force members were requested to bring forth ideas on these two issues at the next meeting.

MISCELLANEOUS COMMENTS

Patrick-Joling asked why business license fees were broken up based on staffing. She also inquired as to why Abby's Pizza has four separate licenses.

ADJOURNMENT

Having no further business, the meeting adjourned at 9:35 A.M.

