

## **BUSINESS IMPACT STATEMENT**

### **BILL NO. 2008-34**

**(Amends the business license code pertaining to the license application process, licensee regulations, administrative fees, business license categories, designation of license agencies and officials, compliance with amendments to State law, and other related matters)**

This business impact statement was prepared pursuant to NRS 237.090 to address the impact of a proposed ordinance, Bill No. 2008-34, that will amend the business license code pertaining to the license application process, licensee regulations, administrative fees, business license categories, designation of license agencies and officials, compliance with amendments to State law, and other related matters.

**1. The following constitutes a description of the manner in which comment was solicited from affected businesses, a summary of their responses and an explanation of the manner in which other interested persons may obtain a copy of the summary.**

A notice regarding the proposed changes was published on several consecutive days in the Las Vegas Review-Journal. In addition, a copy of the proposed ordinance and an invitation to respond were provided to the Greater Las Vegas Association of Realtors® (GLVAR) and the Las Vegas Chamber of Commerce (LVCC). Comments were received from the GLVAR and LVCC. A summary of those comments, which is available to interested persons as part of this business impact statement, is as follows:

#### **GLVAR**

Objections were voiced regarding:

1. The idea of “expanding” the definition of “business”
2. Giving the City inspection authority over licensed Realtors®
3. Imposing a fee increase regarding new licenses and license-related changes
4. The idea of multiple taxation of leased space
5. An increased reporting burden on property managers

Though not directly related to the impact of the proposed ordinance, GLVAR also requested a return to the use of previous terminology regarding real estate professionals, and a reduction in license fees from those that exist currently

#### **LVCC**

Citing the current state of the economy, the LVCC registered opposition to proposed fee increases relating to new business licenses and to license-related changes

**2. The estimated economic effect of the proposed rule on businesses, including, without limitation, both adverse and beneficial effects, and both direct and indirect effects:**

**Adverse effects:**

- Increased fees for processing license applications and license-related changes
- Increase in license fees for certain sales or service agents or representatives
- Additional burden of reporting transactions, when requested to do so, for certain persons engaged in the business of commercial rentals

**Beneficial effects:**

Regulatory effect on certain licensees lessened in response to changes in State law

**Direct effects:**

- Increased fees for processing license applications, license-related changes
- Increase in license fees for certain sales or service agents or representatives
- Additional burden of reporting transactions, when requested to do so, for certain persons engaged in the business of commercial rentals
- Regulatory effect on certain licensees lessened in response to changes in State law

**Indirect effects:**

None noted

**3. The following constitutes a description of the methods the local government considered to reduce the impact of the proposed rule on businesses and a statement regarding whether any, and if so which, of these methods were used:**

No additional methods to reduce the impact were considered or used. The City's consideration of the objections that were raised includes the following:

- Regarding the suggestion that the City is "expanding" the definition of "business," the additional language is clarifying only. It is not intended to include additional businesses within the scope of licensing, but rather to give the City the ability to more readily identify those who are in business and identify the scope and nature of their business activities.
- Regarding the suggestion that the proposal will give additional City inspection authority over licensed Realtors®, the proposal does not give the City any more authority over those doing business than current ordinances and State law authorize.
- Regarding proposed fee increases, most of the increases are not license fee increases, but are in the nature of processing fees that attempt to recoup more (but not all) of the City's costs of administration and enforcement. The limited increase in license fees related to sales and service

agents is designed to be consistent with other similar fee categories and to help identify transactions that otherwise might not be recognized as business activities.

–Regarding the idea of multiple taxation of leased space, the proposed language is merely to clarify the existing Code approach to licensing and license fees pertaining to the business of leasing and renting commercial space. Because current Code provisions do not specifically call out that type of business, it has been difficult on occasion to recognize such businesses under general or default categories.

–Regarding the increased burden of reporting on those who rent or lease commercial space on behalf of property owners, the reporting is proposed to be on an as-requested basis, and should not add any significant burden. Records of transactions normally would be kept and maintained anyway for other purposes.

**4. The estimate of the annual cost to the local government for enforcement of the proposed rule is:**

Minimal additional cost

**5. If the proposed rule provides for a new fee or increases an existing fee, the total annual amount expected to be collected is:**

Approximately \$320,000

**6. If the proposed rule provides for a new fee or increases an existing fee, the money generated by the new fee or increase in existing fee will be used by the local government to:**

Offset costs of administration and enforcement of licensing provisions

**7. If the proposed rule includes provisions that duplicate or are more stringent than federal, state or local standards regulating the same activity, the following explains why such duplicative or more stringent provisions are necessary:**

N/A

Date: June 19, 2008