

ORDINANCE NO. 25-0001

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MANHATTAN BEACH, CALIFORNIA IMPOSING A FEE TO SUPPORT THE CITY'S REGULATION OF BUSINESSES

The Manhattan Beach City Council does ordain as follows:

SECTION 1. FINDINGS

A. Chapter 6.01 of the Manhattan Beach Municipal Code (MBMC) empowers the City to license and regulate businesses operating in the City. The City also taxes such businesses. (MBMC, §§ 6.01.030, 6.01.040, 6.01.290.)

B. The City's business licensing program, and its business license tax, serve independent purposes. The licensing program is regulatory and designed to ensure that all businesses operating within the City comply with relevant laws to protect health, safety and public welfare. The tax is intended to raise revenue for City services. The City would implement its regulatory program even if it did not impose a business license tax.

C. The City incurs administrative costs to implement its regulatory program. It is thus authorized to impose a fee on regulated businesses to recover those regulatory costs provided the amount each business pays is reasonably related to its burdens on or benefits from the regulatory program. (Cal. Const., art. XIII C, § 1, subd. (e)(3).)

D. City staff have therefore analyzed the costs incurred to administer the licensing program to distinguish costs related to collecting the business license tax from those incurred for regulatory activities such as ensuring each licensed business "has complied in all respects with all requirements or provisions of the laws of the City, County or State." (MBMC, §§ 6.01.020, 6.01.190.)

E. City staff have determined an appropriate regulatory fee to be \$17 per business per year. This will recover only part of the City's total regulatory costs; no licensee will bear the full cost of regulation, and its equal application reflects the City's roughly equal burden to enforce its licensing requirements for each business.

SECTION 2. CODE AMENDMENT.

The City Council hereby amends Section 6.01.290 of the Manhattan Beach Municipal Code to read as follows:

6.01.290 – License fee rates.

A schedule for business license taxes shall be established by the Council under separate resolution. In addition to any such taxes, the City's license fees shall include an annual charge in an amount established from time to time by resolution of the City Council to fund the regulatory activities described in this chapter and permitted by California Constitution, article XIII C, section 1, subdivision (e)(3) [Proposition 26].

SECTION 3. CERTIFICATION. The City Clerk shall certify to the passage and adoption of this Ordinance and shall cause this Ordinance to be published within 15 days after its passage, in accordance with Section 36933 of the Government Code.

SECTION 4. EFFECTIVE DATE. This Ordinance shall take effect and be in full force at on the 31st day after its passage.

ADOPTED on February 4, 2025.

AYES:

NOES:

ABSENT:

ABSTAIN:

AMY THOMAS HOWORTH
Mayor

ATTEST:

LIZA TAMURA
City Clerk