



## MEMORANDUM

**TO:** HONORABLE MAYOR &  
CITY COUNCIL

**FROM:** David McPherson  
Revenue & Tax  
Administrator

**SUBJECT:** Senate Bill 1186  
\$1 Surcharge on Business Licenses

**DATE:** October 25, 2012

City Administrator

Date

Approval

/s/ **Scott P. Johnson**

**10/30/12**

### INFORMATION

The intent of this memorandum is to provide information regarding the implementation of a new mandate and business license surcharge imposed by the State of California.

At the end of the 2012 legislative session the Legislature approved and the Governor signed SB1186. The primary intent of the bill was to limit the liability of businesses to lawsuits under the Americans with Disabilities Act (ADA). As a component of this bill the state sought to bolster the Certified Access Specialist Program (CASP) administered by the State Architect and local governments.

To provide funding for CASP the bill imposes an additional state fee of \$1 on “any applicant for a local business license or equivalent instrument or permit, or renewal thereof”. All businesses are subject to this fee including: rental properties, out-of-town businesses, home-base-businesses, contractors, exempt businesses, and non-profits. The bill divides this money between the State Architect and the City, at specified percentages, 30% is transmitted to the State and 70% is retained by the City and is restricted for use in its CASP program and for associated administrative costs.

In order to comply with the legal mandates of SB1186 the City of Oakland will charge an additional \$1 fee on business license renewals, new business applications, and similar licensing and certification instruments for the 2013 calendar year.

The bill also requires local entities to transmit to local businesses information regarding compliance with and legal obligations under federal and state disability laws. The City has added this information to its business license renewal forms, business license application forms, and similar instruments.

Respectfully submitted,

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/s/

David McPherson  
Revenue & Tax Administrator, Budget & Revenue Division

For questions please contact David McPherson, Revenue & Tax Administrator, at 238-6650.