

BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

AN ORDINANCE ESTABLISHING THE)	ORDINANCE NO. 88-248
METRO BUILDER'S BUSINESS LICENSE)	
PROGRAM)	Introduced by Rena Cusma,
)	Executive Officer

THE COUNCIL OF THE METROPOLITAN SERVICE DISTRICT HEREBY ORDAINS:

Section 1. Chapter 2.09, Builder's Business License, is added to the Code of the Metropolitan Service District to be numbered, titled and to read as follows:

Chapter 2.09 Builder's Business License

2.09.010 Purpose and Authority:

(a) The purpose of this ordinance is to provide a procedure for the District to issue Builder's Business License, establish a fee for the license, and distribute to participating jurisdictions the fees collected by the District.

(b) The authority for the Metropolitan Service District to issue Builder's Business License, establish requirements for the issuance of the license, charge a fee for the license, receive reimbursement for administrative expenses incurred in carrying out this program, determine the dollar amount of residential building permits issued within the District and distribute the fees to participating jurisdictions is granted by Oregon Revised Statutes 701.015.

2.09.020 Definitions:

(a) "Builder" has the meaning given under ORS 701.055.

(b) "Builder's Business License" means a document issued by the District to a builder that permits the builder to conduct business in participating jurisdictions.

(c) "Builder's Business License Fee" means any fee paid to the District for the issuance of a Builder's Business License.

(d) "Business License Tax" means any fee paid by a builder to a city or county for any form of license that is required by the city or county to conduct business in that jurisdiction. The term does not include any franchise fee or privilege tax imposed by a participating jurisdiction upon a public utility under ORS 221.420 or 221.450 or any provision of a city charter.

(e) "Conducting Business" means to engage in any activity in pursuit of gain including activities carried on by a builder through officers, agents and employees as well as activities carried on a builder on that builder's own behalf.

(f) "Participating Jurisdiction" means any city or county located wholly or partly within the boundaries of the District that has a requirement for a builder to obtain a business license to conduct business in that jurisdiction, and the fee for this license is not based on or measured by adjusted net income.

(g) "Principal Place of Business" means the location of the central administrative office in this state of a builder conducting business in this District.

(h) "Residential Building Permit" means any permit issued for the construction or alteration of a residential structure issued by a governing body authorized under ORS 455.150.

2.09.030 Eligibility and License Issuance: Any builder wishing to conduct business in any participating jurisdiction shall be issued a Builder's Business License if subsections (a) and (b) are met by the builder:

(a) (1) Presents proof to the District that the builder has paid the business license tax imposed by each participating jurisdiction in which the builder has an office; or

(2) Presents proof that the builder has an office only outside the boundaries of a participating jurisdiction; and

(b) (1) Presents proof that the builder is currently registered with the State of Oregon Builder's Board;

(2) Completes an application as required by Section 2.09.070 of this chapter;

(3) Pays the Builder's Business License fee established in Section 2.09.100 of this chapter; and

(4) Meets all other license requirements provided under this chapter.

2.09.040 Denial of Issuance:

(a) The District shall refuse to issue a license for any one of the following reasons:

(1) Fraud, misrepresentation or false statement made in the applications at the time of application.

(2) Failure to present proof at the time of application that the applicant has met all other license requirements provided under this chapter.

(3) Failure to pay the Builder's Business License fee established under Section 2.09.100 of this chapter.

(b) Notice of denial of a application shall be given in writing to the applicant setting forth the grounds of the denial. Such notice shall be mailed to the applicant at the address that appears on the application for the license. This action of denial may be appealed as provided in Section 2.09.150 of this chapter.

2.09.050 Exemptions: A builder that is required to be licensed by a city within the boundaries of the District that imposes a business license tax based on or measured by adjusted net income earned by conducting business within the city may not obtain and possess a Builder's Business License in lieu of that jurisdiction's business license tax or business license.

2.09.060 License Applicability:

(a) If a builder has paid any business license tax imposed by participating jurisdictions in which the builder has an office the builder may apply for a Builder's Business License from the District.

(b) If a builder has been issued a Builder's Business License by the District, the builder may conduct business without any other business license in participating jurisdictions in which the builder: (1) has no office; (2) has not derived gross receipts of \$100,000 or more from business conducted within the boundary of the participating jurisdiction during the calendar year for which the business license is owed.

2.09.070 Application for License: To obtain a Builder's Business License, a builder must make application in person or by mail to the District upon forms provided and prescribed by the District. The completed application shall be filed with the fee described in Section 2.09.100 of this chapter with the District before a builder is issued a Builder's Business License.

2.09.080 Application Contents: Each application for a Builder's Business License received by the District shall contain:

- (a) The name of the business making application.
- (b) The name of a contact person in the business.
- (c) The address of the principal place of business.
- (d) The telephone number of the business.
- (e) State of Oregon Builder's Board registration number.
- (f) Date of application.
- (g) The signature of the builder making the application.
- (h) Such other information as the District shall determine.

2.09.090 Validity of the License:

(a) The license shall be valid from the date of issuance to the day immediately preceding the date of issuance in the following year. The license shall not be issued for a portion of a year.

(b) Before the expiration of the Builder's Business License, the District shall notify the builder to whom the license was issued of the approaching expiration. Within 90 days prior to the expiration date, the notice shall be mailed to the builder to whom the license was issued at the address shown on the original application for the license maintained by the District.

(c) The District is not required to notify the builder of an approaching expiration if the builder's license has been revoked under Section 2.09.140 of this chapter, or if the builder has failed to notify the District of a change of address.

2.09.100 Fee: The fee to be paid by any builder for a Builder's Business License is \$110.00 and is non-refundable.

2.09.110 License: Each Builder's Business License issued under this chapter shall state upon its face the following:

- (a) The name of the licensee.
- (b) The address of the licensee.
- (c) A unique license number established by the District.
- (d) The date of issuance.
- (e) The date of expiration.
- (f) Such other information as the District shall determine.

2.09.120 Replacement License:

(a) A replacement Builder's Business License shall be issued upon receipt by the District of a completed application for a replacement license and payment of a \$20 fee to replace any otherwise valid license previously issued which has been lost, destroyed or mutilated. The expiration date for the replacement license shall be the same date as provided on the original license issued to the builder.

- (b) Each application for a replacement shall contain:
 - (1) The name of the business making application.
 - (2) The name of a contact person in the business.
 - (3) The address of the principal place of business.

- (4) The telephone number of the business.
- (5) State of Oregon Builder's Board registration number.
- (6) Date of application.
- (7) Such other information as the District shall determine.

2.09.130 Renewal: Each builder requesting renewal of a license must make application, as described in Section 2.09.070 of this chapter, to the District upon forms provided and prescribed by the District. The completed application for renewal of the Builder's Business License shall be filed with the fee described in Section 2.09.100 of this chapter with the District before a renewal license is issued.

2.09.140 Revocation:

(a) A license issued under this chapter may be revoked by the District, after notice, for any of the following reasons:

(1) Fraud, misrepresentation or false statement contained in the application for the license.

(2) Fraud, misrepresentation or false statement made in the course of carrying out the licensed activity.

(3) Conducting the licensed activity in an unlawful manner or in such a manner as to constitute a menace to the health, safety or general welfare of the public.

(4) Failure to comply with the ordinances and resolutions of a jurisdiction within the boundaries of the District in which the license holder is conducting business authorized by this license.

(b) Notice of revocation of a license shall be given in writing to the licensee setting forth the grounds of the complaint. Such notice shall be mailed by certified mail at least ten (10) working days before the date of revocation to the licensee at the address that appears on the application for the license being revoked. Revocation shall be effective ten (10) working days after notice of revocation.

2.09.150 Appeal of a Revoked License or Denied Application: Any builder aggrieved by the action of the District in denying an application for or revocation of a Builder's Business License is entitled to appeal action under the provisions of Metro Code chapter 2.05.

2.09.160 Penalty: Any builder who fails to comply with or violates any provision of this Chapter is subject to penalties under Section 1.01.110 of this Code. In the event that a provision of this chapter is violated by a firm or corporation, the officer or builder

responsible for the violation shall be subject to the penalty provided in Section 1.01.110 of this Code.

2.09.170 Distribution of Fees: The District shall distribute the Builder's Business License fees collected by the District under this chapter to participating jurisdictions after the District has received reimbursement for administrative expenses incurred in carrying out the provisions of this chapter. At least once a year, each participating jurisdiction shall receive a share of the Builder's Business License fees collected by the District based on a ratio of the total of the dollar amount of residential building permits issued by all participating jurisdictions to the total dollar amount of residential building permits issued during that year by each participating jurisdiction.

2.09.180 Regulations: The Executive Officer may establish such other Builder's Business License regulations, not inconsistent with this chapter, as may be necessary and expedient.

2.09.190 Operative Date: For the purpose of administering this program, entering into intergovernmental agreements with participating jurisdictions, collecting fees and issuing licenses, this ordinance is operative immediately upon passage.

2.09.200 Effective Date: No Builder's Business License shall be effective before July 1, 1988.

ADOPTED by the Council of the Metropolitan Service District
this 12th day of May, 1988.

Mike Ragsdale
Mike Ragsdale, Presiding Officer

SL/gl
9177C/540
04/05/88

ATTEST:
A. Marie Nelson
Clerk of the Council

I certify this ordinance was not vetoed by the Executive Officer
A. Marie Nelson
Clerk of the Council
May 23, 1988
Date

CONSIDERATION OF ORDINANCE NO. 88-248 ESTABLISH-
ING THE METRO BUILDER'S BUSINESS LICENSE PROGRAM

Date: March 28, 1988

Presented by: Steve Lee

FACTUAL BACKGROUND AND ANALYSIS

This staff report explains the purpose and operation of the Metro Builder's Business License Program authorized by proposed Ordinance No. 88-248. The authority for Metro to implement and administer the program is provided in ORS 701.015. The program will be effective July 1, 1988. However, the ordinance specifies that for administrative purposes, i.e., issuing licenses, the ordinance is operative immediately upon passage.

House Bill 2218 was introduced in the 1987 Legislature because numerous building contractors and subcontractors in the Portland metropolitan area working in one year in several of the cities and counties within the region during a 12-month period are required to obtain business licenses in most of these jurisdictions. Advocates for this change generally stated that the expense incurred in obtaining multiple business licenses during a 12-month period precluded small firms from performing competitively on short-term jobs in a number of cities.

Analysis

ORS 701.015 grants the following authority to Metro:

- issue business licenses to builders
- collect a fee for the license
- determine the dollar amount of residential permit activity in the cities and counties
- distribute part of the fees to participating jurisdictions within the region
- reimburse itself for administration of the program

This statute does not grant Metro the authority to:

- license any business except builders
- mandate participation by builders
- enforce the use, or lack thereof, of business regional licenses

Briefly, Ordinance No. 88-248 allows any builder registered with the Oregon Builder's Board to apply for a Metro Builder's Business License. The license allows the builder to conduct business in any jurisdiction within the Metro boundaries. However,

before Metro issues the license the builder must first obtain a license in each jurisdiction that the builder has an office.

The following jurisdictions are excluded from the program and will not be distributed fees:

- Clackamas County - no tax
- Happy Valley - no tax
- King City - no tax
- Maywood Park - no tax
- Multnomah County - income tax
- City of Portland - income tax
- Rivergrove - no tax
- Washington County - no tax
- Wood Village - no tax

Specifically, Ordinance No. 88-248 accomplishes the following:

- states the purpose and authority of the program
- defines terms used in the ordinance
- describes who is eligible for the program
- allows Metro to deny issuing licenses
- exempts jurisdictions with income based business license fees
- describes where the license is valid
- describes the application process and contents
- establishes a period of validity
- establishes a fee for the license
- outlines the license contents
- establishes a replacement and renewal process
- allows for revocation
- refers grievances to the appeal procedures in the Metro Code
- establishes a penalty
- distribution of the revenue

To assist in understanding how the fee was determined, what are the revenue estimates and how the program works with cities and the construction community, the following supporting documents are attached to this staff report.

- Metropolitan Area Average Business License Fee
- Metro Administrative Costs
- Metro Builder's Business License Revenue Projections
- Draft Ordinance/Resolution for jurisdictions

Proposed Action

Ordinance No. 88-248 is added to the Code of the Metropolitan Service District and establishes the Metro Builder's Business License Program. The ordinance is before the Council for adoption.

EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends adoption of Ordinance No. 88-248.

METROPOLITAN AREA*

AVERAGE** BUSINESS LICENSE FEES

(Cities in bold the fee on number of employees)

<u>BEAVERTON</u>	\$ 30.00 - annual tax
<u>CORNELIUS</u>	40.00 - annual tax
DURHAM	87.50 - based on \$70 annual tax for contractors inside the city and \$105 for outside businesses
FAIRVIEW	25.00 - annual flat fee
FOREST GROVE	40.25 - ten-year flat fee
GLADSTONE	15.00 - based on \$10 annual tax for businesses inside the city and \$20 for outside businesses
<u>GRESHAM</u>	45.00 - annual tax
HILLSBORO	25.00 - based on average annual flat fee tax for contractors
JOHNSON CITY	17.50 - based on \$10 annual tax for businesses inside the city and \$25 for outside businesses
<u>LAKE OSWEGO</u>	31.00 - based on \$28.50 annual tax for businesses inside the city and \$33.75 annual flat fee for outside businesses
<u>MILWAUKIE</u>	38.50 - based on \$23 annual tax for businesses inside the city and \$34.50 for outside businesses
<u>OREGON CITY</u>	37.50 - based on \$30 annual tax for businesses inside the city and \$45

ADMINISTRATIVE COSTS
BUSINESS LICENSE PROGRAM

CENTRAL ADMINISTRATION

Set-up permanent file	5 minutes
Data entry	5 minutes
Filing paperwork	2 minutes
Application and payment review	5 minutes
Processing license payment	6 minutes
Processing jurisdiction payments	6 minutes
Monthly report generation and distribution	4 minutes
Determining revenue distribution	4 minutes
Assigning a license	3 minutes
Issuance of license	3 minutes
Mail the license	<u>3 minutes</u>
 TOTAL	 46 minutes @ \$12 per hour = \$9.20 per license

COST OF ISSUANCE

Application and documentation review	8 minutes
Verifying documentation and payment	<u>3 minutes</u>
 TOTAL	 11 minutes @ \$12 per hour = \$2.20 per license

1000 LICENSES

Processing & issuance	\$ 11,400
Fringe	3,534
Overhead	9,400
Issuance	2,200
Postage	250
Printing	100
Auditing & Reconciliation	<u>1,000</u>
 TOTAL	 \$26,884

\$ 27.00 ADMINISTRATIVE COST PER LICENSE

for outside businesses

<u>SHERWOOD</u>	46.00 - annual tax
<u>TIGARD</u>	50.00 - annual tax
TROUTDALE	25.00 - annual flat tax
TUALATIN	30.00 - annual flat tax
WEST LINN	48.00 - based on \$37.50 annual tax for businesses inside the city and \$56.25 for outside businesses.
WILSONVILLE	109.00 - annual flat fee tax

AVERAGE	\$ 41.125 x 2 =	\$ 82.00
METRO COSTS (see attachment)		<u>18.00</u>
FEE		\$ 100.00

* Cities located wholly and partly within the boundaries of Metro. However, cities with no business license programs do not appear in the average.

** When number of employees is used to determine the fee, 3 employees is used to determine the average.

METRO BUILDER BUSINESS LICENSE
REVENUE PROJECTIONS

	Housing Starts	Percent of Total	FEE/LICENSES			
			\$100/500	\$100/1000	\$150/500	\$150/1000
Beaverton	\$27,692,173	13.32%	\$5,328	\$10,656	\$7,992	\$15,983
Cornelius	322,924	0.16%	62	124	93	186
Durham	38,350	0.02%	7	15	11	22
Fairview	145,068	0.07%	28	56	42	84
Forest Grove	4,230,266	2.03%	814	1,628	1,221	2,442
Gladstone	1,011,948	0.49%	195	389	292	584
Gresham	23,842,229	11.47%	4,587	9,174	6,881	13,761
Happy Valley	1,099,000	0.53%	211	423	317	634
Hillsboro	11,683,915	5.62%	2,248	4,496	3,372	6,744
Johnson City	0	0.00%	0	0	0	0
Lake Oswego	50,677,678	24.38%	9,750	19,500	14,625	29,250
Milwaukie	3,412,030	1.64%	656	1,313	985	1,969
Oregon City	387,400	0.19%	75	149	112	224
Sherwood	0	0.00%	0	0	0	0
Tigard	40,094,036	19.28%	7,714	15,428	11,571	23,142
Troutdale	2,238,081	1.08%	431	861	646	1,292
Tualatin	16,256,700	7.82%	3,128	6,255	4,692	9,383
West Linn	24,710,346	11.89%	4,754	9,508	7,131	14,262
Wilsonville	64,220	0.03%	12	25	19	37
Total	\$207,906,364	100.00%	\$40,000	\$80,000	\$60,000	\$120,000



METRO

2000 S.W. First Avenue
Portland, OR 97201-5398
503/221-1646

Memorandum

Date: May 3, 1988

To: Metro Councilors

From: Marie Nelson, Clerk of the Council *amm*

Regarding: ORDINANCE NO. 88-248, ESTABLISHING THE
METRO BUILDER'S BUSINESS LICENSE PROGRAM

The attached ordinance reflects amendments recommended by the Council Internal Affairs Committee. Language proposed to be added is underlined and language proposed to be deleted is shown in brackets. The Committee's report will be presented at the Council meeting.

APR 25 1988

THE ASSOCIATED GENERAL CONTRACTORS OF AMERICA, INC.

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Kenneth G. Bakke
Kent A. Boden
William H. Bugge
Joel Burt
Luther Clevenger
Jay Compton
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Robert C. Wilson

April 22, 1988

Steve Lee
Metropolitan Service District
2000 S.W. First Avenue
Portland, OR 97201-5398

Dear Steve,

With one exception, the proposed ordinance establishing the Metro Builders Business License Program appears to be quite satisfactory from the standpoint of construction contractors.

The only suggestion that we would make is in Section 2.09.030. We would suggest that this section be revised in some manner to show which of the six conditions are conjunctive with other itemized conditions and which are not conjunctive with the other stated conditions.

We appreciate the opportunity to review this proposed ordinance while it is still in draft form.

Very truly yours,

Jack R. Kalinoski
Public Affairs Manager



METRO

Memorandum

2000 S.W. First Avenue
Portland, OR 97201-5398
503/221-1646

April 25, 1988

To: Ray Phelps, Planning & Development Director
From: Steve Lee, Local Government Coordinator *slw*
Re: Builder's Business License Program Budget

Until very recently the costs for the design and implementation of the Builder's Business License Program has been fairly labor intensive and the work concentrated in the Planning and Development Department. However, to get the program up and running requires some capital investment. Namely, the printing, postage, mailing and computer leasing costs.

Briefly, the applications must be printed for distribution to the industry and participating jurisdictions. Secondly, the applications and an informational brochure must be mailed to the 6,300 registered builders in the metro-area. Finally, a method for processing the applications and issuing the licenses must be developed and the most efficient method for accomplishing the task is with the use of a personal computer.

Below is a budget that reflects the costs of the program for the remainder of the is fiscal year. I cannot identify any of these costs that can be delayed until next year.

BUSINESS LICENSE BUDGET MATERIALS AND SERVICE

FORMS

Paper (application)	\$ 401.80
Envelopes	82.35

DISTRIBUTION

Mailing House	\$ 264.10
Postage	1050.10

COMPUTER

PC Lease	138.00
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TOTAL	\$ 1936.35
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I would like to discuss this memo prior to the April 26th Council meeting.

cc: Darlene Badrick

Design & Construction

Metro tackles builder's license plan

Regional program could be contractors' 'passport' out of costly city licenses

By KEVIN HARDEN

Work started this week on a metropolitan-area business license that could be a "passport" for contractors working each year in several cities around Portland.

Metropolitan Service District councilors on Thursday sent the metro builder's business license program to Metro's Intergovernmental Relations Committee. A public hearing on the program is scheduled April 26, 5:30 p.m., at the Metro Center, 2000 S.W. First Ave.

Under the program, which goes into effect July 1, builders and contractors who work each year in Multnomah, Clackamas and Washington counties will be able to purchase one business license — instead of a dozen or more — that will allow them to work in several cities for a flat fee.

The program was included in a bill approved by the Legislature last year. Besides allowing metro-area builders and contractors to purchase only one business license that will be good for nearly all jurisdictions around Portland, the program also will distribute funds collected by the license fee to jurisdictions based on the value of annual construction permits.

"It looks like this program is going to work the way we intended," said Charles Hales, governmental affairs director for the Home Builders Association of Metropolitan Portland, who led the effort in support of the program.

"It will be a much more efficient system for local governments because they won't have to devote so much time to paperwork. It also will be a much better system for the contractor — or subcontractor — who's got

15 business licenses tacked up on his wall," Hales said.

Although no fee has been set, the license could cost \$109 a year, which includes a \$27 administration cost. With the regional license, builders and contractors would not have to buy additional business licenses to work in Portland-area cities.

It will be a much more efficient system for local governments because they won't have to devote so much time to paperwork. It also will be a much better system for the contractor — or subcontractor — who's got 15 business licenses tacked up on his wall. 9

— Charles Hales of the Home Builders Association of Metropolitan Portland

Hales estimated that about 500 to 1,000 contractors and builders would take advantage of the program. An estimated 6,000 of the 15,500 builders registered with the state Builders Board work in the metropolitan area, he said.

The license will not cover the hometown of individual builders or contractors because they would be expected to contribute to that city's economy, Hales said.

Steve Lee, Metro local government coordinator who worked with Hales and other organizations to create the program, said the license fees could generate between

\$40,000 and \$80,000 a year — at \$109 each — if 500 to 1,000 contractors participated.

Lake Oswego, Beaverton, Tigard and West Linn probably will get the lion's share of the license funds because that is where the bulk of development has occurred in the metropolitan area.

A regional business license will replace many separate — and costly — licenses that most subcontractors are required to purchase, even if they only work once a year in a city.

Of the 18 cities surveyed by Metro, most charged an average of \$42 a year for a business license. Wilsonville's license fee is \$109 a year. Gladstone charges only \$15 a year.

In eight of the cities the license fee was based on the number of company employees, often doubling the cost for large firms.

Hales said the system was hardest on small subcontractors, such as plumbers or electricians, who were forced to buy licenses in several cities.

"We had one heating contractor who had 17 business licenses," Hales said. "You'd have to be pretty small in this business to not be working in two or three jurisdictions a year."

Because it is a regional issue, Metro will supervise the process and distribute funds to the cities. Metro will not enforce business license regulations or mandate participation by builders or contractors.

The Metro Council probably will consider an ordinance establishing the program during its May 12 meeting.

"It should all work out OK," Lee said. "We don't anticipate any problems, but there is some flexibility in case there are any."

Volunteers sought for commission

Beginning July 1, the Portland area boundary commission will be under the direction of the Metropolitan Service District, and Metro is seeking individuals interested in serving on the commission.

Appointments to the commission will be made by Rena Cusma, Metro's executive director, from nominations by members of the Metro council.

The deadline for contacting the council is April 20.

General

THE OREGONIAN, THURSDAY, APRIL 14, 1988

One step to one-stop

Metro has an opportunity this week to move this region toward a desirable one-stop business licensing system. Admittedly, the proposal before the Metro Council Thursday would establish only a regionwide home-builders' business license program, but it should provide the testing ground for expansion.

Businesses, particularly small businesses, are inundated with government-required paperwork that cuts into their profit-making time. Building contractors and subcontractors working in several of the cities and counties in the Portland metropolitan area have to get separate business licenses in most of the different jurisdictions. The home builders asked the 1987 Legislature to authorize Metro to do something about the fragmentation.

Since that is exactly why Metro was created — to address fragmented and duplicative government that unnecessarily adds to the costs to businesses and other taxpayers — the Legislature approved House Bill 2218, now Oregon Revised Statutes 701.015.

The statute allows Metro to issue business licenses to builders, collect a fee to cover its cost, determine the dollar amount of residential permit

activity in the cities and counties, and proportionately distribute the balance of the fees to participating jurisdictions.

Builders still must get licenses in their home cities. No builder must also get a Metro license. Only those who see a savings in price and time from having to buy several licenses will choose to do so.

Unwisely, the Legislature excluded a number of jurisdictions from the Metro program, among them, Portland and Multnomah County. Most of the excluded governments require no business licenses. However, unlike the business-license fees charged in most jurisdictions, Portland's is based on net income. Multnomah County levies a business income tax instead of requiring a license.

Starting immediately, Metro, Portland and Multnomah County should work with the home builders and other businesses and legislators to incorporate licensing into a truly regionwide program. It makes no sense to impose costs of fragmented and duplicative government on small businesses and other taxpayers.

And a licensing system can hardly be considered regionwide when it does not apply to the region's dominant city.

Brochure copy
Steve Lee
Metro Business License Program

When's the last time a government **saved** your business money?

Beginning soon, the Metropolitan Service District (Metro) will be offering Portland area builders an opportunity to do just that. Metro will begin its builders business license program -- a program authorized by the last session of the Oregon legislature.

The idea is simple: why should builders have to get a business license in each and every jurisdiction in which they do work? Instead, Metro will offer local builders the choice of getting a "passport" license that will allow them to do business in most of the cities in the Metro area.

The questions and answers below should give you all the information you need about the Metro builders business license. If not, call Steve Lee at Metro 221-1646 and he can give you more details.

Questions and Answers about the Metro Builders Business License™

Q: WHAT IS THE METRO BUILDER'S LICENSE?

A: The license, issued by Metro and some cities, allows a contractor or subcontractor to construct, alter and repair residential structures in the metropolitan area without multiple business licenses.

Q: AM I REQUIRED TO GET A METRO LICENSE?

A: No. The Metro license is optional. it's up to you whether you get a metro license. It's a simple business decision: which is going to cost you less, a Metro license or a number of licenses from individual cities? The Metro license gives you a chance to compare and make the decision that makes the most sense.

Q: DO I NEED ANY OTHER LICENSE?

A: Yes. You must get a license from each city in which you have an office. And you must have a license from every city in which you do more than \$100,000 worth of business on an annual basis.

Q: WHERE DOES THE LICENSE WORK?

A: These cities will honor the Metro license:

Beaverton	Johnson City
Cornelius	Lake Oswego
Durham	Milwaukie
Fairview	Oregon City
Forest Grove	Sherwood
Gladstone	Tigard
Gresham	Troutdale
Happy Valley	Tualatin
Hillsboro	West Linn
Wilsonville	

The cities of Happy Valley, Maywood Park, Wood Village, King City and Rivergrove are not included in the program because they do not currently require business licenses for builders. The City of Portland is not included because it bases its license fee on revenue produced by a business.

Q: ISN'T THIS JUST MORE GOVERNMENT RED TAPE?

A: No, it's actually less. Having a Metro license means you will not be required to a license in each and every city in which you do business. But remember, the Metro license is optional. You do have the choice to ignore the program and just continue to do business the way you have always done it.

Q: WHO QUALIFIES FOR A LICENSE?

A: There are two requirements to qualify for a license:

1. You must be currently registered with the State of Oregon Builders Board.
2. You must have proof that you have a valid business license in each city in which you have an office.

Q: HOW DO I GET MY LICENSE AND HOW MUCH DOES IT COST?

A: Most city permit counters will have applications for the Metro license. You will need to complete the application, present proof of your State of Oregon Builders Board registration and pay the \$110 non-refundable fee. A copy of the completed application will be issued to you and will serve as your Metro license until the actual license is issued by Metro. It will require approximately two weeks to process the applications and issue the license.

Q: HOW AND WHEN DO I RENEW MY LICENSE?

A: The license is valid for one year from the date of issuance. You will receive a renewal notice by mail reminding you to re-apply for the Metro license.

If you have any further questions about the Metro License Program, please call Steve Lee at Metro, 221-1646.



METRO

2000 S.W. First Avenue
Portland, OR 97201-5398
503/221-1646

Builder's Business License Application

The Metro Builder's Business License is issued pursuant to authority granted by ORS 701.015-020. Any person currently registered with one State of Oregon Builder's Board that has obtained a license in each jurisdiction that the builder has an office or in which the builder does more than \$100,000 worth of business on an annual basis may apply for the license. The license is valid for one year from the date of acceptance and allows a builder to conduct business in the following cities:

Beaverton
Forest Grove
Hillsboro
Maywood Park
Sherwood
West Linn

Cornelius
Gladstone
Johnson City
Milwaukie
Tigard
Wilsonville

Durham
Gresham
King City
Oregon City
Troutdale
Wood Village

Fairview
Happy Valley
Lake Oswego
Rivergrove
Tualatin

Please type or print

1. To be issued to _____
(Name of business making application)

2. Name of contact person in the business _____

3. Address of the principal place of business _____
(Street address)

(City, state, ZIP)

4. Telephone number for business _____

5. State of Oregon Builder's Board registration number _____
(Expiration date)

6. List all jurisdictions in this state in which you have an office _____

(Date)

(Signature of applicant)

The fee is \$110 and is non-refundable.

This completed application may serve as a temporary license and is valid for 10 working days following the date of acceptance.

Do not write below this line

City use only (initial each line)

- 1. Issuing jurisdiction _____
- 2. Date of acceptance _____
- 3. Fee received _____
- 4. Builders Board Reg. checked _____
- 5. Sent to Metro by _____

(Lines 1-4 must be completed before this application can serve as a temporary license)

Metro use only

- Documentation reviewed _____
- Payment processed _____
- Electronic file completed _____
- License number _____
- License issued _____

INTERGOVERNMENTAL AGREEMENT BETWEEN
METRO AND A PARTICIPATING JURISDICTION

This agreement is made by and between the Metropolitan Service District (METRO) and _____ (Jurisdiction).

WHEREAS, Metro has adopted Ordinance 88-248 that establishes the Metro Builder's Business License Program for the purpose of issuing business licenses to builder's conducting business within the boundaries of Metro pursuant to ORS 701.015 and 701.020; and

WHEREAS, ORS 701.015 and 701.020 prescribes certain duties for Metro and cities and counties within Metro's boundaries in the administration of a program that issues builders business licenses under that legislation; and

WHEREAS, Ordinance 88-248 allows Metro to enter into agreements with jurisdictions wishing to participate in the Metro Builders Business License Program in carrying out certain duties; and

WHEREAS, the parties desire to clarify those duties and agree to certain additional procedures needed to implement the Metro Builder's Business License Program.

NOW, THEREFORE, the parties hereto agree as follows:

1. Jurisdiction shall make available to the public applications for the Metro Builder's Business License and provide general information to the public concerning the requirements of the Metro Builder's Business License program.

2. Metro shall provide to the jurisdiction applications for and information explaining the Metro Builder's Business License Program.

3. Jurisdiction shall receive completed applications from the public and collect the license fee.

4. Jurisdiction shall immediately forward to Metro all completed applications for said license and the entire fee collected for the license.

5. As consideration for the above described services, Metro shall, at least once a year, make payment to Jurisdiction in an amount that equals \$ _____ times the number of completed applications received by Metro from Jurisdiction.

6. The term of the agreement shall be for the term commencing _____, 1988 through and including _____, 1989.

This agreement does not effect or alter any other agreements between Metro and Jurisdiction.

Approved for the Metropolitan Service District

Approved for the

City of _____

_____ Name

_____ Name

_____ Date

_____ Date

Signature

Signature

METRO BUILDER BUSINESS LICENSE
REVENUE PROJECTIONS

(REVISED 4/21/88)

FEE/LICENSES

	Housing Starts	Percent of Total	\$110/500	\$110/1000
	-----	-----	-----	-----
Beaverton	\$27,692,173	12.55%	\$5,522	\$11,045
Cornelius	322,924	0.15%	64	129
Durham	38,350	0.02%	8	15
Fairview	145,068	0.07%	29	58
Forest Grove	4,230,266	1.92%	844	1,687
Gladstone	1,011,948	0.46%	202	404
Gresham	23,842,229	10.81%	4,755	9,509
Happy Valley	1,099,000	0.50%	219	438
Hillsboro	11,748,915	5.33%	2,343	4,686
Johnson City	0	0.00%	0	0
Lake Oswego	51,252,467	23.23%	10,221	20,442
Milwaukie	3,412,030	1.55%	680	1,361
Oregon City	1,597,400	0.72%	319	637
Sherwood	647,735	0.29%	129	258
Tigard	40,094,036	18.17%	7,996	15,991
Troutdale	2,394,711	1.09%	478	955
Tualatin	16,256,700	7.37%	3,242	6,484
West Linn	24,710,346	11.20%	4,928	9,856
Wilsonville	10,139,499	4.60%	2,022	4,044
	-----	-----	-----	-----
Total	\$220,635,797	100.00%	\$44,000	\$88,000
	=====	=====	=====	=====

OREGON BUILDER BUSINESS
LICENSE LAW

701.015 Business license requirements in cities and metropolitan service districts; fees; distribution of fees. (1) When an office of a builder who is registered under ORS 701.055 is located in a city within the boundaries of a metropolitan service district organized under ORS chapter 268 or when the builder derives gross receipts of \$100,000 or more from business conducted within the boundaries of a city during the calendar year for which the business license tax is owed, the builder is required to pay the business license tax, if any, imposed by the city.

(2) If a builder described in subsection (1) of this section conducts business during any year in any city or jurisdiction within the boundaries of the metropolitan service district other than a city to which the builder has paid a business license tax for that year, the builder may apply for a business license from the metropolitan service district.

(3) When a builder obtains a business license from the metropolitan service district under subsection (2) of this section, if a city within the boundaries of the metropolitan service district and in which the builder does not have an office demands payment of a business license tax by the builder, the city shall waive such payment upon presentation of proof by the builder that the builder has a business license issued by the metropolitan service district. Possession by the builder of a current business license issued by the metropolitan service district under subsection (2) of this section shall be proof sufficient to obtain the waiver described in this subsection.

(4) The metropolitan service district shall issue a business license to a builder who is registered under ORS 701.055 when:

(a) The builder presents proof to the district that the builder has paid the business license tax imposed by each city within the boundaries of the district and in which the builder has an office; and

(b) The builder pays a license fee to the district. The license fee charged under this paragraph shall be twice the average business license tax charged builders registered under ORS 701.055 by cities and counties located within the metropolitan service district plus an amount that is sufficient to reimburse the district for the administrative expenses of the district incurred in carrying out its duties under this section.

(5) The metropolitan service district shall distribute the business license fees collected by the district under this section, less administrative expenses, to the cities and counties that are located wholly or partly within the district and that collect a business license tax. In any year, each such city and county shall receive such share of the license fees as the dollar amount of residential building permits that it issued during that year bears to the total dollar amount of residential building permits that were issued during that year by all of the cities and counties located wholly or partly within the district. Distribution of moneys under this subsection shall be made at least once in each year. The metropolitan service district shall determine the dollar amount of residential building permits issued by cities and counties within the district from statistics and other data published by the Department of Commerce.

(6) As used in this section:

(a) "Business license tax" means any fee paid by a person to a city or county for any form of license that is required by the city or county in order to conduct business in that city or county. The term does not include any franchise fee or privilege tax imposed by a city upon a public utility under ORS 221.420 or 221.450 or any provision of a city charter.

(b) "Conducting business" means to engage in any activity in pursuit of gain including activities carried on by a person through officers, agents and employes as well as activities carried on by a person on that person's own behalf.

(c) "Principal place of business" means the location in this state of the central administrative office of a person conducting business in this state. [1987 c.581 §2]

Note: 701.015 and 701.020 take effect July 1, 1988. See section 8, chapter 581, Oregon Laws 1987.

701.020 Certain cities exempt from application of ORS 701.015. (1) A city that imposes a business license tax based on or measured by adjusted net income earned by conducting business within the city shall be exempt from ORS 701.015.

(2) As used in this section, "business license tax" has the meaning given that term in ORS 701.015. [1987 c.581 §7]

Note: 701.020 was enacted into law by the Legislative Assembly but was not added to or made a part of ORS chapter 701 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

Note: See note under 701.015.



METRO

Memorandum

2000 S.W. First Avenue
Portland, OR 97201-5398
503/221-1646

Agenda Item No. 6.1

Meeting Date May 12, 1988

Date: May 12, 1988

To: Metro Council

From: Councilor Richard Waker ^{RW}
Chair, Intergovernmental Relations Committee

Regarding: COMMITTEE REPORT ON MAY 12, 1988, COUNCIL MEETING
AGENDA ITEM 6.1: CONSIDERATION OF ORDINANCE NO. 88-248,
FOR THE PURPOSE OF ESTABLISHING A BUILDER'S BUSINESS
LICENSE PROGRAM

The Intergovernmental Relations Committee considered Ordinance No. 88-248 at its April 26, 1988, meeting. In attendance were Councilors DeJardin, Kelley, Kirkpatrick and Waker. Councilor Collier was excused.

The Committee unanimously recommends adoption of the ordinance as amended. The proposed amendments are as follows:

1. In Section 2.09.030 Eligibility and License Issuance: Amendments are suggested by department staff to clarify specifically what conditions must be met by a builder for a license to be issued.
2. In Section 2.09.060 License Applicability: An amendment was suggested by the League of Oregon Cities to clarify and make the ordinance consistent with the statutory language regarding applicability of the license provisions.

The Committee also recommended that the license fee stated in Section 2.09.100 be removed and language inserted to the effect that the fee would be established by adoption of a resolution. Because of an oversight such change was not made. Subsequent to the Committee's consideration of this ordinance, General Counsel issued an opinion stating that fees must be set by ordinance (see attached letter dated May 11, 1988). The Committee was apprised of this development at its May 10, 1988, meeting and indicated that the amount of the fee was not an issue in its earlier deliberation but rather just the manner of setting the fee. Department staff has indicated that based on the cost of administering the program the fee should be set at \$110 per year rather than the \$125 as now stated in the proposed ordinance. If the Council agrees then Ordinance No. 88-248 should be further amended in Section 2.09.100 to set the fee at \$110.

DEC/gl
9532C/D2

Attachment



METRO

2000 SW First Avenue
Portland, OR 97201-5398
(503) 221-1646
Fax 241-7417

May 11, 1988

Mr. Ray Phelps
Director of Finance & Administration
Metropolitan Service District
2000 S. W. First Avenue
Portland, OR 97201-5398

Dear Ray:

Re: Ordinance No. 88-248/Builder's Business License Program

You have asked me whether it is appropriate for the Council to provide in proposed Ordinance No. 88-248 that the fee for the business license to be issued by Metro pursuant to ORS 701.015 be established by a separate resolution adopted by the Council.

For the reasons set forth below, I conclude that unless the Council acts to adopt the fee by ordinance, the fee would not be valid and could not be enforced by Metro.

ORS 701.015 provides for the issuance of a Builder's Business License by the Metropolitan Service District under certain circumstances to certain eligible parties. The statute provides that:

"The license fee charged under this paragraph shall be twice the average business license tax charged builders registered under ORS 701.055 by cities and counties located within the metropolitan service district plus an amount that is sufficient to reimburse the district for the administrative expenses of the district incurred in carrying out its duties under this section."

Ordinance No. 88-248 Business License program as drafted sets the fee, as well as terms, conditions and procedures for issuance of licenses.

Executive Officer
Rena Cusma

Metro Council
Mike Ragsdale
Presiding Officer
District 1

Corky Kirkpatrick
Deputy Presiding
Officer
District 4

Richard Waker
District 2

Jim Gardner
District 3

Tom DeJardin
District 5

George Van Bergen
District 6

Sharron Kelley
District 7

Mike Bonner
District 8

Tanya Collier
District 9

Larry Cooper
District 10

David Knowles
District 11

Gary Hansen
District 12

Mr. Ray Phelps
May 11, 1988
Page 2

The Council Intergovernmental Relations Committee amended the proposed ordinance by deleting the license fee from the ordinance and replacing that section with language that states that the fee shall be established by Council resolution.

ORS 268.190 provides that the Metro Council is responsible for the legislative functions of the District and such other duties as the law prescribes. Neither ORS 701.015 nor any other specific statutory provision provides for the Metro Council to have any administrative or quasi-judicial powers regarding the Builder's Business License program. Thus, the Council's sole role is to act as the Metro legislature to adopt as it deems appropriate the necessary Metro legislation to implement the provisions of ORS 701.015.

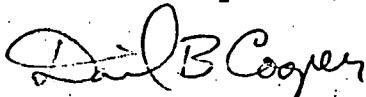
ORS 268.360 provides that:

"For purposes of its authorized functions a district may exercise police power and in so doing adopt such ordinances as the majority of the members of its governing body considers necessary for the proper functioning of the district. All legislative acts shall be by ordinance, and all such ordinances shall be adopted in the manner provided in ORS 198 except where in conflict with this section."
(emphasis supplied)

In that the Metro Council's role is to legislate and the establishment of the fee is a legislative action it must be adopted by an ordinance.

Failure of the Council to establish the fee by an ordinance would jeopardize the enforceability of the entire program.

Yours very truly,



Daniel B. Cooper
General Counsel

gl
9510C/D2

cc: Steve Lee
Don Carlson



METRO

Memorandum

2000 S.W. First Avenue
Portland, OR 97201-5398
503/221-1646

Agenda Item No. 6.1

Date: May 12, 1988

Meeting Date May 12, 1988

To: Metro Council

From: Councilor Richard Waker ^{RW}
Chair, Intergovernmental Relations Committee

Regarding: COMMITTEE REPORT ON MAY 12, 1988, COUNCIL MEETING
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The Committee unanimously recommends adoption of the ordinance as amended. The proposed amendments are as follows:

1. In Section 2.09.030 Eligibility and License Issuance: Amendments are suggested by department staff to clarify specifically what conditions must be met by a builder for a license to be issued.
2. In Section 2.09.060 License Applicability: An amendment was suggested by the League of Oregon Cities to clarify and make the ordinance consistent with the statutory language regarding applicability of the license provisions.

The Committee also recommended that the license fee stated in Section 2.09.100 be removed and language inserted to the effect that the fee would be established by adoption of a resolution. Because of an oversight such change was not made. Subsequent to the Committee's consideration of this ordinance, General Counsel issued an opinion stating that fees must be set by ordinance (see attached letter dated May 11, 1988). The Committee was apprised of this development at its May 10, 1988, meeting and indicated that the amount of the fee was not an issue in its earlier deliberation but rather just the manner of setting the fee. Department staff has indicated that based on the cost of administering the program the fee should be set at \$110 per year rather than the \$125 as now stated in the proposed ordinance. If the Council agrees then Ordinance No. 88-248 should be further amended in Section 2.09.100 to set the fee at \$110.

DEC/gl
9532C/D2

Attachment



METRO

2000 SW First Avenue
Portland, OR 97201-5398
(503) 221-1646
Fax 241-7417

May 11, 1988

Mr. Ray Phelps
Director of Finance & Administration
Metropolitan Service District
2000 S. W. First Avenue
Portland, OR 97201-5398

Dear Ray:

Re: Ordinance No. 88-248/Builder's Business License Program

You have asked me whether it is appropriate for the Council to provide in proposed Ordinance No. 88-248 that the fee for the business license to be issued by Metro pursuant to ORS 701.015 be established by a separate resolution adopted by the Council.

For the reasons set forth below, I conclude that unless the Council acts to adopt the fee by ordinance, the fee would not be valid and could not be enforced by Metro.

ORS 701.015 provides for the issuance of a Builder's Business License by the Metropolitan Service District under certain circumstances to certain eligible parties. The statute provides that:

"The license fee charged under this paragraph shall be twice the average business license tax charged builders registered under ORS 701.055 by cities and counties located within the metropolitan service district plus an amount that is sufficient to reimburse the district for the administrative expenses of the district incurred in carrying out its duties under this section."

Ordinance No. 88-248 Business License program as drafted sets the fee, as well as terms, conditions and procedures for issuance of licenses.

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Mr. Ray Phelps
May 11, 1988
Page 2

The Council Intergovernmental Relations Committee amended the proposed ordinance by deleting the license fee from the ordinance and replacing that section with language that states that the fee shall be established by Council resolution.

ORS 268.190 provides that the Metro Council is responsible for the legislative functions of the District and such other duties as the law prescribes. Neither ORS 701.015 nor any other specific statutory provision provides for the Metro Council to have any administrative or quasi-judicial powers regarding the Builder's Business License program. Thus, the Council's sole role is to act as the Metro legislature to adopt as it deems appropriate the necessary Metro legislation to implement the provisions of ORS 701.015.

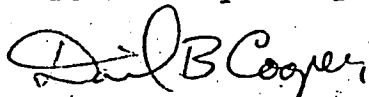
ORS 268.360 provides that:

"For purposes of its authorized functions a district may exercise police power and in so doing adopt such ordinances as the majority of the members of its governing body considers necessary for the proper functioning of the district. All legislative acts shall be by ordinance, and all such ordinances shall be adopted in the manner provided in ORS 198 except where in conflict with this section."
(emphasis supplied)

In that the Metro Council's role is to legislate and the establishment of the fee is a legislative action it must be adopted by an ordinance.

Failure of the Council to establish the fee by an ordinance would jeopardize the enforceability of the entire program.

Yours very truly,



Daniel B. Cooper
General Counsel

gl
9510C/D2

cc: Steve Lee
Don Carlson



METRO

2000 S.W. First Avenue
Portland, OR 97201-5398
503/221-1646

Memorandum

Date: May 13, 1988

To: Rena Cusma,
Executive Officer

From: Marie Nelson, *AMN*
Clerk of the Council

Regarding: TRANSMITTAL OF ORDINANCE NO. 88-248, FOR CONSIDERATION
OF VETO

Attached for your consideration is a certified true copy of Ordinance No. 88-248, adopted by the Council on May 12, 1988.

If you wish to veto this ordinance, I must receive a signed and dated written veto message from you no later than 5:00 p.m., Thursday, May 19, 1988. The veto message, if submitted, will become part of the permanent record. If no veto message is received by the time stated above, the ordinance will be considered finally adopted.

ORIGINAL VERSION
AMENDED BY 162 COMM.

BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

AN ORDINANCE ESTABLISHING THE)
METRO BUILDER'S BUSINESS LICENSE)
PROGRAM)
ORDINANCE NO. 88-248
Introduced by Rena Cusma,
Executive Officer

THE COUNCIL OF THE METROPOLITAN SERVICE DISTRICT HEREBY ORDAINS:

Section 1. Chapter 2.09, Builder's Business Licenses, is added to the Code of the Metropolitan Service District to be numbered, titled and to read as follows:

Chapter 2.09 Builder's Business Licenses

2.09.010 Purpose and Authority:

(a) The purpose of this ordinance is to provide a procedure for the District to issue Builder's Business Licenses, establish a fee for the license, and distribute to participating jurisdictions the fees collected by the District.

(b) The authority for the Metropolitan Service District to issue Builder's Business Licenses, establish requirements for the issuance of the license, charge a fee for the license, receive reimbursement for administrative expenses incurred in carrying out this program, determine the dollar amount of residential building permits issued within the District and distribute the fees to participating jurisdictions is granted by Oregon Revised Statutes 701.015.

2.09.020 Definitions:

(a) "Builder" has the meaning given under ORS 701.055.

(b) "Builder's Business License" means a document issued by the District to a builder that permits the builder to conduct business in participating jurisdictions.

(c) "Builder's Business License Fee" means any fee paid to the District for the issuance of a Builder's Business License.

(d) "Business License Tax" means any fee paid by a builder to a city or county for any form of license that is required by the city or county to conduct business in that jurisdiction. The term does not include any franchise fee or privilege tax imposed by a participating jurisdiction upon a public utility under ORS 221.420 or 221.450 or any provision of a city charter.

(e) "Conducting Business" means to engage in any activity in pursuit of gain including activities carried on by a builder through officers, agents and employees as well as activities carried on a builder on that builder's own behalf.

(f) "Participating Jurisdiction" means any city or county located wholly or partly within the boundaries of the District that has a requirement for a builder to obtain a business license to conduct business in that jurisdiction, and the fee for this license is not based on or measured by adjusted net income.

(g) "Principal Place of Business" means the location of the central administrative office in this state of a builder conducting business in this District.

(h) "Residential Building Permit" means any permit issued for the construction or alteration of a residential structure issued by a governing body authorized under ORS 455.150.

2.09.030 Eligibility and License Issuance: Any builder wishing to conduct business in any participating jurisdiction shall be issued a Builder's Business License if the following conditions are met by the builder:

(a) Presents proof to the District that the builder has paid the business license tax imposed by each participating jurisdiction in which the builder has an office;

(b) Presents proof that the builder has an office only outside the boundaries of a participating jurisdiction;

(c) Presents proof that the builder is currently registered with the State of Oregon Builder's Board;

(d) Completes an application as required by Section 2.09.070 of this chapter;

(e) Pays the Builder's Business License fee established in Section 2.09.100 of this chapter; and

(f) Meets all other license requirements provided under this chapter.

2.09.040 Denial of Issuance:

(a) The District shall refuse to issue a license for any one of the following reasons:

(1) Fraud, misrepresentation or false statement made in the applications at the time of application.

(2) Failure to present proof at the time of application that the applicant has met all other license requirements provided under this chapter.

(3) Failure to pay the Builder's Business License fee established under Section 2.09.100 of this chapter.

(b) Notice of denial of a application shall be given in writing to the applicant setting forth the grounds of the denial. Such notice shall be mailed to the applicant at the address that appears on the application for the license. This action of denial may be appealed as provided in Section 2.09.150 of this chapter.

2.09.050 Exemptions: A builder that is required to be licensed by a city within the boundaries of the District that imposes a business license tax based on or measured by adjusted net income earned by conducting business within the city may not obtain and possess a Builder's Business License in lieu of that jurisdiction's business license tax or business license.

2.09.060 License Applicability:

(a) If a builder has paid any business license tax imposed by participating jurisdictions in which the builder has an office the builder may apply for a Builder's Business License from the District.

(b) If a builder has been issued a Builder's Business License by the District, the builder may conduct business without any other business license in participating jurisdictions in which the builder has no office and has met all other requirements to conduct business in that jurisdiction.

2.09.070 Application for License: To obtain a Builder's Business License, a builder must make application in person or by mail to the District upon forms provided and prescribed by the District. The completed application shall be filed with the fee described in Section 2.09.100 of this chapter with the District before a builder is issued a Builder's Business License.

2.09.080 Application Contents: Each application for a Builder's Business License received by the District shall contain:

- (a) The name of the business making application.
- (b) The name of a contact person in the business.
- (c) The address of the principal place of business.
- (d) The telephone number of the business.
- (e) State of Oregon Builder's Board registration number.
- (f) Date of application.
- (g) The signature of the builder making the application.
- (h) Such other information as the District shall determine.

2.09.090 Validity of the License:

(a) The license shall be valid from the date of issuance to the day immediately preceding the date of issuance in the following year. The license shall not be issued for a portion of a year.

(b) Before the expiration of the Builder's Business License, the District shall notify the builder to whom the license was issued of the approaching expiration. Within 90 days prior to the expiration date, the notice shall be mailed to the builder to whom the license was issued at the address shown on the original application for the license maintained by the District.

(c) The District is not required to notify the builder of an approaching expiration if the builder's license has been revoked under Section 2.09.140 of this chapter, or if the builder has failed to notify the District of a change of address.

2.09.100 Fee: The fee to be paid by any builder for a Builder's Business License is \$125.00 and is non-refundable.

2.09.110 License: Each Builder's Business License issued under this chapter shall state upon its face the following:

- (a) The name of the licensee.
- (b) The address of the licensee.
- (c) A unique license number established by the District.
- (d) The date of issuance.
- (e) The date of expiration.
- (f) Such other information as the District shall determine.

2.09.120 Replacement License:

(a) A replacement Builder's Business License shall be issued upon receipt by the District of a completed application for a replacement license and payment of a \$20 fee to replace any otherwise valid license previously issued which has been lost, destroyed or mutilated. The expiration date for the replacement license shall be the same date as provided on the original license issued to the builder.

- (b) Each application for a replacement shall contain:
 - (1) The name of the business making application.
 - (2) The name of a contact person in the business.
 - (3) The address of the principal place of business.

- (4) The telephone number of the business.
- (5) State of Oregon Builder's Board registration number.
- (6) Date of application.
- (7) Such other information as the District shall determine.

2.09.130 Renewal: Each builder requesting renewal of a license must make application, as described in Section 2.09.070 of this chapter, to the District upon forms provided and prescribed by the District. The completed application for renewal of the Builder's Business License shall be filed with the fee described in Section 2.09.100 of this chapter with the District before a renewal license is issued.

2.09.140 Revocation:

(a) A license issued under this chapter may be revoked by the District, after notice, for any of the following reasons:

(1) Fraud, misrepresentation or false statement contained in the application for the license.

(2) Fraud, misrepresentation or false statement made in the course of carrying out the licensed activity.

(3) Conducting the licensed activity in an unlawful manner or in such a manner as to constitute a menace to the health, safety or general welfare of the public.

(4) Failure to comply with the ordinances and resolutions of a jurisdiction within the boundaries of the District in which the license holder is conducting business authorized by this license.

(b) Notice of revocation of a license shall be given in writing to the licensee setting forth the grounds of the complaint. Such notice shall be mailed by certified mail at least ten (10) working days before the date of revocation to the licensee at the address that appears on the application for the license being revoked. Revocation shall be effective ten (10) working days after notice of revocation.

2.09.150 Appeal of a Revoked License or Denied Application: Any builder aggrieved by the action of the District in denying an application for or revocation of a Builder's Business License is entitled to appeal action under the provisions of Metro Code chapter 2.05.

2.09.160 Penalty: Any builder who fails to comply with or violates any provision of this Chapter is subject to penalties under Section 1.01.110 of this Code. In the event that a provision of this chapter is violated by a firm or corporation, the officer or builder

responsible for the violation shall be subject to the penalty provided in Section 1.01.110 of this Code.

2.09.170 Distribution of Fees: The District shall distribute the Builder's Business License fees collected by the District under this chapter to participating jurisdictions after the District has received reimbursement for administrative expenses incurred in carrying out the provisions of this chapter. At least once a year, each participating jurisdiction shall receive a share of the Builder's Business License fees collected by the District based on a ratio of the total of the dollar amount of residential building permits issued by all participating jurisdictions to the total dollar amount of residential building permits issued during that year by each participating jurisdiction.

2.09.180 Regulations: The Executive Officer may establish such other Builder's Business License regulations, not inconsistent with this chapter, as may be necessary and expedient.

2.09.190 Operative Date: For the purpose of administering this program, entering into intergovernmental agreements with participating jurisdictions, collecting fees and issuing licenses, this ordinance is operative immediately upon passage.

2.09.200 Effective Date: No Builder's Business License shall be effective before July 1, 1988.

ADOPTED by the Council of the Metropolitan Service District
this _____ day of _____, 1988.

Mike Ragsdale, Presiding Officer

SL/sm
9177C/540
04/05/88

Sections:

- 2.09.010 Purpose and Authority
- 2.09.020 Definitions
- 2.09.030 Eligibility and License Issuance
- 2.09.040 Denial of Issuance
- 2.09.050 Exemptions
- 2.09.060 License Applicability
- 2.09.070 Application for License
- 2.09.080 Application Contents
- 2.09.090 Validity of the License
- 2.09.100 Fee
- 2.09.110 License
- 2.09.120 Replacement License
- 2.09.130 Renewal
- 2.09.140 Revocation
- 2.09.150 Appeal of a Revoked License or Denied Application
- 2.09.160 Penalty
- 2.09.170 Distribution of Fees
- 2.09.180 Regulations
- 2.09.190 Operative Date
- 2.09.200 Effective Date

PROPOSED LOC AMENDMENT

Section 2.09.060 (b) would be amended to read: (Page 3)

(b) If a builder has ben issued a Builder's Business License by the District, the builder may conduct business without na other business license in participating jurisdictions in the which the builder:

(1) has no office; or

New 2) has not derived gross receipts of \$100,000 or more from business conducted within the boundary of the participating jurisdiction during the calendar year for the which the business license fee is owed;

PROPOSED STAFF AMENDMENT

Section 2.09.030 would be amended to read: (Page 2)

Any Builder wishing to conduct business in any participating jurisdiction shall be issued a Builder's Business License if subsections (a) and (b) are met by the builder.

(a) (1) Presents proof to the District that the builder has paid the business license tax imposed by each participating jurisdiction in which the builder has an office; or

(2) Presents proof that the builder has an office only outside the boundaries of a participating jurisdiction; and

(b) (1)...

Section 2.09.100 would be amended to read: (Page 4)

Delete "125.00" and insert "110.00"

+ memo from Steve on
→ May 10th 16R
May 12th Council

INTERGOVERNMENTAL RELATIONS COMMITTEE

Motion by Kirkpatrick (carried unanimously) Amendment proposed by
Steve Lee

* Section 2.09.030 amended to read:

Any Builder wishing to conduct business in any participating jurisdiction shall be issued a Builder's Business License if subsections (a) and (b) are met by the Builder.

(a) (1) Presents proof to the District that the builder has paid the business license tax imposed by each participating jurisdiction in which the builder has an office; or

(2) Presents proof that the builder has an office only outside the boundaries of a participating jurisdiction; and . . .

Motion carried unanimously.

*Section 2.09.030 Eligibility and License Issuance

*Section 2.09.060 License Applicability

SEE ATTACHED (Proposed by the League of Oregon Cities -- Phil Fell, B.J. Smith presented)

Motion carried unanimously.

*Section 2.09.100 Fee

Councilor Kirkpatrick moved; and Councilor Kelley seconded; unanimously carried. Change of language "that the fee will be set by resolution _____ whatever the number is; the appropriate language be inserted in the ordinance and the accompanying

resolution." Agreed that the fee would be \$110.00.

gpwb

118:1g

PROPOSED STAFF AMENDMENT

Section 2.09.030 would be amended to read: (Page 2)

Any Builder wishing to conduct business in any participating jurisdiction shall be issued a Builder's Business License if subsections (a) and (b) are met by the builder.

(a) (1) Presents proof to the District that the builder has paid the business license tax imposed by each participating jurisdiction in which the builder has an office; or

(2) Presents proof that the builder has an office only outside the boundaries of a participating jurisdiction; and

(b) (1)...

Section 2.09.100 would be amended to read: (Page 4)

Delete "125.00" and insert "110.00"

OK'S motion

*

adopted

PROPOSED AMENDMENT TO
METRO BUSINESS LICENSE ORDINANCE

2.09.030....

(a) Presents proof to the District that the builder has paid the business license tax imposed by each participating jurisdiction in which the builder either (1) has an office or (2) has, at the time of application, derived gross receipts of \$100,000 or more from business conducted within the boundaries of a participating jurisdiction during the calendar year for which the business license tax is owed.

2.09.060....

(a)....

(b) If a builder has been issued a Builder's Business License by the District, the builder may conduct business without any other business license in participating jurisdictions in which the builder (1) has no office, (2) has not derived \$100,000 in gross revenue during the calendar year for which the Builder's Business License is issued, and (3) has met all other requirements to conduct business in that jurisdiction.

*Builder's
responsibility
clarified
(1, 2 & 3)
Bring
language
out of
state
law
into
Ord*

3. CITIZEN COMMUNICATIONS TO COUNCIL ON NON-AGENDA ITEMS

None.

4. EXECUTIVE OFFICER COMMUNICATIONS

None.

5. COUNCILOR COMMUNICATIONS

None.

6. ORDINANCES
SECOND READING

6.1 Consideration of Ordinance No. 88-248, for the Purpose of Establishing a Builder's Business License Program (Referred from the Intergovernmental Affairs Committee)

The Clerk read the ordinance a second time by title only.

Main Motion: The motion to adopt the ordinance was made by Councilors Waker and Hansen on April 14, 1988.

Presiding Officer Waker announced that a first reading of the ordinance was held on April 14. The ordinance was then referred to the Council Intergovernmental Relations Committee for a public hearing, review and recommendation.

Councilor Waker, Chair of the Council Committee, reported the Committee recommended several amendments (which were incorporated in the document before the Council) including a fee of \$110.00 in Section 2.09.100. At the Committee, Councilor Kirkpatrick had recommended setting the fee by resolution. However, it was later determined by Counsel the fee should be set by means of an ordinance. Councilor Waker concurred with that recommendation.

Motion to Amend: Councilor Waker moved, seconded by Councilor DeJardin, to amend Section 2.09.030 of the ordinance to include a \$110.00 fee and to amend Sections 2.09.030 and 2.09.060 as recommended by the Committee.

Councilor Van Bergen was concerned the provisions of Section 2.09.180, authorizing the Executive Officer to establish program regulations, were "open ended." Steve Lee, Local Government Coordinator, responded that the language had been modeled after Code language for Metro's contracting and personnel programs.

Councilor Waker reported the League of Oregon Cities and the Homebuilders Association supported the ordinance as recommended by the Intergovernmental Relations Committee.

Vote on the Motion to Amend: A roll call vote on the motion to amend Ordinance No. 88-248 resulted in all eleven Councilors present voting aye. Councilor Gardner was absent.

The motion carried and Sections 2.09.030 and 2.09.060 were amended.

Second Motion to Amend: Councilor Van Bergen moved, seconded by Councilor Kirkpatrick, to delete Section 2.09.180 of the ordinance.

Vote on the Second Motion to Amend: A roll call vote resulted in:

Ayes: Councilors Collier, Gardner, Kelley, Kirkpatrick and Van Bergen

Nays: Councilors Bonner, Cooper, DeJardin, Hansen, Knowles, Ragsdale and Waker

The motion failed.

Vote on the Motion to Adopt Ordinance No. 88-248 as Amended: A roll call vote resulted in all twelve Councilors present voting aye.

The motion carried and Ordinance No. 88-248 was unanimously adopted as amended.

7. RESOLUTIONS

REFERRED FROM THE ZOO COMMITTEE

7.1 Consideration of Resolution No. 88-920, for the Purpose of Entering Into an Contract with Guthrie Slusarenko & Associates for the Purpose of Designing and Managing the Construction of the Africa Exhibit, Phase III

As announced earlier in the meeting, consideration of the resolution was deferred to May 26, 1988, at staff's request.

7. ORDINANCES

7.1 Consideration of Ordinance No. 88-247, Adopting the Annual Budget for Fiscal Year 1988-89, Making Appropriations, Levying Ad Valorem Taxes, Creating a Metropolitan Exposition-Recreation Commission and a Convention Center Debt Service Reserve Fund, and Eliminating the Convention, Trade and Spectator Facilities Fund (First Reading)

The Clerk read the ordinance a first time by title only. Executive Officer Cusma addressed the Council regarding the major policies and principles guiding the budget which included allocating costs to show how money was actually spent and building on in-house staff expertise whenever possible. She discussed specific budget programs which incorporated the above two policies.

Motion: Councilor Collier moved to adopt the ordinance.
Councilor Cooper seconded the motion.

The Deputy Presiding Officer referred the ordinance to the Finance Committee for a hearing, review and recommendation.

7.2 Consideration of Ordinance No. 88-248, Establishing a Metro Builder's Business License Program (First Reading)

The Clerk read the ordinance a first time by title only.

Motion: Councilor Waker moved, seconded by Councilor Hansen, to adopt the ordinance.

The Deputy Presiding Officer referred the ordinance to the Intergovernmental Affairs Committee for a hearing, review and recommendation.

7.3 Consideration of Ordinance No. 88-236, Revising the Fee Schedule for Petitions to Amend the Urban Growth Boundary (First Reading)

The Clerk read the ordinance a second time by title only.

Motion: The motion to adopt the ordinance was made by Councilors Knowles and DeJardin at the December 22, 1987, Council meeting.

Councilor Waker, Chair of the Council Intergovernmental Relations Committee, reported the Committee had conducted a public hearing but no one had appeared to testify. The Committee had voted 3 to 1 in favor of recommending Council adoption.



METRO

2000 SW First Avenue
Portland, OR 97201-5398
(503) 221-1646
Fax 241-7417

May 20, 1988

Mr. John Kauffman
County Clerk
Clackamas County Courthouse
8th and Main
Oregon City, OR 97045

Dear Mr. Kauffman:

Enclosed is a true copy of the following Ordinance adopted by the Metro Council. Please file this Ordinance in the Metro file maintained by your county.

Ordinance No. 88-248, An Ordinance Establishing the Metro Builder's License Program.

Sincerely,

A. Marie Nelson
Clerk of the Council

AMN:gpwb

enclosure

Executive Officer
Rena Cusma

Metro Council

Mike Ragsdale
Presiding Officer
District 1

Corky Kirkpatrick
Deputy Presiding
Officer
District 4

Richard Waker
District 2

Jim Gardner
District 3

Tom DeJardin
District 5

George Van Bergen
District 6

Sharron Kelley
District 7

Mike Bonner
District 8

Tanya Collier
District 9

Larry Cooper
District 10

David Knowles
District 11

Gary Hansen
District 12



METRO

2000 SW First Avenue
Portland, OR 97201-5398
(503) 221-1646
Fax 241-7417

May 20, 1988

Ms. Jane McGarvin
Clerk of the Board
Multnomah County Courthouse
1021 S. W. Fourth Avenue
Portland, OR 97204

Executive Officer
Rena Cusma

Metro Council

Mike Ragsdale
Presiding Officer
District 1

Corky Kirkpatrick
Deputy Presiding
Officer
District 4

Richard Waker
District 2

Jim Gardner
District 3

Tom DeJardin
District 5

George Van Bergen
District 6

Sharon Kelley
District 7

Mike Bonner
District 8

Tanya Collier
District 9

Larry Cooper
District 10

David Knowles
District 11

Gary Hansen
District 12

Dear Jane,

Enclosed is a true copy of the following Ordinance adopted by the Metro Council. Please file this Ordinance in the Metro file maintained by your county.

Ordinance No. 88-248, An Ordinance Establishing the Metro Builder's License Program.

Sincerely,

A. Marie Nelson
Clerk of the Council

AMN:gpwb

enclosure



METRO

2000 SW First Avenue
Portland, OR 97201-5398
(503) 221-1646
Fax 241-7417

May 20, 1988

Mr. Charles D. Cameron
County Administrator
Washington County Courthouse
150 North First Avenue
Hillsboro, OR 97213

Executive Officer
Rena Cusma

Metro Council

Mike Ragsdale
Presiding Officer
District 1

Corky Kirkpatrick
Deputy Presiding
Officer
District 4

Richard Waker
District 2

Jim Gardner
District 3

Tom DeJardin
District 5

George Van Bergen
District 6

Sharron Kelley
District 7

Mike Bonner
District 8

Tanya Collier
District 9

Larry Cooper
District 10

David Knowles
District 11

Gary Hansen
District 12

Dear Mr. Cameron:

Enclosed is a true copy of the following Ordinance adopted by the Metro Council. Please file this Ordinance in the Metro file maintained by your county.

Ordinance No. 88-248 An Ordinance Establishing the Metro Builder's Business License Program.

Sincerely,

A. Marie Nelson
Clerk of the Council

AMN:gpwb

enclosure