

SALT LAKE CITY COUNCIL STAFF REPORT

DATE: February 28, 2003

SUBJECT: **Thirty-Day Time Limit for Processing Business License Applications**

AFFECTED COUNCIL DISTRICTS: Citywide

STAFF REPORT BY: Gary Mumford

ADMINISTRATIVE DEPT. AND CONTACT PERSON: City Attorney's Office
Greg Hawkins

KEY ELEMENTS:

The Mayor brought to the attention of the City Attorney's Office a court decision relating to business licensing where it was ruled that a city business license process was invalid because the licensing official had unlimited discretion on the amount of time to decide whether or not to grant or deny a license. The City Attorney's Office found additional court decisions relating to reasonable time constraints for processing business licenses. Some courts have ruled that a reasonable time constraint must be contained in an ordinance and not just in an internal policy or written procedure. Salt Lake City's licensing ordinance relating to sexually oriented business contains a 30-day time period for the City to grant or deny a license application. However, the general business license ordinance doesn't include a time restraint. Salt Lake City's internal policy provides that processing business license applications must be completed within 30 days. The City Attorney's Office is proposing an ordinance amendment to formalize the time restraint in order to avoid the possibility of a challenge based on this technicality.

MATTERS AT ISSUE:

The courts have not mandated that a licensing process be done within 30 days but have held that a reasonable time restraint must be contained in a published ordinance. Based on the City's experience and current policy, the Administration is confident that business license applications can be processed within 30 days. The proposed ordinance provides that a conditional license may be issued if the review process is not completed within the 30 days limit.

The proposed ordinance amendment formalizes the City's current 30-day policy for processing a business license. The amendment also makes the general business licensing ordinance consistent with the sexually oriented business licensing ordinance, which already contains the 30-day processing constraint.