

CITY OF PALM DESERT STAFF REPORT

MEETING DATE: August 24, 2023

PREPARED BY: Richard D. Cannone, AICP, Development Services Director

REQUEST: REQUEST FOR FEEDBACK AND DIRECTION REGARDING UPDATING CHAPTER 5.04 REGARDING MODIFICATION, SUSPENSION, OR REVOCATION OF BUSINESS LICENSES.

RECOMMENDATION:

1. Approve staff recommendation that the City Manager be authorized to suspend a business license and unless appealed within seven (7) calendar days upon receiving the suspension notice, the suspension would automatically convert to a revocation.
2. Provide direction to staff on whether the appeal body for a business license suspension should remain with City Council or be delegated to a hearing examiner.

BACKGROUND/ANALYSIS:

City Council previously provided direction to staff to update the business license suspension procedures in Chapter 5.04, to grant the City Manager the ability to suspend a business license without having to wait for city council authorization. The suspension and revocation procedures of that chapter were originally adopted in 1974 and were last updated in 1983 to align with best practices at the time.

As part of this update, staff would like to further streamline the revocation procedures consistent with current best practices. Staff requests City Council feedback/direction on the following:

1. **Revocation Authority** – Currently, the written notice of a business license suspension also serves as a notice for the revocation hearing with City Council. The revocation hearing must be placed on a City Council agenda at least 10 days after the notice but no longer than 30 days after the notice. Within the past 6-months staff has brought forward two business license suspensions/revocations: the Sweet Spot and AZ Spa. The revocation hearing for Sweet Spot was held and their license was revoked and the revocation hearing for AZ Spa was cancelled due to the owner canceling their business license. The preparation for both revocations hearings involves a substantial amount of staff time.

Table 1 below summarizes the suspension and revocation authority for municipalities within the Coachella Valley:

Table 1: Revocation/Suspension Authority		
Municipality	Suspension	Revocation
Coachella	None; straight to revocation	Finance Director
Indio	None; straight to revocation	Finance Director
La Qunita	None; straight to revocation	City Manager or other city officer or employee charged with the administration of the chapter
Indian Wells	None; straight to revocation	Planning Director
Rancho Mirage	None; straight to revocation	Public Works Director
Cathedral City	None; straight to revocation	Finance Director
Palm Springs	None; straight to revocation	City Manager, or authorized designee charged with the administration of the business license tax and regulatory program.

Staff Recommendation:

To streamline revocation procedures, staff recommends that the City Manager be authorized to suspend a business license and unless appealed within seven (7) calendar days upon receiving the suspension notice, the suspension automatically convert to a revocation.

- 2. Revocation Appeal Body** - Table 2 below summaries appeal body for business license revocations for municipalities within the Coachella Valley:

Table 2: Appeal Body	
Municipality	Appeal Body
Coachella	City Council
Indio	City Council
La Qunita	City Manager
Indian Wells	Planning Commission
Rancho Mirage	City Council
Cathedral City	City Council
Palm Springs	Administrative Appeals Board

Requested Direction:

Does City Council want to continue to be the appeal body for business license revocations as proposed above or should that authority be delegated to a hearing examiner.

Staff Analysis/Considerations:

Currently, none of the cities within the Coachella Valley use a hearing examiner for business license appeals. However, Palm Springs uses an Administrative Appeals

Board that functions like a hearing examiner. This board hears appeals of nuisance abatement orders, code enforcement orders, enforcement of any zoning or land use regulation, animal control orders, and similar matters. The board does not have authority to hear appeals of any action taken by the city council or any other board or commission of the city.

Palm Desert currently uses a hearing examiner to conduct administrative citation hearings for health and safety violations. In recent years, municipalities have trended towards establishing a hearing examiner system for code enforcement and licensing actions, and land use permits, as the permit process has become increasingly complicated from a legal and procedural standpoint. The basic purpose of having a hearing examiner conduct these hearings is to have a professionally trained individual making objective decisions that are supported by an adequate record allowing the governing body to focus on policy-making decisions.

FINANCIAL IMPACT:

There is no fiscal impact associated with this item.