



TOWN OF ALTA BUSINESS LICENSE FEES

July 2021

Business License Fee Study - Purpose

1. Ensure Compliance with *Utah Code Annotated 10-1-203*

“Fees charged reflect the amount necessary to reasonably regulate business activity, including the costs of disproportionate or enhanced levels of municipal services required by some business classes, geographic locations, etc.”

2. Evaluate business licensing categories for disproportionate costs

3. Evaluate enhanced service costs for specific business categories

Methodology



Business License Costs – Factors to Consider

- Percentage change to current fees;
- Dollar amount of change in fees;
- Correlation between proposed fees and the actual cost of services;
- Recognition of revenues generated by some business types (such as sales tax); and
- The comparative/competitive fees in neighboring cities.

Base Administrative Costs

- Employee Labor
- Indirect/Department Overhead
- Training
- Supply and Study Costs

Base Administrative Costs

	Base Cost of Service
Business Licenses Application	\$52.51
Supply and Study Cost per License	\$9.76
Total Base Administrative Fee	\$62.27

Disproportionate Costs

- **Disproportionate Service Costs**

- Based on need for City services
 - e.g., police, fire, EMS

Police Cost per Call for Service

	Amount
2021-2022 Police Budget	\$1,004,050
Estimated Percentage of Time Spent on Responding to Police Calls	2.08%
Annual Police Calls (all calls, including traffic calls)	175.5
Cost per Police Call	\$119.00

Disproportionate Service Call Costs – Business Category

Disproportionate Police Calls for Service

Business Category	Disproportionate Police Calls per Business	Disproportionate Cost per Business
Cat. 1: Hotels >20 rooms	8.8390	\$1,051.83
Cat. 2: Hotels 10-20 rooms*	0.0000	\$0
Cat. 3: Lodging <10 rooms	0.0000	\$0
Cat. 4: Prop. Management, Transportation, Business & Personal Services	0.0000	\$0
Cat. 5: Retail & General Services	0.2247	\$26.74
Cat. 6: Restaurant/Cafeteria/Bar	0.3140	\$37.37
Cat. 7: Day Care Business	0.0000	\$0
Cat. 8: Ski Lift Company	23.2390	\$2,765.41
Cat. 9: Temporary	0.0000	\$0
Cat. 10: Non-Profit	0.0000	\$0

*The Town of Alta has not had Cat. 2: Hotels 10-20 rooms applications in the past several years.

Enhanced Service Costs

• Enhanced Service Costs

- Municipalities are allowed under Utah Code to collect a fee reasonably related to the cost of the following municipal services:
 - Police
 - Fire/EMS
 - Storm Water Runoff
 - Traffic Control
 - Parking
 - Transportation
 - Beautification
 - Snow Removal

The annual cost of parking patrol for the Alta Ski Area is approximately \$6,457.53 and \$1,291.51 for the lodges with 20 or more rooms.

Enhanced Service Costs

Business Category	Total Cost per Business (One-Time Fee)*
Cat. 1: Hotels >20 rooms	\$1,291.51
Cat. 8: Ski Lift Company	\$6,457.53

*The one-time fee is paid annually but is labeled as a “one-time” fee because it only applies to the first business license issued to entities with more than one business license in the same category.

Maximum Business License Fee Calculation – First Application

Business Category	Base Administrative Fee	Disproportionate Service Fee	Enhanced Service Fee*	First Application - Maximum Fee
Cat. 1: Hotels >20 rooms	\$62.27	\$1,051.83	\$1,291.51	\$2,405.61
Cat. 2: Hotels 10-20 rooms	\$62.27	\$0.00	\$0.00	\$62.27
Cat. 3: Lodging <10 rooms	\$62.27	\$0.00	\$0.00	\$62.27
Cat. 4: Prop. Management, Transportation, Business & Personal Services	\$62.27	\$0.00	\$0.00	\$62.27
Cat. 5: Retail & General Services	\$62.27	\$26.74	\$0.00	\$89.02
Cat. 6: Restaurant/Cafeteria/Bar	\$62.27	\$37.37	\$0.00	\$99.64
Cat. 7: Day Care Business	\$62.27	\$0.00	\$0.00	\$62.27
Cat. 8: Ski Lift Company	\$62.27	\$2,765.41	\$6,457.53	\$9,285.22
Cat. 9: Temporary	\$62.27	\$0.00	\$0.00	\$62.27
Cat. 10: Non-Profit	\$62.27	\$0.00	\$0.00	\$62.27

*Businesses will only be charged this fee for their first application. All additional business licenses will only be charged the base and disproportionate service costs.

Maximum Business License Fee – Additional Application Fee

Business Category	Base Administrative Fee	Disproportionate Service Fee	Additional Business License – Maximum Fee*
Cat. 1: Hotels >20 rooms	\$62.27	\$1,051.83	\$1,114.10
Cat. 2: Hotels 10-20 rooms	\$62.27	\$0.00	\$62.27
Cat. 3: Lodging <10 rooms	\$62.27	\$0.00	\$62.27
Cat. 4: Prop. Management, Transportation, Business & Personal Services	\$62.27	\$0.00	\$62.27
Cat. 5: Retail & General Services	\$62.27	\$26.74	\$89.02
Cat. 6: Restaurant/Cafeteria/Bar	\$62.27	\$37.37	\$99.64
Cat. 7: Day Care Business	\$62.27	\$0.00	\$62.27
Cat. 8: Ski Lift Company	\$62.27	\$2,765.41	\$2,827.68
Cat. 9: Temporary	\$62.27	\$0.00	\$62.27
Cat. 10: Non-Profit	\$62.27	\$0.00	\$62.27

*This alternate fee will be assessed to business licenses when the licensee has already applied for a previous license under the same licensee name.

Considerations: Maximum vs. Current Fees

Business License Fee – First Application Fee

Business Category	Alta (Maximum)	Current Fee	Difference
Cat. 1: Hotels >20 rooms	\$2,405.61	\$224.75	(\$2,180.86)
Cat. 2: Hotels 10-20 rooms	\$62.27	\$224.75	\$162.48
Cat. 3: Lodging <10 rooms	\$62.27	\$154.00	\$91.73
Cat. 4: Prop. Management, Transportation, Business & Personal Services	\$62.27	\$128.00	\$65.73
Cat. 5: Retail & General Services	\$89.02	\$154.00	\$64.98
Cat. 6: Restaurant/Cafeteria/Bar	\$99.64	\$184.75	\$85.11
Cat. 7: Day Care Business	\$62.27	\$169.75	\$107.48
Cat. 8: Ski Lift Company	\$9,285.22	\$295.00	(\$8,990.22)
Cat. 9: Temporary	\$62.27	\$35.00	(\$27.27)
Cat. 10: Non-Profit	\$62.27	\$0.00	(\$62.27)

Considerations: Maximum vs. Current Fees

Business License Fee – Additional Application Fee

Business Category	Alta (Maximum)	Current Fee	Difference
Cat. 1: Hotels >20 rooms	\$1,114.10	\$224.75	(\$889.35)
Cat. 2: Hotels 10-20 rooms	\$62.27	\$224.75	\$162.48
Cat. 3: Lodging <10 rooms	\$62.27	\$154.00	\$91.73
Cat. 4: Prop. Management, Transportation, Business & Personal Services	\$62.27	\$128.00	\$65.73
Cat. 5: Retail & General Services	\$89.02	\$154.00	\$64.98
Cat. 6: Restaurant/Cafeteria/Bar	\$99.64	\$184.75	\$85.11
Cat. 7: Day Care Business	\$62.27	\$169.75	\$107.48
Cat. 8: Ski Lift Company	\$2,827.68	\$295.00	(\$2,532.68)
Cat. 9: Temporary	\$62.27	\$35.00	(\$27.27)
Cat. 10: Non-Profit	\$62.27	\$0.00	(\$62.27)

Considerations: Business License Fee Comparisons

Business License Fee Comparisons

Business Class	Alta (Maximum)	Springdale	Huntsville	Heber	Cottonwood Heights*	Sandy
Cat. 1: Hotels >20 rooms	\$2,405.61	\$100.00	\$75.00	\$115+\$9.00/ room	\$170.00	\$691.00
Cat. 2: Hotels 10-20 rooms	\$62.27	\$100.00	\$75.00	\$115+\$9.00/ room	\$170.00	\$691.00
Cat. 3: Lodging <10 rooms	\$62.27	\$100.00	\$75.00	\$115+\$9.00/ room	\$170.00	\$140.00
Cat. 4: Prop. Management, Transportation, Business & Personal Services	\$62.27	\$100.00	\$75.00	\$115.00	\$170.00	\$140.00
Cat. 5: Retail & General Services	\$89.02	\$100.00	\$75.00	\$115.00	\$170.00	\$140.00
Cat. 6: Restaurant/Cafeteria/Bar	\$99.64	\$400.00	\$100.00	\$390.00	\$630.00	\$140.00
Cat. 7: Day Care Business	\$62.27	\$100.00	\$75.00	\$115.00	\$785.00	\$140.00
Cat. 8: Ski Lift Company	\$9,285.22					
Cat. 9: Temporary	\$62.27	\$100.00	\$75.00	\$95+\$10/ day	\$80.00	\$403.00
Cat. 10: Non-Profit	\$62.27	\$100.00	\$75.00	\$75.00	\$170.00	\$140.00

*Assumes the fee for a new business license in Cottonwood Heights. Renewal Business Licenses are \$50 cheaper in all cases except for Temporary licenses which are always \$80.



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