



COUNTY OF LOS ANGELES

REGISTRAR-RECORDER/COUNTY CLERK

12400 IMPERIAL HWY. – P.O. BOX 1024, NORWALK, CALIFORNIA 90651-1024

CONNOR B. McCORMACK
REGISTRAR-RECORDER/COUNTY CLERK

April 27, 2004

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

**HEARING ON THE REVISION OF
REGISTRAR-RECORDER/COUNTY CLERK (RR/CC)
FICTITIOUS BUSINESS NAME FEES
(ALL DISTRICTS) (3 VOTES)**

Dear Supervisors:

IT IS RECOMMENDED THAT YOUR BOARD, AFTER THE PUBLIC HEARING:

Approve the attached ordinance revising RR/CC Fictitious Business Name (FBN) fees to establish a \$23.00 fee for filing and indexing each FBN Statement (including two registrants); a \$4.00 fee for each additional registrant; an \$18.00 fee for filing and indexing each FBN Statement Renewal; and a \$23.00 fee for filing and indexing each Statement of Abandonment of use of FBN or Statement of Withdrawal from Partnership operating under a FBN; all of which will become effective thirty days from the date of Board passage, in accordance with Government Code section 25123.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The Department of Registrar-Recorder/County Clerk (RR/CC) provides a variety of services related to elections, recorder and county clerk operations. The purpose of this recommended action is to ensure that the Department receives full cost recovery for FBN related services as permitted by applicable law. The proposed FBN fees have been reviewed and approved by the Department of Auditor-Controller. The increases proposed in this request require an ordinance that has been prepared by County Counsel.

Currently, the County utilizes Business and Professions (B&P) Code section 17929 as the legal authority to set and collect FBN fees. The services described below were reviewed by the Department so as to comply with County strategic goals and to determine whether cost recovery was being realized. The studies consisted of research, interviews and work observations of all FBN functions performed by the Department and included all applicable costs, such as supplies and equipment, employee salaries and benefits as well as Departmental overhead. Based on the findings of FBN studies, which were approved by the Department of Auditor-Controller, it has been determined that the FBN fees established in the B&P Code do not reflect the Department's actual cost. Government Code section 54985 authorizes a county board of supervisors to set a fee in the amount reasonably necessary to recover the cost of providing any product or service. The RR/CC proposes establishing County Code sections 2.32.330 and 2.32.340 in lieu of utilizing B&P Code section 17929, as allowable under current law, to establish fees that will ensure full cost recovery, as follows:

County Code section 2.32.330: FILING AND INDEXING FICTITIOUS BUSINESS NAME (FBN) STATEMENT AND FILING AND INDEXING ADDITIONAL NAMES ON FBN STATEMENT

Business and Professions Code section 17910(a) requires every person who regularly transacts business under a fictitious business name for profit in the State of California to file, at the County level, a FBN Statement. The filing of a FBN Statement establishes a legal connection between the name of the business and the business owner(s). The filing of a FBN Statement does not, however, guarantee the exclusive use of the name. Currently, the fee is ten dollars (\$10) to file and index a FBN Statement which includes the filing and indexing of an Affidavit of Publication, one certified copy, and one business name with up to two registrants. Moreover, a fee of two dollars (\$2) is currently charged for every additional name (for each additional name beyond the two included in the original FBN filing—doing business at the same location).

These fees no longer reflect current costs. Upon review of the fees, it has been determined that the appropriate fee to file and index a FBN Statement is twenty-three dollars (\$23) and the fee for additional names (each additional registrant operating under the same FBN beyond the two included names) is four dollars (\$4) per name.

County Code section 2.32.330: FILING AND INDEXING FBN STATEMENT RENEWAL

Business and Professions Code section 17910(b) requires that a new FBN Statement be filed prior to the expiration of the existing filed document as each statement is valid for a period of only five years (B&P 17920 a). The County currently charges a fee of ten dollars (\$10) for this service.

This fee no longer reflects current costs. Upon review of the fee, it has been determined that the appropriate fee is eighteen dollars (\$18).

County Code section 2.32.340: FILING AND INDEXING STATEMENT OF ABANDONMENT OF USE OF FBN

Business and Professions Code section 17922(a) allows any person who has filed a FBN Statement, upon ceasing to transact business in California under that name, to file a Statement of Abandonment of use of the FBN. The Statement of Abandonment must be filed in the county where the FBN Statement was originally filed. The County currently charges five dollars (\$5) for this service.

This fee no longer reflects current costs. Upon review of the fee, it has been determined that the appropriate fee is twenty-three dollars (\$23).

County Code section 2.32.340: FILING AND INDEXING STATEMENT OF WITHDRAWAL FROM PARTNERSHIP OPERATING UNDER FBN

Business and Professions Code section 17923(a) allows any person who is a general partner in a partnership that is or has been regularly transacting business under a fictitious business name to withdraw as a general partner, by filing a Statement of Withdrawal from Partnership. The Withdrawal from Partnership Statement must be filed in the county where the FBN Statement was originally filed. The County currently charges five dollars (\$5) for this service.

This fee no longer reflects current costs. Upon review of the fee, it has been determined that the appropriate fee is twenty-three dollars (\$23).

Implementation of Strategic Plan Goals:

Goal No. 1: Service Excellence: Provide the public with effective delivery of services within the County by implementing strategies related to fiscal responsibility, service integration by consolidating services, and establishing/adjusting fees to ensure that the Department receives full cost recovery pursuant to existing law.

Goal No. 4: Fiscal Responsibility: Ensure the County's fiscal responsibility by effectively managing and enhancing current fiscal strategies as well as pursuing existing revenue options.

FISCAL IMPACT/FINANCING:

Approval of these proposed fees will increase Departmental revenue by approximately \$90,000 for the period June 1, 2004 through June 30, 2004. On an annual basis, revenue will be increased by approximately \$1,080,000.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

The Department of Registrar-Recorder/County Clerk is requesting approval for the proposed fees to be established as part of the County Code. Government Code section 54985 provides that a county board of supervisors shall have the authority to increase a fee in the amount necessary to recover the cost of providing any product or service. County Counsel has prepared the attached required ordinance that incorporates the proposed FBN fees.

Prior to adopting an ordinance, resolution, or other legislative enactment of a new fee or approving an increase in an existing fee, Government Code section 66018 requires that a local agency hold a public hearing at which oral or written presentations can be made. The Board of Supervisors' Executive Office, in accordance with section 6062(a) of the Government Code, published an official notice of the time and place of said meeting, including a general explanation of the fees to be established or revised.

All fees have been reviewed and approved by the Auditor-Controller.

IMPACT ON CURRENT SERVICES:

The proposed fees will not impact current services provided by the Department.

CONCLUSION:

Please instruct the Executive Officer/Clerk of the Board to return one (1) executed copy of the adopted Board letter to Department of Registrar-Recorder/County Clerk, 12400 Imperial Highway, Room 7211, Norwalk, CA 90650, Attention: Erika Bonilla, Election Logistics and Administrative Studies Section.

The Honorable Board of Supervisors
April 27, 2004
Page 5

Respectfully submitted,

CONNOR B. McCORMACK
Registrar-Recorder/County Clerk

CMC:KC:ds:eb

Attachments

c: Chief Administrative Office
Auditor-Controller
County Counsel



**NOTICE OF PUBLIC HEARING
PROPOSED REVISION OF FEES
DEPARTMENT OF
REGISTRAR-RECORDER/COUNTY CLERK**

In accordance with Government Code Section 66018, notice is hereby given that a public hearing will be held by the Board of Supervisors of the County of Los Angeles in the matter of revising Registrar-Recorder/County Clerk fees. Said hearing will be held on April 27, 2004 in the Hearing Room of the Board of Supervisors, Room 381, Kenneth Hahn Hall of Administration, 500 West Temple Street (corner of Temple Street and Grand Avenue), Los Angeles, CA 90012. Further notice is given that the Board of Supervisors may continue this hearing.

The Board of Supervisors will consider and may adopt the following proposed fees:

It is recommended that County Code section 2.32.330 be adopted to increase the fee for filing and indexing a Fictitious Business Name (FBN) Statement from \$10 to \$23 and that the fee for each additional partner operating under the same Fictitious Business Name be increased from \$2 to \$4. Additionally, as each filing is valid for a period of five years, it is proposed that the filing and indexing fee of a FBN Statement Renewal be increased from \$10 to \$18. Furthermore, it is recommended that County Code section 2.32.340 be adopted to increase the fee for filing and indexing Statements of Abandonment of Use of FBN and Statements of Withdrawal from Partnership operating under a FBN from \$5 to \$23.

The purpose of this recommended action is to ensure that the Department receives full cost recovery for FBN related services as permitted by applicable law.

Written comments may be sent to the Executive Office of the Board of Supervisors. For further information please call (213) 738-3040.

Para informacion en español, por favor llame al telefono (213) 738-2952.

VIOLET VARONA-LUKENS
Executive Officer-Clerk of
The Board of Supervisors