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## PROPOSED NEW MUNICIPAL FEES

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In accordance with Arizona Revised Statutes (A.R.S.) 9-499.15, this report provides notice that the City of Phoenix may propose new fees associated with licensing of structured sober living homes and structured sober living home managers and explains the basis for those fees.

### Background

A.R.S. 9-500.40 establishes that cities may regulate structured sober living homes.

On December 13, 2017 the Phoenix City Council approved a conceptual framework for licensing of structured sober living homes that would include:

- Licensing of structured sober living homes – with licenses issued to a specific address and group home owner/operator.
- Licensing of structured sober living home managers – with licenses requiring certain qualifications (such as training, education, certifications, etc.)
- Requiring identification, proof of lawful presence, and criminal background checks for both structured sober living home owners and managers.
- Collecting information about each home, such as a floor plan, property owner information/proof of authority to occupy the property, and copies of various home operation related documents.
- Establishing City-required minimum operation standards for the homes.
- Inspection of each home prior to licensing and annually upon renewal.

A draft ordinance detailing the specific components of the application and inspection processes is being developed and will be available for public review and comment in February 2018.

The Phoenix City Council is scheduled to consider the final ordinance and related fees at its meeting on March 21, 2018.

## Proposed Fees

License application and renewal fees will be charged to recover the costs to the City of the application process and the required inspections. After public and stakeholder input has been considered, a final version of the ordinance and proposed licensing program will be presented to the City Council in March.

Until the application and inspection elements are fully defined and ordinance language is finalized, the precise fee necessary to recover the costs of implementing that ordinance will not be known. Therefore, staff has prepared preliminary estimates of the potential fees based on the framework presented to Council.

Once the ordinance is finalized, staff will adjust the fees to reflect any cost reductions identified. The fees will be targeted to recover 100% of the estimated costs but will not exceed the amounts noted below.

<b>Application Type</b>	<b>Fee Will Not Exceed</b>
Structured Sober Living Home License	\$1500
Structured Sober Living Home License Renewal	\$1500
Structured Sober Living Home Manager License	\$300
Structured Sober Living Home Manager License Renewal	\$100
Structured Sober Living Home License Fingerprint Processing (For each individual, after the first, required to submit fingerprints for the same home application.)	Processing Fee Established by the Arizona Department of Public Safety (Currently \$22 per set of prints.)

## Basis for Calculation of Proposed Fees

City of Phoenix regulated business license application fees are developed through an audited calculation of the following:

- Costs of any staff time required for the processing of applications, review of materials, inspections of facilities and/or examination of background check results. (Costs are calculated using the specific City departments and job classifications involved.)
- Costs of any contractual expenditures required in the application or inspection process. (For example, payments to the Department of Public Safety for background checks.)
- Costs of any commodities required in the application or inspection process. (For example, expenses related to printing photo identification cards.)

The proposed fee amounts were developed based on estimates of the maximum amount of time that might be needed for the most comprehensive level of application review and inspections being contemplated. During the ordinance review phase, and depending on stakeholder feedback, efficiencies and/or modifications may reveal opportunities to reduce the proposed fee amounts. The final fees, which will not exceed the amounts stated above, are scheduled to be presented to the Phoenix City Council at their meeting on March 21, 2018.