

BUSINESS LICENSE INFORMATION



ADMINISTRATIVE SERVICES DEPARTMENT
BUSINESS SERVICES DIVISION
BUSINESS LICENSING

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PURPOSE OF HANDBOOK

This pamphlet is provided as a public service to assist those persons interested in establishing and conducting a business in the City of El Segundo. It is not deemed to be all-inclusive. Any errors or omissions herein will not relieve the business owner of responsibility, obligation or liability in fulfilling all legal requirements.

In this handbook you will find general information that applies to all businesses, and some that applies to only specific activities. You will also find a directory of governmental and non-governmental agencies that you may be required to comply with or who can offer business assistance.

AUTHORITY TO LICENSE

The State of California permits cities to license for both revenue and regulation [Government Code Section 37101(a)]. Municipalities, and some counties, license businesses for revenue to broaden the tax base because a business uses, or causes to be used, more municipal services than a residence. The Government Code also states that anyone who carries on a business or profession without procuring the license is guilty of a misdemeanor [Section 16240].

El Segundo's business tax ordinance is detailed in Title 4 of the El Segundo Municipal Code.

When the business tax is paid, a business license certificate is issued. This is commonly called a business license and the terms "business license", "business certificate" and "business registration" are used interchangeably.

If you have any questions concerning your registration or other requirements, our staff members will gladly assist you.

WHO NEEDS A BUSINESS LICENSE

GENERALLY

Any person, including but not limited to an individual, partnership, corporation or limited liability company, who wishes to conduct either directly or indirectly, any business within the City of El Segundo must secure a business license. City law states that no person shall engage in business or transact and carry on a business or business activity, show, or exhibition without complying with any and all applicable provisions of Title 4 of the Municipal Code.

A separate license/certificate is required for each branch or separate location of business.

Some businesses are regulated and require approval prior to obtaining the business license. See page 11 for details.

HOME-BASED BUSINESSES

Home-based businesses are allowed if it merely serves as the base of operations and the activity does not create any traffic or noise, does not involve customers at the home, and there are no identifying signs. The use of residential property for business purposes requires a Home Occupation Permit. For information or questions regarding the Home Occupation Permit and Zoning please contact the Planning Division at (310) 524-2344.

OWNERS OF RESIDENTIAL OR COMMERCIAL PORPERTY

Owners of residential and commercial rental properties must have a business license.

REAL ESTATE SALES AGENTS

Real estate sales agents are in business for themselves. Although they must be affiliated with a licensed broker, each agent is responsible for payment of his/her own business license.

INDEPENDENT CONTRACTORS

Independent Contractors are in business for themselves and must obtain a business license prior to commencing work. Generally, if payroll taxes are not deducted from your pay, you are and Independent Contractor.

BUSINESS BASICS FOR THE NEW BUSINESS OWNER

PREPARING A BUSINESS PLAN

The first step in any business venture is to prepare a comprehensive business plan. There are several local agencies that can assist you. They are listed on page 18. Bookstores and Public Libraries also have many available resources to help you with marketing, bookkeeping and to find financing.

PLANNING/ZONING & SIGN APPROVALS

Inquire about City zoning requirements for your type of business and its planned location. Zoning/Planning approval will always be required prior to the issuance of a business license. Signs are strictly regulated. For information about Zoning and Signs, contact the Planning Division at (310) 524-2344.

HEALTH PERMITS

In addition to obtaining a Business License, you must also comply with all City, County and State regulations for health and safety. See directory on pages 13 through 16.

FICTITIOUS BUSINESS NAME / DOING BUSINESS AS (FBN/DBA)

Anyone using a fictitious business name (also referred to as a DBA or "doing business as") must record the name with the County Clerk. Local newspapers will also handle this filing for you. This is a separate legal requirement; it is not a business license.

OWNERSHIP TYPES

Business ownership is classified into one of the following types of ownership entities (legal business structures): Sole Proprietor, Partnership, Limited Partnership, Limited Liability Company, or Corporation. To determine which type of organization best suits your business needs, please consult a legal or tax professional. Information is also available through the California Franchise Tax Board Small Business Assistance Center.

THE ROLE OF OTHER GOVERNMENT AGENCIES

ALCOHOLIC BEVERAGES

Contact the **Alcoholic Beverage Control Board** at (310) 412-6311 if you plan to sell or serve alcoholic beverages.

FEDERAL TAXES

Contact the **Internal Revenue Service** at (800) 829-3676 to request form SS-4 to obtain a Federal Employer Identification Number (**FEIN**). This is also considered the business' Tax Identification Number (**TIN**).

New businesses should also request federal publication Number 583, entitled *Taxpayers Starting a Business*.

FOOD PREPARATION/SALES

For County Health Requirements contact the **County of Los Angeles Department of Environmental Health** at (888) 700-9995 if your establishment intends to prepare and/or sell food of any type.

SALES TAX

Your business activity may require a **Seller's Permit** (Retail Sales Tax Number) from the **State Board of Equalization**. Applications are made in person at one of the local district offices. To determine if your business requires a Seller's Permit you may first contact the SBE by telephone at (310) 516-4300. General Information (800) 400-7115.

STATE TAX

Contact the **California Franchise Tax Board** at (800) 852-5711 to obtain Form 540 (Estimating Withholding Tax) and for information regarding State Income taxes and filing.

EMPLOYEES

Contact the California **Employment Development Department** (EDD) at (310) 576-6400 to obtain a State Employer Identification Number (SEIN) if you have employees and withhold State Withholding Tax, Disability and Unemployment Insurance.

HOW TO OBTAIN A BUSINESS LICENSE

COMPLETING THE APPLICATION

Read the Business Registration Application thoroughly and complete all sections that apply. Complete instructions are posted on the reverse side of the application.

Every application must contain at least the following:

- Business Name
- Business Location*
- Description of Business
- Business Start Date in El Segundo
- Number of Employees
- Square Footage
- Complete Listing of Owners or Corporate Officers
- Emergency Contacts
- Either a Federal Employer Identification Number (FEIN), also known as a Taxpayer Identification Number (TIN) or an Individual's Social Security Number (SSN).
- A Valid Signature
- Appropriate Tax Payment

*Post Office Boxes and mail handling facilities can be used for the mailing address, but cannot be used for a business location. The applicant's residence address must be used if there is no other place of business.

If more than one person is an owner, all owners must be listed. In the case of a corporation, all corporate officers must be listed.

When the application has been completed, it can be mailed or presented at City Hall. The application becomes effective when all necessary approvals have been received. The Business License Certificate will be mailed within two weeks.

BUSINESS CATEGORIES

All businesses and/or business activities will be categorized into one of the following categories:

1. **Commercial Business**
Generally includes all businesses located within the city(i.e. shops, restaurants, offices, hotels, etc.) and some located out of city conducting business within city limits. Also includes Commercial and Residential property rental/lease.
2. **Building Contractors**
Engineering, General and Specialty.
3. **Contract Employees**
Those individuals not specifically considered employees under applicable State and/or Federal regulations.
4. **Home Occupations**
Includes all home based businesses and home offices.
5. **Delivery Vehicles**
All commercial delivery vehicles require a business license.
6. **Miscellaneous**
Includes all business activity not categorized above.

TAX RATES

Listed below are general business license fees only. These fees will not necessarily apply to all business types. Additionally, there may also be other required permit or inspection fees depending on your business activity. Contact **Business Licensing** at (310) 524-2327 or (310) 524-2328 for help in determining your business' exact business license tax.

Base Tax	First 10 Employees & 5,000 Sq. Ft.	\$ 88.00
Employee	Per employee over 10.	\$109.00
Square Footage	Per Square Foot over 5,000.	\$ 0.21
Home Occupations	Flat Fee	\$ 21.00
Contractors-General	Engr(A), Bldg(B), Elec(C10), Plmb(C36)	\$128.00
Contractors-Specialty	All Classifications, Except C35	\$ 88.00

OTHER FEES

ALARM SYSTEMS

Business and Residential alarm systems must be registered with the El Segundo Police Department. There is a charge of \$100.00 for each false alarm response after three responses.

FIRE INSPECTIONS

The Fire Department inspects business places and apartment houses on a regular schedule. Each business tenant (not the building owner) may be subject to an annual charge. Apartment house owners (not the tenants) are also subject to the charge. The amount is based on the size of the facility.

FIRE PERMITS

Certain activities, such as welding, cutting and paint-spray booths and storage of flammable liquids, may require a Fire Permit. Based on the Uniform Fire Code, the need for a fire permit will be determined by Fire Prevention Personnel. Contact the Fire Prevention office in the Fire Department directly for specific requirements.

BUILDING PERMITS

Any building or structure regulated by the Uniform Building Code which is erected, constructed, enlarged, altered, repaired, moved, improved, removed, converted, or demolished will require a Building Permit. Separate plumbing, electrical and mechanical permits *may* be required, even if exempted from needing a building permit. In addition, other City approvals or permits may be required. It is strongly recommended that you contact the Planning Division and Fire Department, before you proceed with any construction.

ENTERTAINMENT PERMITS

An entertainment permit will be required for any act, play, review pantomime, scene, dance act, or song and dance act, performed by one or more persons, whether or not such person or persons are compensated for such performances. Includes any form of dancing upon the premises by patrons thereof. Applications should be submitted along with a Business Registration Application.

TRANSIENT OCCUPANCY TAX

Hotel, Motels, Bed & Breakfast and other businesses with transient guests (rental of sleeping accommodations for thirty days or less) are required to register with the City and collect the Transient Occupancy Tax. Call (310) 524-2319 or (310) 524-2332 for more information.

IMPORTANT INFORMATION ABOUT BUSINESS LICENSES

CHANGE OF BUSINESS LOCATION OR OWNERSHIP

A Business License Certificate is **not transferable**. The certificate is terminated when business ownership changes. It also becomes invalid when a business changes location. Advise the **Business License Office** immediately of any changes to your business registration application, especially if the business has ceased to operate.

POSTING OF BUSINESS LICENSE CERTIFICATE

All Business License Certificates must be displayed on the premises of the place of business. It must be posted in a conspicuous place and open to public viewing.

BUSINESS LICENSE RENEWALS

Once you have obtained a Business License, a courtesy renewal notice will automatically be mailed to you before your expiration date. You will have 30 days after your expiration date to renew your license. If you do not receive a renewal notice, please contact Business Licensing. Failure to receive a renewal notice does not relieve the business owner of responsibility to renew the business registration.

BUSINESS TAX IS PAYABLE IN ADVANCE

Payment must be made on or before commencement of business. Payment is for the privilege of conducting business in the year ahead.

SALES AND USE TAX CREDIT

You may be entitled to a sales tax credit if sales tax is collected and apportioned to the City of El Segundo. This credit is based solely on the 1% local sales tax allocated to the City and is calculated on the actual amount of sales tax received by the City. This credit may offset up to 100% of the business license tax.

You may also be entitled for a use tax credit if use tax is paid to State Board of Equalization using a Direct Pay Permit. For information on applying for and establishing a Direct Pay Permit contact the Business Services Manager at (310) 524-2332.

REGULATED BUSINESSES

If you wish to operate a business in any of the following regulated categories, a separate application may be required. All business types listed will require additional review, approval or a permit. Businesses are subject to review and approval by any or all of the following: Business Licensing, City Council, Fire Department, Police Department, Planning and Zoning. Certain businesses will also be required to submit to Law Enforcement review.

Amusement Games Arcade	Massage Establishment/Parlor
Circus/Carnival	Pawn Broker/Secondhand Dealer ²
Dances/Dance Hall	Peddler/Door to Door Sales
Firearms Sales ¹	Pool & Billiards Room
Fortune Teller	Private Patrol/Security Guards ³
Massage Therapist	Taxi/Vehicle for Hire

¹ Requires Federal Firearm License (FFL) and State Certificate of Eligibility.

² Requires California State Department of Justice license.

³ Requires Department of Consumer Affairs approval.

CITY OF EL SEGUNDO

www.elsegundo.org

Administration

City Manager (310) 524-2303
Asst. City Manager (310) 524-2312
Mayor & City Council (310) 524-2302
Fax (310) 322-7137

El Segundo Police Department

348 Main Street
El Segundo, CA 90245
(310) 524-2200
Fax (310) 640-8648

El Segundo Fire Department

314 Main Street
El Segundo, CA 90245
(310) 524-2235
Fax (310) 414-0929

Administrative Services

Acct Payable, Business Services,
Cashier, Purchasing
(310) 524-2318
Fax (310) 640-2543

Public Works

Administration (310) 524-2357
Maintenance Facility (310) 524-2709
Water Plant (310) 524-2742
Fax (310) 640-0489

Business Licensing

(310) 524-2327
(310) 524-2328
Fax (310) 640-0489

City Clerk

(310) 524-2307
(310) 524-2308
Fax (310) 615-0529

City Treasurer

(310) 524-2310
(310) 524-2311
Fax (310) 322-7137

Economic Development Department

(310) 524-2338
Fax (310) 322-4167

Human Resources

(310) 524-2337
(310) 524-2336
Fax (310) 322-6053

Planning, Zoning & Building Safety

(310) 524-2347
Fax (310) 322-4167

Recreation and Parks

339 Sheldon Street
(310) 524-2881
Fax (310) 322-3693

COUNTY OF LOS ANGELES

www.co.la.us

Air Quality Management District

21865 Copley Dr
Diamond Bar, CA 91765
(909) 396-2000 (800) 288-7644

County Clerk, Recorder, Registrar

12400 E Imperial Hwy
Norwalk, CA 90650
(562) 462-2177 (310) 727-6142
(800) 201-8999

Consumer Affairs, Dept. of

500 W Temple St Rm B-96
Los Angeles, CA 90045
(213) 974-1452 (213) 974-0825
(310) 325-1035

Health Services Department

313 N Figueroa St
Los Angeles, CA 90012
(323) 881-4400 (800) 700-9995
(323) 881-4108, Public Health Licenses

District Attorney

11701 S La Cienega Bl
Hawthorne, CA 90250
(310) 727-6500

Treasurer – Tax Collector

222 N Grand Ave Rm 490
Los Angeles, CA 90012
(213) 974-2011

STATE OF CALIFORNIA

www.ca.gov

Alcoholic Beverage Control Department

1 Manchester Blvd
Inglewood, CA 90301
(310) 412-6311

Licensing, Enforcement, Information

Board of Equalization

680 W Knox St Ste 200
Torrance, CA 90502
(310) 516-4300

Resale Number (Seller's Permit), Sales and Use Tax Info

Contractors State License Board

1 Manchester Blvd
Inglewood, CA 90301
(310) 412-6395 (800) 321-2752

Building Trades, State Contractors License Information

Department of Justice

Automated Property/Firearms and Dealer Licensing
PO Box 903387
Sacramento, CA 94203

(916) 227-3688 (916) 227-3694 (916) 227-3703
*Firearms Licensing and Permits, Certificate of Eligibility
Secondhand Dealer and Pawnbroker Licensing*

Automated Systems Program

PO Box 903387
Sacramento, CA 94203
(916) 227-3249

Check Cashiers Permit, Secondhand Dealer/Pawnbrokers

Security and Investigative Services, Bureau of

400 R Street, Ste 2001
Sacramento, CA 95814
(800) 952-5210

Licensing of Private Patrol and Security Guard Businesses

STATE OF CALIFORNIA

Employment Development Department

1220 Engracia Ave
Torrance, CA 90501
(310) 782-2101 (323) 290-5280

(888) 745-3886 *Payroll Tax Forms and Information
Employer Registration, Request Employers Tax Guide DE-44*

Office of Small Business

Technology, Trade and Commerce Agency
1102 Q St, Ste 6000
Sacramento, CA 95814

(916) 322-3592 Fax (916) 322-5084
(626) 683-2619 *Regional Office*

Information on resources available to new businesses

Franchise Tax Board

300 S Spring St
Los Angeles, CA 90013
(800) 852-5711 *Tax Information*

(800) 338-0505 *Forms
Business and Income Tax, Non-Profit Organizations*

Small Business Outreach

Franchise Tax Board
PO Box 1468
Sacramento, CA 95812

(916) 845-7565
Small Business Resource and Info on Tax and Business Planning

Permit Assistance Center

201 N Figueroa St #285
Los Angeles, CA 90012
(213) 977-7900

Provide Assistance to Identify all Necessary Permits and Licenses

STATE OF CALIFORNIA

Industrial Relations Department

320 W 4th Street
Los Angeles, CA 90013
(213) 620-6330

Labor Standards, Wages & Hours, Workers Comp, Cal-Osha

Secretary of State

300 South Spring St, Room 12513
Los Angeles, CA 90013
(213) 897-3062

Incorporation, Partnerships, Registration of Service or Trade Marks

Public Utilities Commission

320 W 4th Street
Los Angeles, CA 90013
(213) 576-7000 (213) 576-7100

Passenger Carrier Licensing, Privately Owned Utilities

California Highway Patrol

6300 Bristol Pkwy
Culver City, CA 90230
(310) 642-3926

Motor Carrier Permits

Social Services Department

6167 Bristol Parkway, Ste 400
Culver City, CA 90230
(310) 337-4333 (323) 981-3350

Child Care, Adult Care, Senior Care, Community Care Licensing

Attorney General

PO Box 944255
Sacramento, CA 94244
(916) 322-3360 (800) 952-5225

Telephonic Seller Registration, Registry of Charities

Consumer Affairs, Department of

(916) 445-1254 (800) 952-5210

Consumer Assistance, Information, Referrals

UNITED STATES

www.whitehouse.gov

Department of Commerce

International Trade Administration
11000 Wilshire Blvd
Los Angeles, CA 90024
(310) 235-7103

Import and Export Licenses

Department of Treasury

Bureau of Alcohol, Tobacco, and Firearms (BATF)
Licensing Center
PO Box 2994

Atlanta, GA 30301

(404) 679-5040

Federal Firearms License

Internal Revenue Service

300 N Los Angeles St
Los Angeles, CA 90012

(800) 829-1040 *Assistance and Information*

(800) 829-3676 *Forms, Form SS-4 for Employer ID Number
or Pub 583 "Taxpayers Starting a Business"*

Federal Information Center

(800) 688-9889

*Information regarding Federal Government Services, Programs
and Regulations*

Consumer Information Center

US General Services Administration
Pueblo, CO 80119

(719) 948-4000

Low Cost or Free Publications, ask for Free Catalogue

OTHER AGENCIES

El Camino College

Business Training Center
16007 Crenshaw Blvd
Torrance, CA 90506
(310) 973-3178
www.businessassist.org

Small Business Development Center

2377 Crenshaw Blvd
Torrance, CA 9051
(310) 787-6466
www.elcaminocollege.org/commadv/sbdc/

SCORE – Service Corps of Retired Executives

330 N Brand Blvd, Suite 190
Glendale, CA 91203
(818) 552-3206
www.score.org
www.scorela.org

US Small Business Administration

330 N Brand Blvd, Ste 1200
Glendale, CA 91203
(818) 552-3210
www.sba.gov

El Segundo Chamber of Commerce

427 Main St
El Segundo, CA 90245
(310) 322-1220
www.elsegundochamber.org

Business Licensing
El Segundo City Hall
350 Main Street
El Segundo, CA 90245
(310) 524-2327 (310) 524-2328
FAX (310) 640-0489
www.elsegundo.org