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ORDINANCE NO.

AN ORDINANCE OF THE CITY OF RIVERSIDE, CALIFORNIA, AMENDING CHAPTERS 5.04 AND 16.04 OF THE RIVERSIDE MUNICIPAL CODE RELATING TO LICENSE REQUIREMENTS OF CONTRACTORS AND SUBCONTRACTORS.

The City Council of the City of Riverside does ordain as follows:

Section 1: Section 5.04.300 of the Riverside Municipal Code is amended as follows:

5.04.300 - Business tax.

Every person who engages in business within the City shall pay a business tax as set forth in this section.

...

B. Tax rates based upon number of employees or other units. Every person conducting business hereinafter listed shall pay a business tax as follows:

...

3. Contractors.

...

f. In order to obtain a business tax clearance at the time of issuance of a building permit, the applicant shall comply with section 16.04.300 of this Code.

Section 2: Chapter 16.04 of the Riverside Municipal Code is amended to add section 16.04.300 as follows:

16.04.300 – License requirements of contractors and subcontractors.

A. No person shall be issued a permit to perform work requiring a permit under this Code, unless they are:

1. A licensed contractor;

2. An employee, agent or authorized representative of a licensed contractor;

3. A representative of an electronically subscribed service acting on behalf of a licensed contractor; or

4. The property owner performing their own work;

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5. An employee of the owner, provided that the owner shows evidence of workers' compensation insurance required by state and city law, and their federal tax identification number.

B. A person applying for a permit under this code to perform work on a project consisting of 20 or more newly constructed residential dwelling units or 20,000 or more square feet of newly constructed or improved commercial or industrial development shall submit the following information at the time of permit issuance and prior to commencement of work:

1. A list of all subcontractors and provide verification of each subcontractor's workers' compensation insurance, state contractor license and license category, city business license and federal tax identification number. No person shall contract or subcontract construction work without a valid contractor's license pursuant to applicable provisions of the state business and professions code.

2. A disclosure of any pending or final determinations pertaining to state or federal labor code violations and any penalties paid to a government agency related to the provisions of the California Labor Code within the prior five years for all subcontractors.

C. In the event the applicant cannot provide a list of valid subcontractors and the information required above upon permit application, the applicant or permit holder shall provide to the City, within a reasonable period of time after issuance of each permit but prior to commencement of any associated work pursuant to said permit, all information required by subsection B. Failure to provide valid and current subcontractor listings prior to commencing work shall result in one or more of the following:

- 1. Issuance of a Stop Work Order; and
- 2. Revocation of any permit issued by the city; and
- 3. The permit applicant paying a penalty for default to the city in an amount equal to the original permit fee for each violation in order to defray city costs of enforcement of this section prior to the issuance of any new permit.

1 **D. The information required by subsection B shall be required at the time when**
2 **any new contractor or subcontractor is added to the permit.**

3 **E. Any work performed prior to satisfying the requirements of this section shall be**
4 **deemed performed without the required permits.**

5 Section 3: The City hereby finds that this ordinance is not subject to review under the
6 California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines sections 15060,
7 subdivision (c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical
8 change in the environment) and 15061, subdivision (b)(3) (there is no possibility the activity in
9 question may have a significant effect on the environment). In addition to the foregoing general
10 exemptions, the City Council further finds that this ordinance is categorically exempt from review
11 under CEQA under the Class 8 Categorical Exemption (regulatory activity to assure the protection of
12 the environment), CEQA Guidelines section 15308.

13 Section 4: The City Clerk shall certify to the adoption of this ordinance and cause
14 publication once in a newspaper of general circulation in accordance with Section 414 of the Charter
15 of the City of Riverside. This ordinance shall become effective on the 30th day after the date of its
16 adoption.

17 ADOPTED by the City Council this _____ day of _____, 2023.

18
19 _____
20 PATRICIA LOCK DAWSON
21 Mayor of the City of Riverside

22 Attest:

23 _____
24 DONESIA GAUSE
25 City Clerk of the City of Riverside
26
27
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1 I, Donesia Gause, City Clerk of the City of Riverside, California, hereby certify that the
2 foregoing ordinance was duly and regularly introduced at a meeting of the City Council on the
3 _____ day of _____, 2023, and that thereafter the said ordinance was duly and
4 regularly adopted at a meeting of the City Council on the _____ day of _____, 2023,
5 by the following vote, to wit:

6 Ayes:

7 Noes:

8 Absent:

9 Abstain:

10
11 IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the
12 City of Riverside, California, this _____ day of _____, 2023.

13
14 _____
15 Donesia Gause
16 City Clerk of the City of Riverside
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21 CA: 22-0350.7 RMS 8.8.2023
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