



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Agriculture / Weights & Measures



Date: September 28, 2016
Board Meeting Date: November 1, 2016
Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Fred W. Crowder, Agricultural Commissioner/Sealer

Subject: Ordinance repealing and replacing Chapter 5.144

RECOMMENDATION:

Introduction of an ordinance repealing and replacing Chapter 5.144 of Title 5 of the San Mateo County Ordinance Code relating to fees for inspection and permitting of Point-of-Sale systems, and waive the reading of the ordinance in its entirety

BACKGROUND:

California's Business and Professions Code (BPC) Section 13350(d) provides authority for counties to set Point-of-Sale system (POS) registration fees by ordinance. The Board of Supervisors last approved an ordinance amendment setting the current POS fee schedule on June 9, 2009 (Ordinance No. 04473).

DISCUSSION:

POS registration fees fund the County's Weights and Measures price verification inspection program. The proposed fee increase is for annual POS registration fees that are applicable to businesses that use POS systems. Inspection program costs have been estimated using FY 2015-16 direct personnel hours and projected FY 2016-17 salaries and benefits, direct expenditures such as mileage and equipment, and associated indirect costs. The Department's salaries and benefits have increased 26 percent due to negotiated labor increases since the current fee schedule was adopted in 2009.

These registration fees support the inspection of POS systems by Weights and Measures inspectors who verify that price signage at the store is in compliance with state regulations, confirm that customers are charged the price as posted or advertised price when they checkout, as well as investigate consumer complaints concerning overcharges.

The proposed POS fees will allow the price verification program to maintain the current level of inspections, will improve cost recovery and will bring the fee structure in line with the three tier fee structure used by surrounding Bay Area counties. Businesses will be charged \$220, \$390 or \$490 depending on the number of check-out stands with a POS system. The POS reinspection fee will be changed from a weighted hourly average to a \$150 flat rate to streamline billing procedures. The late fee in the amount of 100% of the prescribed registration fee will be lowered to 50% of the prescribed registration fee which better reflects the specific costs associated with the effort to collect the fee. The chart below outlines the current and proposed fee schedule. Affected businesses have been notified of these proposed fee changes. The chapter has also been edited to address the fact that the Agricultural Commissioner/Sealer is no longer a Division of the Health System. County Counsel has reviewed and approved the ordinance as to form.

Number of POS Checkout registers	Current Fee Schedule	Proposed Fee Schedule
1 to 3 POS registers	\$178/Business Location	\$220/Business Location
4 to 9 POS registers	\$297/ Business Location	\$390/Business Location
10 or more POS registers	\$297/ Business Location	\$490/Business Location

Approval of this ordinance contributes to the Shared Vision 2025 outcome of Environmentally Conscious Community by providing additional revenue to maintain the Point of Sale price verification inspection program at the current level of service.

PERFORMANCE MEASURE(S):

Measure	FY 2015-16 Actual	FY 2016-17 Projected
Percent of businesses in compliance with Weights and Measures requirements	86%	90%

FISCAL IMPACT:

The proposed fee ordinance takes effect thirty (30) days after adoption. Annual invoices will be issued to affected businesses in January, 2017. The proposed fees will contribute to the Agricultural Commissioner/Sealer's ability to maintain current customer service levels. The new fees are projected to result in an annual revenue increase of \$58,500. The revenue associated with the proposed ordinance has been included in the Agricultural Commissioner/Sealer FY 2016-17 Adopted Budget. There is no Net County Cost associated with this ordinance.