

PERFORMANCE AUDIT

One-Stop Business Licensing Program

Department of Revenue

Board of Review

OCTOBER 2012

12P-05

REPORT SUMMARY

Audit work revealed the need for the Department of Revenue to strengthen some elements of program administration and for the legislature to reevaluate the Small Business Licensing Coordination Act.

Context

The legislature passed the Small Business Licensing Coordination Act (Act) in 1981 in order to streamline and minimize the total government and business costs of business licensing. The Department of Revenue (Department) fulfills the Act's provisions through the One-Stop Business Licensing Program (One-Stop program). The Act also establishes a Board of Review, whose role is to provide policy direction to the Department in the establishment and operation of the One-Stop program.

The One-Stop program issued over 11,100 individual licenses to over 5,100 business entities and processed nearly \$2 million in license/permit fees in fiscal year 2012, providing convenience to businesses around the state. The program, administered by the Department, currently receives and processes license applications and associated fees, issues licenses, and issues renewal and delinquent notices for seven business licenses on behalf of five state agencies.

Businesses that require multiple license types at a single location, such as gas stations and grocery stores, can submit a single payment and master application to the One-Stop program instead of a separate payment and application to a separate agency for each license. The

Department maintains a website where businesses can access general information on operating a business in Montana, information on One-Stop program licenses (including supplemental forms and requirements), and the master application for licenses issued through the One-Stop program. The authority to issue and enforce a license or permit remains with the agency statutorily authorized to issue that license or permit. Any inspections and monitoring required to obtain licenses and permits issued via the One-Stop program are performed by the agency with licensing authority.

Results

Our audit work revealed many aspects of the One-Stop program work well and businesses and participating agencies are generally satisfied with program operations. However, some elements of program administration could be strengthened to enhance the One-Stop program, gain efficiencies, and better serve businesses and agencies. These include the Department developing additional documented operating processes for the program, and working through the Board of Review to define the delinquent notice process.

Audit work determined that the legislature needs to reevaluate whether the Act meets current business licensing needs. Currently, the One-Stop program streamlines the licensing process for many businesses by offering the convenience of a single license application and payment, but it is not necessarily timely for businesses due to its non-online, paper-driven process.

Recommendation Concurrence	
Concur	2
Partially Concur	0
Do Not Concur	0

Source: Agency audit response included in final report.

For a complete copy of the report (12P-05) or for further information, contact the Legislative Audit Division at 406-444-3122; e-mail to lad@mt.gov; or check the web site at <http://leg.mt.gov/audit>
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