



HEMET

**BUSINESS
RESOURCE
GUIDE**



Inside

Welcome to the Hemet Business Community

Starting and managing a business takes motivation, desire and talent, but it also takes research and planning. Taking the time to evaluate your business and personal goals with the help of the Hemet Business Resource Guide can help you increase your chances of success in your business endeavor.

This guide has been created to assist you, our local business owner and entrepreneur, with valuable information about starting or relocating a business in Hemet.



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Getting Started

Step One: Legal Structure

The first step is to decide how you will conduct your business. A business may be set up under a variety of organizational structures. A specific business structure is generally chosen for liability and /or tax reasons. You may want to contact a legal professional to help decide which structure is best for you.

The three most common types of business organizations are:

Sole Proprietorships

This is the simplest and least regulated form of business organization. One person owns and runs the business, and is responsible for obtaining financing, hiring employees, and all business activities.

Advantages: The sole proprietor has complete control of the business apart from the laws that apply to the business and its activities. The sole proprietor is entitled to all the profits of the business and this income must be included in his/her individual tax return.

Disadvantages: Unlimited personal liability for all claims above insured protection, taxes, and debts of the business. Possible dissolution in the event of the owner's death.



Partnerships

Two or more people form the business and share the responsibilities. Management and sharing of profit is set out in a written agreement between them. Each partner is an agent for the business and can hire employees, borrow money, and operate the business. Profits are taxed as personal income, and the partners are still personally liable for debts and taxes if the partnership itself cannot satisfy creditor's claims. Some protections are available through special types of partnerships that limit personal liability. Consult a professional such as a lawyer and/or accountant to structure this type of partnership.

Advantages: The responsibility for financing and running the business is shared and the partnership sets aside resources to meet its obligations apart from each individual.

Disadvantages: Personal liability for all claims above insured protection, taxes, and debts of the business.

Corporations

The most complex of the three basic structures, a corporation acts as a separate legal entity from its owners. The owners' interests in the company are defined through the stock they hold in the company.

Advantages: Corporations can raise money by selling stock, not just conventional borrowing or investment. The business is an entity apart from the owners and can continue to function even if the original owners or key individuals are no longer participating. The individuals that hold stock in the company are not liable for claims against the company for liability or debt.

Disadvantages: Complex structure requires professional help to set up and manage. Owners who also work at the company are taxed twice, the corporation pays taxes on its earnings and the owners who work at the business pay taxes on their take home pay. Some corporations are structured to help individuals avoid this "double" taxation.



Step Two: Doing the Paperwork

Local Requirements

Filing of a Fictitious Business Name Statement

If you are planning to conduct your business under a name other than your legal name, you will need to file a Fictitious Business Name Statement with Riverside County. Check the local business name index to make sure no one else is doing business under the name you have chosen. After a Fictitious Business Name Statement has been filed, you will receive a certified copy of the application. You will also be required to publish the information in a local newspaper. The bank you choose for your business financial transactions will require a copy of this certified form to open your account.

951-486-7000

Riverside County Clerk: <http://riverside.asrclrec.com/acr/SVfn.asp>

Business License

All businesses must have a business license to conduct business within the City of Hemet. They are issued by the City to ensure compliance with appropriate local business regulations and there is a small fee. The license fees help to provide police and fire protection, fire and crime prevention, and other community services. It is simple to obtain a business license. You complete an application, submit it, and pay your license fees. You may call or go online to receive an application or come to Hemet City Hall to get one. You must have your business license before you start doing business. Some businesses may be required to show permits from other government agencies before you can be given a City of Hemet Business License. (See permits section.) If you intend to locate your business in your home, you must also have a Home Occupation Permit. If you are applying for a City of Hemet Business License as a contractor you must show a valid State Contractor's License.

951-765-2358

City of Hemet Business License information: www.cityofhemet.org/finance/buslicense.htm

City of Hemet Business License form: www.cityofhemet.org/finance/pdfs/busapp.pdf

State Requirements

Board of Equalization

If your business involves retail sales or manufacturing, you will need to contact the State Board of Equalization. In order to purchase goods for resale, you will need a certificate that exempts you from paying sales tax and a permit to sell retail goods. You will have to collect and submit sales tax on any goods you sell to the public.

800-400-7115

Board of Equalization: www.boe.ca.gov

Riverside Office: 737 Main Street, Suite 1000, Riverside,
CA 92501-3395, 951-680-6400



Employment Development Department

If your business plan includes the hiring of employees, you will need to register with the State Employment Development Department (EDD). Once you register, the EDD will issue you a number and send you a kit with instructions for what you have to do when you hire and pay employees. You will have to collect state payroll taxes, and make unemployment and disability insurance payments and submit them on a periodic basis, usually quarterly. EDD maintains employment records for millions of California workers and collects state employment taxes, including Unemployment Insurance (UI), Disability Insurance (DI), Employment Training Tax, and state income tax withholdings. The department administers the UI and DI benefit programs for those who are out of work or are unable to work due to a non-work related illness or injury, or pregnancy.

888-745-3886

Employment Development Department: www.edd.ca.gov



Franchise Tax Board

The Franchise Tax Board is responsible for collecting Personal Income Tax and Corporation Tax in California. On the Franchise Tax Board (FTB) website, you will find a link to the Tax Information Center. If you are doing business in California or you plan on starting a business, there is a lot of information that may help. State and federal forms are available for download, as is information about how to submit payments online. Most useful is the Small Business Assistance Center with information on starting a business and running a business.

Small Business Assistance: 916-845-4669

Franchise Tax Board: www.ftb.ca.gov

Tax Information Center: www.taxes.ca.gov/index.html

Federal Requirements

Internal Revenue Service (IRS)

As an employer, you must collect and submit payroll taxes for your employees. The first thing you must do is obtain an Employer Identification Number. Your bank may also require this number when you establish a bank account for your business. You also must make quarterly payments of income tax for yourself if your income is over a certain amount. The Internal Revenue service oversees all federal income and payroll taxes.

800-829-1040

Employer Identification Number (EIN): 800-829-4933

Internal revenue Service: www.irs.gov



Step 3: Getting the Right Permits

Your business may require one or a number of permits for its operations or location. If you are renovating your location, you will need a building permit. If you are changing how a property or location is being used (for example converting a retail store into a small manufacturing operation), your proposed use may not be consistent with the zoning that regulates land use in the area. Read through the list below to make sure you have all the permits you need to get started.

Local Permits

Building Permits

Building and Safety permits regulate building design and construction by enforcing uniform, up-to-date building codes and standards. Building and Safety programs usually consist of permit processing, plan review, inspection, and enforcement. If you are making structural changes to your building, the changes must be reviewed by the City. You will be required to submit plans prepared by a design professional licensed in the State of California that show all changes. Prior to opening for business, a building and safety and fire prevention inspection is required.

951- 765-2475

Building and Safety: www.cityofhemet.org/building/applications



Certificate of Occupancy

Any business that opens for the first time, moves within the Hemet city limits, or changes ownership requires a certificate of occupancy. The Building and Safety Division of the City of Hemet has applications and calculates fees that must be submitted at the time the application is filed.

951- 765-2475

Building and Safety: www.cityofhemet.org/building/pdfs/130_certificate_of_occupancy.pdf

Public Works Permits

Public Works permits may be required for proposed projects that require changes to public roadways or infrastructure, such as water service or storm drains. Other examples are flood plain development, encroachment permits, and projects that impact watercourses. To determine if your business is in a flood zone, or for other information contact the Engineering Department for more information.

951- 765-2360

Sign Permits

If you change or install signs on your building, even if it is only a change to the copy on the sign, the Planning Department must approve the sign. Building permits will be required if the sign installation involves more than a change of copy.

City of Hemet: www.cityofhemet.org

951-765-2375

Sign Permit Application: www.cityofhemet.org/planning/applications

Zoning (Land Use) Permits

Zoning divides communities into areas that define building and land uses. Before applying for any business permit or a business license, make sure that the proposed use of the property is consistent with the zoning designation. To check the zoning, provide the assessor's parcel number to the property or an address to the Planning Department. If your business does not conform to the zoning in the area you wish to locate, you may apply for a Conditional Use Permit. To receive a Conditional Use Permit, you must make an application, and your application must undergo a multi-step process. The process includes submitting plans and specifications, an advertised and noticed public hearing, and an environmental review. The process usually takes several months. Costs and fees vary by project. The City of Hemet offers submittal documents online.

951-765-2375

Zoning Information and Planning Applications: www.cityofhemet.org/planning/index.html

Riverside County Permits

Environmental Health Permits

Environmental Health Permits may be required for anything from food facilities to underground storage of hazardous waste. For more information contact the Riverside County Department of Environmental Health.

888-722-4234

County of Riverside: www.countyofriverside.us

Hazardous Waste Permits

Any business activity that generates, stores, or transports a hazardous waste, including many kinds of chemicals, is required to obtain a valid permit to operate. For more information, contact the Riverside County Department of Environmental Health (HAZMAT).

888-722-4234

County of Riverside: www.countyofriverside.us

Weights and Measures Certification

Your business is required to notify the Riverside County Office of Weights and Measures if you are using commercial weighing or measuring equipment in your business. Upon notification, the scales or weights in your business will be inspected and certified. For more information, contact the Riverside County Department of Weights and Measures.

951-955-3030

County of Riverside: www.countyofriverside.us

Regional Permits

Air Quality Permits

Most industries and stationary emission sources require air quality permits to ensure that they comply with all regulations limiting air pollution emissions. Air quality permits are required for any equipment or process at a facility that may emit air pollutants including gas, dust, or smoke. Examples of equipment or processes requiring permits are boilers, engines, dry-cleaning machines, vapor degreasers, gasoline storage tanks and surface-coating operations. Permit assistance is available from the Small Business Assistance Office. For more information contact the South Coast Air Quality Management District.

800-388-2121

South Coast Air Quality Management District: www.aqmd.gov

South Coast Air Quality Management District Small Business Assistance Office:

www.aqmd.gov/business/smallbizassistance.html

State Permits

Liquor Licenses

The State of California Alcoholic Beverage Control Agency (ABC) governs the sale and serving of alcoholic beverages in conjunction with any business. Obtaining a license can be a lengthy process. Contact the ABC for more information.

State of California Alcoholic Beverage Control Agency: www.abc.ca.gov

Riverside Office: 737 Main Street, Suite 900, Riverside, CA 92501, 951-782-4400



Resources

Local Resources

Hemet Redevelopment Agency

The City of Hemet has five (5) redevelopment project areas. Businesses locating within any of the project areas may be eligible for tax increment financing assistance. Projects are reviewed on a case by case basis. Contact the City Manager's office for more information.

951-765-2301



Hemet/San Jacinto Valley Chamber of Commerce

The Chamber of Commerce represents and promotes the areas economy and encourages business and industrial investment. They provide information on Hemet's retail, professional, industrial, lists of Realtors, banks, health care facilities, and a history of the area, economic profiles and population statistics.

951- 658-3211

Hemet/San Jacinto Valley Chamber of Commerce: www.hemetsanjacintochamber.com

Inland Empire Small Business Development Center

The Inland Empire Small Business Development Center (SBDC), a division of the Inland Empire Economic Partnership (IEEP), provides small businesses and entrepreneurs in Riverside and San Bernardino Counties with business assistance services from a variety of locations in the Inland Empire.

SBDC Business Consultants work with your business in a confidential, one-on-one relationship. Consultants offer their guidance and expertise to help you build a better business. Consulting services are also available in Spanish. For startup businesses, the SBDC and the Service Corps of Retired Executives offer special programs.

Taught by SBDC Business Consultants and experts in various fields, the SBDC's free to low cost, informative seminars and workshops are designed to give small business owners immediate knowledge they can put into action in running their businesses. Topics include financing, hiring, even using bookkeeping software. Each business has its own particular needs. And SBDC recognizes that by offering specialized services and programs. Specialized areas include government contracting and international trade.

951-781-2345

Inland Empire SBDC: www.iesbdc.org

Main Office: 1201 Research Park Drive, Suite 100, Riverside, CA 92507

Libraries

Libraries have numerous books and resource materials on a large variety of business topics from management to marketing. Take the time to visit your local public libraries:

Hemet Public Library: 300 E. Latham Avenue, Hemet, CA 92543

951- 765-2440

Mt. San Jacinto Community College: 1499 N. State Street, San Jacinto, CA 92583

951- 487-6752

Riverside County Workforce Development Center (WDC)

The Riverside County's one-stop Workforce Development Center assists businesses and individuals with a variety of employment and job training services. Conveniently located under one roof are invaluable service providers from the Riverside County Economic Development Agency, the State Employment Development Department and various other local agencies, both profit and non-profit, to help with suggestions for local businesses.

951-791-3500

1025 N. State Street, Hemet, CA 92543

Riverside County Workforce Development: www.rivcoeda.org



Service Corps of Retired Executives (SCORE)

The Service Corps of Retired Executives are a volunteer group of retired men and women who provide free management counseling to small business owners and to those who are considering starting a business. SCORE is a service arm of the U.S. Small Business Administration.

951-652-4390
1700 E. Florida Avenue, Hemet, CA 92544

Hemet-San Jacinto Economic Development Corporation

The Hemet-San Jacinto Development Corporation is committed to business retention and attraction. Assistance is provided in the following areas: site location through a network of area real estate brokers and consultants, help with government permitting and approval processes, providing information on and assistance with employment, and also training and labor.

951-652-7688
Hemet-San Jacinto Development Corporation: www.vedc.com



State Resources

California Chamber of Commerce

The California Chamber of Commerce is the largest and most broadly based employer representative in Sacramento. Its full-time lobbying staff meets with legislators, regulators and other key government staff members year-round to ensure that they consider employer concerns when proposing new laws and regulations.

Through the California Chamber's comprehensive program of publications, videos and software, thousands of businesses receive help in complying with governmental regulations. The products explain these rules in lay terms and provide step-by-step instructions on how to comply most efficiently. The program covers such topics as labor and employment law, workers' compensation, unemployment insurance, hiring independent contractors, Cal/OSHA and environmental compliance.

800-649-4921
California Chamber of Commerce: www.calchamber.com

California Secretary of State

The Business Portal of the California Secretary of State's website offers useful information on legislation, codes, and regulations for California businesses. It also offers online searches so you can find out if a certain business name is available if you are considering forming a Limited Partnership, Limited Liability Corporation, or a Corporation. Links to other government agencies are provided under the Business Resources section.

California Secretary of State: www.ss.ca.gov
California Secretary of State Business Resources: www.ss.ca.gov/business/bpd_links.htm

Federal Resources

U.S. Small Business Administration

The U.S. Small Business Administration (SBA) provides financial, technical and management assistance to help Americans start, run and grow their businesses. In addition to being the primary source of financing for small business through its loan program, the SBA supports small business in its effort to succeed. The Small Business Planner has everything from writing a business plan, through financing, to the resources that will assist you in running your business once it is operating.

U.S. Small Business Administration: www.sba.gov



Important Numbers

Local/Regional Business Numbers

Hemet/San Jacinto Valley Chamber of Commerce	658-3211
Hemet-San Jacinto Development Corporation	652-7688
Inland Empire Small Business Development Center	781-2345
The Service Corps of Retired Executives	652-4390

Newspapers

The Press Enterprise	487-2200
The Valley Chronicle	652-6529

Utilities

City of Hemet Water Department	765-2350
Lake Hemet Municipal Water District	658-3241
Eastern Municipal Water District	928-3777
Southern California Edison	800-655-4555
The Gas Company	800-427-2200
Verizon	800-483-1000
Time Warner Cable	888-892-2253

Riverside County

Assessor (Hemet Office)	766-2500
Economic Development Agency	955-8916
Environmental Health	888-722-4234
Family Day Care Licensing	782-4200
Fictitious Business Name	486-7000
Flood Control	955-1200
Hazardous Waste	888-722-4234
Workforce Development	791-3500
Weights and Measures	955-3030

Regional Agencies

South Coast Air Quality Management District	800-388-2121
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State Agencies

Alcohol Beverage Control	782-4400
Board of Equalization	680-6400
Contractor's License Board	800-321-2752
Department of Motor Vehicles	800-777-0133
Employment Development Department	888-745-3886
Franchise Tax Board Small Business Assistance	916-845-4669

Federal Agencies

Internal Revenue Service	800-829-1040
Employer Identification Number (EIN)	800-829-4933



Who to Call at City Hall

General Information	765-2300
Accounts Payable	765-2340
Administration	765-2301
Building & Safety	765-2475
Business License	765-2358
City Clerk	765-2307
City Council	765-2303
Code Compliance	765-2339
Emergency Services	765-2451
Engineering	765-2360
Finance	765-2330
Human Resources	765-2315
Information Services	765-3750
Library	765-2440
Planning	765-2375
Police Administration	765-2432
Police Department	765-2400
Public Works	765-3712
Purchasing	765-2348
Recycling	765-3777
Refuse	765-3777
Simpson Center	765-2390
Streets and Parks	765-3712
Utility Customer Service	765-2350
Water/Street Sweeping	765-3710
Water Quality/Conservation	765-3711
Weed Abatement	765-2455





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www.cityofhemet.org