

# CHECKLIST FOR STARTING YOUR BUSINESS IN WESTMINSTER

*This checklist is provided by the Westminster Small Business Development Center (SBDC) located at Front Range Community College. For further information regarding the Center, please contact us at 303.460.1032, or on-line at [www.frontrange.edu/smallbusiness](http://www.frontrange.edu/smallbusiness).*

*This checklist is a quick reference for the City of Westminster. For a comprehensive and detailed guide to starting a business in Colorado please see the **Colorado Business Resource Guide** that can be obtained on-line at [www.state.co.us/oed/guide](http://www.state.co.us/oed/guide), or through the Westminster SBDC.*

## **Is my business idea feasible?**

- √ Consider writing a business plan. The business plan tells the story of your business. A successful business plan focuses on several key areas such as management, marketing, operations, financial plans and supporting documents.
- √ Analyze your start-up costs and put together a financial plan. There are no government grants for starting a new business, but the U.S. Small Business Association (SBA) does offer a variety of guaranteed loan programs. The first step in obtaining a government guaranteed loan is to contact a commercial lender. Lenders and investors will want historical, current and future financial documentation such as a cash budget, income statement, a listing of collateral, tax returns, profit and loss projections, cash flow analysis and capital requirements.
- √ The Westminster SBDC offers business workshops and credit/non-credit classes. We are an excellent resource for shaping your business and financial plans.

## **What legal structure is best for my business?**

- √ There are several types of legal structures for business organizations. Among them are sole proprietorship, partnership, "C" Corporation, "S" Corporation and Limited Liability Company. Having a discussion with an attorney and tax advisor to determine advantages, disadvantages, tax impacts and liability issues is a helpful step in the decision making process.
- √ Once you have decided on the legal structure and trade name for your business you will need to register with the State of Colorado and the City of Westminster.
- √ The Colorado Department of Revenue has several business registration forms on-line. These forms are at [http://www.revenue.state.co.us/TPS\\_Dir/wrap.asp?incl=busregforms](http://www.revenue.state.co.us/TPS_Dir/wrap.asp?incl=busregforms).
- √ For detailed information regarding state registration refer to the *Colorado Business Resource Guide*, or visit the State of Colorado website at [www.colorado.gov](http://www.colorado.gov) under the main category of Business.
- √ As a sole proprietor or partnership, state business registration can be obtained on-line at [http://www.revenue.state.co.us/TPS\\_Dir/wrap.asp?incl=busregforms](http://www.revenue.state.co.us/TPS_Dir/wrap.asp?incl=busregforms)
- √ As a LLC, S-Corp or C-Corp, state business registration can be obtained on-line at <http://www.sos.state.co.us/pubs/business/>
- √ All businesses, except sole proprietors with no employees, are required to have an IRS Federal Employer Identification Number (FEIN). As a sole proprietor, your social security number is your federal employer identification number. You can obtain your FEIN number by filing a completed Form SS-4. This form can be obtained from the IRS by calling 800-829-3676, or one-line at [www.irs.gov](http://www.irs.gov) under the Forms heading.

## **What taxes will apply to my business?**

- √ **Sales and Use Tax:** If you buy or sell goods, ship goods, or use merchandise or materials that you purchased tax free, you will be required to collect state and local sales tax and possibly pay state and local use taxes
- √ **State:** Attend the FREE 90-minute Sales Tax class at 1375 Sherman St, Room 160, in Denver at 9 AM every Friday. ( No reservations necessary.)
- √ **Adams County:** The county sales tax rate is 0.7%. The following special district sales taxes apply in Adams county West of Box Elder Creek: the Regional Transportation District, which has sales and

use tax of 0.6%, the Scientific and Cultural Facilities District with a sales and use tax of 0.1%, and the Metropolitan Football Stadium District with a sales and use tax of 0.1%.

- √ **City of Westminster:** The City of Westminster tax rate is 3.85% (in both Adams and Jefferson counties).
- √ The total tax rate in Westminster (Adams County) is 8.65% and consists of the City rate of 3.85%, an additional 2.90% for State tax, Regional Transportation District (RTD) – 1%, Cultural District (CD) - 0.1%, Football District (FD) - 0.1%, and Adams County - 0.7%.
- √ The total tax rate in Westminster (Jefferson County) is 8.45% and consists of the City rate of 3.85%, an additional 2.90% for State tax, Regional Transportation District (RTD) – 1%, Cultural District (CD) - 0.1%, Football District (FD) - 0.1%, and Jefferson County - 0.5%.
- √ Information on the city's taxation code can be obtained on the city's web site at [http://www.ci.westminster.co.us/bus/toolbox/toolbox\\_5043.htm](http://www.ci.westminster.co.us/bus/toolbox/toolbox_5043.htm), by calling Tax and Licensing Department (303-430-2400 ext. 2065) or visit the office at 4800 w 92<sup>nd</sup> Avenue, Westminster, CO 80031.

#### **If I have employees within my business, what are my obligations as an employer?**

As an employer, you have responsibility for compliance with several important laws and regulations. Below are some of the most important. See page 6 of this guide for more detailed information.

The *Colorado Business Resource Guide* is also an excellent resource.

- √ **Labor Regulations:** Identify which federal and state regulations apply to your business. Call the Colorado Department of Labor and Employment Labor Standards Office for the lists of state and federal laws affecting employment and posting requirements at 303-318-8441, or on-line at [www.coworkforce.com/lab](http://www.coworkforce.com/lab).
- √ **Withholdings and Deposits:** Federal and state income tax, social security (FICA), federal and state unemployment tax (FUTA and SUTA). (see page 5)
- √ **Workers' Compensation Insurance:** Contact an insurance agent or the Division of Workers' Compensation within the Colorado Department of Labor and Employment at 303-318-8700 or 888-390-7936, or on-line at [www.coworkforce.com/dwc](http://www.coworkforce.com/dwc).
- √ **Unemployment Insurance:** Contact the Unemployment Insurance Division of the Colorado Department of Labor and Employment at 303-318-9000, or on-line at [www.coworkforce.com/uit](http://www.coworkforce.com/uit).
- √ **The Occupational Safety and Health Administration (OSHA):** Safety and health standards fall into four major categories – general industry, maritime, construction and agriculture. Standards are published in the Code of Federal Regulations (CFR). To procure this publication, OSHA can be contacted directly at 303-844-1600. The office is located at 1999 Broadway, Suite 1690 in Denver.
- √ See page 6 of this guide for more detailed information

#### **What are the local permits and licenses that are required for my industry?**

- √ Any business operating in a commercial area within the city limits of the City of Westminster is required to obtain a General Business/Sales & Use Tax License. You can obtain a license application from the City Clerk's office, or you can print out one from the web site: [http://www.ci.westminster.co.us/bus/license/toolbox\\_genbuslic.htm](http://www.ci.westminster.co.us/bus/license/toolbox_genbuslic.htm).
- √ Once you have completed the form, you may mail, deliver or fax the form to the City Clerk's office at (303) 428-4564. Once your application is received, the application is reviewed and approved by the Planning Division, Building Division and Fire Departments. This process generally takes 2-3 weeks. Upon approval, the license will be issued and mailed to you. License application forms are available from the City Clerk's Office by calling 303-430-2400, ext. 2162.
- √ If you are operating a business from your home, you must obtain a Home Occupation License. This is a different type of license, with different requirements. For more information about this type of license, refer to the "Home-Based Business Guidelines" page enclosed in this document.
- √ Obtain any federal, state, county or local permits and licenses that may be required for your industry. (e.g., liquor stores, food-related businesses, construction, transportation, gas stations, etc).
- √ If your business is NOT located in the City of Westminster, but you will be collecting Westminster Sales Tax, you must obtain a Sales and Use Tax license. You can obtain a license application from the City Clerk's office, or you can print out one from the web site: [http://www.ci.westminster.co.us/bus/license/toolbox\\_sutaxlic.htm](http://www.ci.westminster.co.us/bus/license/toolbox_sutaxlic.htm). Once you have completed the form, you may mail, deliver or fax it to the City Clerk's office at (303) 428-4564. Once your application is received, it must go through an approval process with the Finance Department. This

approval process generally takes several days. Upon approval, the license will be processed and mailed to you.

 **What about local zoning and sign regulations?**

- √ Local Special Use Permits may be obtained through the Westminster City Clerk's Office at (303-430-2400 ext. 2161).
- √ Westminster general sign regulations are listed within Section 11 of the municipal code which can be found on the Westminster website home page <http://www.ci.westminster.co.us/Code/Title11/T11C11.htm> .
- √ Below is a listing of prohibited signs:
  - Any sign not specifically permitted by the City Code
  - Any sign erected upon or over the public right of way of any street, roadway, or alley with the exception of those signs erected by a governmental entity, Signs erected in accordance with Sections 11-11-4 (A), 11-11-6 (C) and 11-11-7 (G), and those instances where existing buildings are contiguous with the right of way and a sign is to be attached to said building.
  - Signs with visible moving, revolving, or rotating parts or visible mechanical movement or any description or other apparent visible movement achieved by electrical, electronic or mechanical means, and all animated and electronically activated changeable signs as defined in Section 11-11-2 except for time temperature date signs, traditional barber poles gauges and dials which may be animated to the extent necessary to display correct measurement, menu board order confirmation signs, and gasoline pricing signs at fueling facilities. An exception to this Subsection (c) must comply with all other regulations of this Chapter such as size and placement regulations. Any sign that causes traffic hazard because of glare, focus or intensity of illumination.
  - Signs that are animated with lights or illuminations, which flash, move, rotate, scintillate, blink, flicker, vary in intensity, vary in color, or use intermittent electrical pulsations.
  - Strings of light bulbs used in connection with commercial premises for commercial purposes, other than traditional holiday decorations, pennants, streamers, balloons, and any other inflatable object or material shall also be prohibited.
  - Imitations of Official Government Protective or Warning Signs: Any sign using the word "stop" or "danger" or which otherwise presents or implies the need or requirement of stopping, or a caution for the existence of danger, or which is a copy of, or which for any reason is likely to be confused with any municipally approved official signs, such as those signs approved and shown in the Uniform Traffic Code. A rooftop sign.
  - Any sign that obstructs any window, door, fire escape, stairway, ladder, or openings intended to provide light, air, ingress, or egress for any building, as required by law.
  - Portable Signs
    - Any sign displayed on a vehicle when said vehicle is used primarily for the purpose of displaying such sign, when used outside a building. Any advertising device used on a vehicle meeting the following criteria shall be excepted
      - Such vehicle at no time remains in one visible place for more than twenty- four (24) consecutive hours;
      - Such vehicle is actually used by its owner or another as a means of transportation of people or goods;
      - Such vehicle displays current registration and is insured to operate on public streets in the State of Colorado.
    - Sandwich board signs.
  - Any sign that violates any provision of any law of the State of Colorado relative to outside advertising.
  - Temporary signs attached to utility poles or utility boxes that have the intent of advertising merchandise or services for sale.
  - Any sign which causes any direct glare into or upon any residential building or premises other than the building or premises to which the sign is attached.
  - Exposed neon signs and lighting. All roof signs.
  - Any attached sign projecting above the roof line of a structure.
  - Abandoned signs as defined in Section 11-11-2. Any such sign abandoned for a period of 90 days or longer shall be considered an illegal sign. This provision shall not apply to

permanent signs accessory to businesses which are open only on a seasonal basis, provided there is clear intent to continue operation of the business.

- Off premise advertising or directional sign, except as allowed in Sections 11-11-4 (H) 3 and 11-11-4 (L).
- Backlit awnings.
- Free standing monument signs greater than 100 square feet in size.
- Signs achieved by light projection on a surface.

#### **How can I get connected to the local business community?**

- √ The Business Advisory Group (BAG) is a volunteer group of Westminster business people who provide a vital communication link between the city and the Westminster business community. Members work closely with the Economic Development staff, meeting regularly to address concerns, offer feedback on key business issues, and suggest improvements or new ideas. For contact information go to the city's website:  
[http://www.ci.westminster.co.us/bus/services/busserv\\_bag.htm](http://www.ci.westminster.co.us/bus/services/busserv_bag.htm) .

#### **Chambers of Commerce:**

- √ Metro North Chamber of Commerce  
The Metro North Chamber is committed to the advancement of the business and economic interests of the Metro North community. The Chamber provides opportunities to assist in marketing businesses, to network with professionals from large and small companies, and to guide the direction of the Metro North community. For more information go to the web site:  
[www.metronorthchamber.com](http://www.metronorthchamber.com) or call 303-288-1000.
- √ The Denver Metro Chamber of Commerce is the voice of the region's business community, focusing on the coordination of metro area economic development activities, technical assistance to small businesses and entrepreneurs, public affairs advocacy, visibility and networking, and the development of community trustees. For more information go to the website:  
[www.denverchamber.org](http://www.denverchamber.org) or call 303-534-8500.
- √ The Internet Chamber of Commerce is a nonprofit, volunteer-based professional organization which helps the business, government, and academic communities maximize the opportunities of Internet technology through education, information resources and networking. Events are held in the Denver Metro area. For more information go to the web site: [www.icc.org](http://www.icc.org).

#### **Economic Development Agencies:**

- √ The city's Economic Development Office is an in-house advocate for the business community, offering immediate and long-range business development opportunities. Staff tracks all commercial real estate in the city, provides detailed demographic information, and matches businesses with developers. Call 303-430-2400, ext. 2108 e-mail [ecodevo@ci.westminster.co.us](mailto:ecodevo@ci.westminster.co.us)
- √ Adams County Economic Development (ACED) is a public/private partnership, which exists to improve the economy of Adams County. The mission of ACED is to assist primary employers in the creation of jobs and the infusion of capital investment in Adams County by providing demographic information, site selection, regulatory and financing assistance, Enterprise Zone administration and retention program efforts. For more information, go to the ACED web site:  
[www.adamscountyed.com](http://www.adamscountyed.com) or call 303-450-5106.
- √ Jefferson County Economic Council [www.jeffco.org](http://www.jeffco.org)/ Jefferson Economic Council (JEC) is a public/private partnership representing Jefferson County's economic development interests. JEC fosters a spirit of community cooperation while planning and implementing economic development strategies. The council's experienced staff uses a full-service approach that is technologically enhanced, providing products/services that support economic opportunity throughout the county. For more information, go to the JEC web site: <http://www.jeffco.org/home.htm> or call 303-202-2965.
- √ Metro Denver Economic Development Corporation is the regional economic development entity focused on promoting business and economic development for the entire eight-county Metro Denver area. For more information, go to the web site: [www.metrodenveredc.org](http://www.metrodenveredc.org) or call 303-620-8092.
- √ The Small Business Development Center, located on the campus of Front Range Community College, is dedicated to helping small businesses throughout Colorado achieve the goals of growth, expansion, innovation, increased productivity, management improvement and success. On line at <http://www.frontrange.edu/smallbusiness> or call 303-460-1032.

#### **What are some of the business resources provided by the City of Westminster?**

- √ The City of Westminster web site is <http://www.ci.westminster.co.us>. Information for business owners and those wanting to do business with the city is located under the heading of “Doing Business”. Information including licenses, tax issues, resources, business grants and demographics are located at this site. To contact the City by phone, call 303-430-2400.
- √ The Westminster Fire Department holds fire inspection program on all businesses located in the City to help businesses identify or eliminate potential fire hazards. For more information call 303-430-2400 extension 4500.
- √ The City’s Sales and Use Tax Department can best be accessed through the web site at [www.cityofthronton.net/fin/tif\\_lsuti.asp](http://www.cityofthronton.net/fin/tif_lsuti.asp).
- √ Westminster Public Libraries:
 

<p><b>Irving Street Library</b>            7392 Irving Street            Westminster, CO 80030            (303) 430-2400, ext. 2301            Mon - Thur 9 a.m. - 9 p.m.            Fri 9 a.m. - 5 p.m.            Sat 10 a.m.- 5 p.m.</p>	<p><b>College Hill Library</b>            3705 W 112th Avenue            Westminster, CO 80031            (303) 404-5555            Mon - Thur 8 a.m. - 9 p.m.            Fri 9 a.m.- 5 p.m.            Sat 10 a.m.- 5 p.m.            Sun 1-5 p.m.</p>
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- √ The Adams County One Stop works with a consortium of local nonprofit organizations, county agencies, state departments, businesses, and economic development associations in Adams County that provide a variety of employment and training services for both employers and employees. For more information call 303-659-2120 or visit them on-line at [www.co.adams.co.us/services/department/career/about.html](http://www.co.adams.co.us/services/department/career/about.html).
- √ Adams County Economic Development is a private nonprofit organization to promote business in the area. The website is located at <http://www.adcoed.org/> and the phone number is 303-450-5106. They are located at 12050 Pecos Street in Westminster.



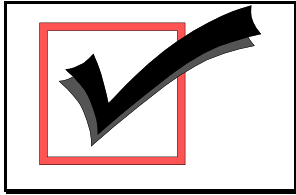
## CALENDAR OF FEDERAL TAXES FOR WHICH YOU MAY BE LIABLE

DATE	DESCRIPTION	SOLE PROPRIETOR	PARTNERSHIP and LIMITED LIABILITY CO.	CORPORATION	S CORPORATION
		Forms	Forms	Forms	Forms
Jan. 15	4th Quarter Estimated Income Tax	1040ES	1040ES	1120W	1040ES
* Jan. 31	4th Qtr Soc. Sec. (FICA) tax, fed'l withholding of income tax (see IRS Pub. 334)	941, 941E, 942, 943	941, 941E, 942, 943	941, 941E, 942, 943	941, 941E, 942, 943
*Jan. 31	Annual Federal Unemployment (FUTA) tax reporting	940EZ or 940	940EZ or 940	940EZ or 940	940EZ or 940
*Jan. 31	4th Qtr Federal Unemployment (FUTA) tax deposit (only if tax liability exceeds \$100)	8109 to make deposits	8109 to make deposits	8109 to make deposits	8109 to make deposits
*Jan. 31	Annual report of wages, Soc Sec (FICA) tax, fed'l withholding of income tax	W2 to employee	W2 to employee	W2 to employee	W2 to employee
Jan. 31	Annual report regarding non-employees and transactions with other persons	1099 to recipients	1099 to recipients	1099 to recipients	1099 to recipients
*Feb. 15	Review W-4's for employees; send any new or changed W-4's to IRS	W-4	W-4	W-4	W-4
Feb. 28	Annual report regarding non-employees and transactions with other persons	1099 to IRS	1099 to IRS	1099 to IRS	1099 to IRS
*Feb. 28	Annual report of wages, Soc Sec (FICA) tax, fed'l withholding of income tax	W2, W3 to Soc. Sec.	W2, W3 to Soc. Sec.	W2, W3 to Soc. Sec.	W2, W3 to Soc. Sec.
Mar. 15	Annual Income Tax filing for previous year			1120 or 1120A	1120S
Apr. 15	Annual Income Tax filing for previous year (Personal Tax Return)	Sch. C, Form 1040	Sch. C, Form 1040	Form 1040	Form 1040
Apr. 15	Annual Self-Employment Tax for previous year	Sch. SE, Form 1040	Sch. SE, Form 1040		
Apr. 15	1st Qtr Estimated Income Tax	1040ES	1040ES	1120W	1040ES
Apr. 15	Annual Information Filing of Income		1065		
*Apr. 30	1st Qtr Soc. Sec. (FICA) tax, fed'l withholding of income tax (see IRS Pub. 334)	941, 941E, 942, 943	941, 941E, 942, 943	941, 941E, 942, 943	941, 941E, 942, 943
*Apr. 30	1st Qtr Federal Unemployment (FUTA) tax deposit (only if tax liability exceeds \$100)	8109 to make deposits	8109 to make deposits	8109 to make deposits	8109 to make deposits
Jun. 15	2nd Qtr Estimated Income Tax	1040ES	1040ES	1120W	1040ES
*Jul. 31	2nd Qtr Soc. Sec. (FICA) tax, fed'l withholding of income tax (see IRS Pub. 334)	941, 941E, 942, 943	941, 941E, 942, 943	941, 941E, 942, 943	941, 941E, 942, 943
*Jul. 31	2nd Qtr Federal Unemployment (FUTA) tax deposit (only if tax liability exceeds \$100)	8109 to make deposits	8109 to make deposits	8109 to make deposits	8109 to make deposits
Sep. 15	3rd Qtr Estimated Income Tax	1040ES	1040ES	1120W	1040ES
*Oct. 31	3rd Qtr Soc. Sec. (FICA) tax, fed'l withholding of income tax (see IRS Pub. 334)	941, 941E, 942, 943	941, 941E, 942, 943	941, 941E, 942, 943	941, 941E, 942, 943
*Oct. 31	3rd Qtr Federal Unemployment (FUTA) tax deposit (only if tax liability exceeds \$100)	8109 to make deposits	8109 to make deposits	8109 to make deposits	8109 to make deposits

\* Applies only if you have employees. Also note: Employers who report monthly to the IRS must make federal tax withholding deposits by the **15th of every month**.



- If your Tax Year (Fiscal Year) is not January 1 through December 31 (Calendar Year), call the IRS at 1-800-829-1040 for tax due dates.
- A Limited Liability Company is treated as a Partnership for tax purposes.
- State tax calendar closely follows federal; see the Colorado Business Resource Guide or the Colorado Department of Revenue on-line at [www.taxcolorado.com](http://www.taxcolorado.com).



# EMPLOYER RESPONSIBILITIES

As an employer, you have responsibility for compliance with several important laws and regulations. You must withhold Federal and State income taxes, pay for unemployment and workers' compensation insurance, withhold and match Social Security (FICA) taxes and Occupational Privilege Tax (OPT). You are required to obtain certain information about your employees for various government agencies, including the Internal Revenue Service (W-4 form) and the Immigration and Naturalization Service (I-9 form). Regular reports must be completed and returned to each agency with which you deal.

The following chart shows the most common requirements and the agencies responsible.

<u>Requirement</u>	<u>Agency</u>
<input type="checkbox"/> Form SS-4 establishing a Federal Employer Identification Number (FEIN); W-4 (employee's name, address, Social Security No. and # of withholding allowances) <input type="checkbox"/> Withholding: Federal Income Tax (FWH); Unemployment Taxes (FUTA); Social Security (FICA); Medicare (hospital tax) <input type="checkbox"/> Quarterly payroll reports; Form 941 (payment of FWH, FICA, Medicare); Form 940 (FUTA)	Internal Revenue Service Federal: 1-800-829-1040 <a href="http://www.irs.gov">http://www.irs.gov</a> State: 303-446-1675 and 303-238-3278 <a href="http://www.taxcolorado.com">http://www.taxcolorado.com</a>
<input type="checkbox"/> State Income Tax Withholding (SWH)	Colorado Department of Revenue 303-238-7378 <a href="http://www.revenue.state.co.us/">http://www.revenue.state.co.us/</a>
<input type="checkbox"/> Unemployment Insurance	Colorado Unemployment Insurance Liability Unit 303-620-4785 or 1-800-480-8299 <a href="http://www.coworkforce.com/uit">www.coworkforce.com/uit</a>
<input type="checkbox"/> Workers' Compensation Insurance	Colorado Division of Workers Compensation 303-318-8700 <a href="http://www.coworkforce.com/dwc">http://www.coworkforce.com/dwc</a>
<input type="checkbox"/> Health and Safety of Employees	Occupational Safety & Health Admin. (OSHA), <a href="http://www.osha.gov/">http://www.osha.gov/</a>
<input type="checkbox"/> Americans with Disabilities Act Regulations	Department of Justice, 1-800-514-0301 <a href="http://www.usdoj.gov/crt/ada/adahom1.htm">http://www.usdoj.gov/crt/ada/adahom1.htm</a> Rocky Mountain Disability and Business Training Assistance Center, 1-800-949-4232 <a href="http://www.ada-infonet.org/contact/contact.asp">http://www.ada-infonet.org/contact/contact.asp</a>
<input type="checkbox"/> Immigration Law; I-9 Form (Can be obtained from your accountant)	U.S. Immigration and Naturalization Service <a href="http://www.ins.gov">http://www.ins.gov</a>

**EMPLOYEE OR INDEPENDENT CONTRACTOR? HOW TO TELL THE DIFFERENCE**  
**20-FACTOR CONTROL TEST** (call the Colorado Department of Labor and Employment at 303-318-8441 for more information)

**If the worker has any of the following characteristics, there may be an employee status, and not an independent contractor relationship:**

The individual *follows instructions* about when, where and how to perform the work, *receives training* from the employer, is required to perform the *work in person* (may not sub-contract), uses *assistants supplied by the employer*, has an *ongoing work relationship* with the employer, has *fixed hours* of work, has *full-time* work status, works at the *employer's location*, is *subject to the work flow*, routines and schedules of the employer, is required to provide *regular progress reports*, is *paid on an hourly, weekly or monthly basis*, is *paid for expenses*, *uses company tools* and equipment, is restricted to *working exclusively* for that employer, *can quit or be discharged*.

A **subcontractor** relationship may exist if the worker is *paid on a lump-sum basis* at the conclusion of the work, *provides his or her own tools* and equipment, works "*off-site*" without supervision, has a *significant investment* in his or her own work facilities, *can realize a profit or a loss* from the work activity, *has multiple clients*, *markets services to other potential employers*, and *may not quit or be discharged without liability* for completing a contract for work. Form 1099 must be filed for each independent contractor or to whomever you paid over \$600 during the year.



# HOME-BASED BUSINESS GUIDELINES

Many small businesses find it cost-effective to start up in the home. This is often a good idea and can reduce overhead expenses significantly. The purpose of this information sheet is to acquaint home-based small businesses with City of Westminster codes that regulate home-based business activity to protect your neighbors from inappropriate home business activities. For questions or for further information, call the City of Westminster, City Clerk's Office, 303-430-2400 ext. 2161.

**HOME OCCUPATIONS**, as regulated and defined by section 11-4-10 of the City Code, may be operated in connection with the occupation of dwelling unit within any zoning district including the residential areas of a PUD zone.

**LICENSE REQUIRED.** It shall be unlawful to operate a home occupation otherwise permitted under this code without first obtaining a license for such occupation. Licensing procedures are established in Chapter 3 of Title V of this Code.

**NUISANCE.** A home occupation being conducted without a home occupation license or in violation of any provision of this section shall be deemed a public nuisance and may be abated pursuant to Title VIII, Chapter 4, of this Code.

**LIMITATIONS TO HOME OCCUPATIONS.** Home occupations are permitted to operate subject to all of the following limitation:

1. The use shall operate in its entirety within the dwelling unit and only by persons residing in the dwelling.
  - a. With the exception of the use of outdoor swimming facilities for limited water safety instruction purposes. Outdoor activity will be limited to the following:
    1. No more than two students instructed at any one time (preparing for the lesson or being instructed).
    2. This activity can only be conducted during the months of April, May, June, July, August, September, and October.
    3. The participants must be no older than 7 years of age.
    4. Instruction may occur only between the hours of 8:00 AM and 7:00 PM.
    5. Any such home occupation shall be certified by the requirements of the American Red Cross or Certified by programs such as Infant Swimming Research Program.
2. The use shall not have a separate entrance from outside the building, unless otherwise required by State law or regulation, except for the limited outdoor pool instruction noted in 1(a) above, which may be accessed through an outside gate.
3. The operator of the home occupation shall not display or create outside the building any external evidence of the operation of the home occupation except one unanimated, non-illuminated flat wall or window sign having an area of not more than one square foot.
4. The use shall not exclusively utilize more than twenty percent (20%) of the gross floor area of the dwelling as defined by the Uniform Building Code, or three hundred (300) square feet, whichever is less. A garage shall not be utilized for, or in conjunction with, a home occupation.
5. The home occupation shall not employ, for a fee or otherwise, any person in the conduct of the home occupation who does not reside in the dwelling unit.
6. No motors shall be used in the conduct of the home occupation except electric motors having 2 horsepower or less.
7. The home occupation shall clearly be incidental and secondary to the use the dwelling for dwelling purposes and shall not change the character of the dwelling or of the neighborhood by excessive noise, lights, traffic, or other disturbances.