

## **SB205 & Business Licenses**

The New Year is around the corner, and come January, businesses will need to renew their business licenses with their local city or county. And with Senate Bill 205 in place for several years now, that also means you need to prove compliance with the Industrial General Permit (or prove exemption from it) when applying for your license renewal. What may initially seem like a lot of red tape and hassle filing for a license or license renewal as a regulated industrial facility, isn't as complicated as it may appear – it just requires a little bit of research and organization. In this month's edition of **The Rain Events**, we will review SB-205 and what that means for you as a facility.

### **What is SB-205?**

In October 2019, Governor Newsom signed into law Senate Bill 205 (SB-205) which requires businesses to show on their license that they are in compliance with the Industrial General Permit (*if the IGP is applicable to their type of industrial activities*). SB-205 seeks to align local business licensing procedures with the state-wide implementation of the Clean Water Act. Although it is required by law to have permit coverage for any regulated industrial activities, many businesses have failed (either knowingly, or unknowingly) to file for permit coverage with the State Water Board. According to the State Water Board, *"This Bill aims to minimize unauthorized storm water discharges and require applicable industrial businesses to manage their storm water prior to receiving or renewing their business license."*<sup>1</sup> It is the hope of the State, that SB-205 would level the playing field for regulated industries and help California progress toward cleaner water. It should be noted that businesses already in compliance with the Industrial General Permit won't be affected negatively by SB-205. However, if a facility is found in non-compliance, it could be painful. Consequences for noncompliant facilities

include not only being at risk of violating the NPDES program (fines from violating the **Clean Water Act can amount to \$50,000 per day<sup>2</sup>**) but the possibility of being barred from conducting business within California<sup>3</sup>. Before filing for a new business license or applying for license renewal, it would be best to analyze your facility's compliance with the IGP and make any necessary corrections, thereby minimizing the risk of being found in non-compliance with the Clean Water Act.

When applying for a new business license or license renewal, you will need to provide the city or county specific information regarding your facility's operations. Before issuing a business license to a potentially regulated business, each city or county (**excluding those who do not require business licenses for their region**) will certify that the applying business is in compliance with the NPDES program. To do this, the city or county will determine whether the Standard Industrial Classification (SIC) code provided by the business is one that is regulated by the Industrial General Permit. The State Water Board has posted a list of SIC codes on their website to aid cities and counties in identifying regulated business categories. If

the business is identified as a potentially regulated industry, the municipality will require the business to provide proof that they are already enrolled or currently in the process of being enrolled for coverage under the Industrial General Permit or provide proof of no-exposure (NEC) or non-applicability (NONA) before they can issue or renew a business license. In the event that the applying business is not enrolled for coverage under the Industrial General Permit, municipalities have been given freedom by the State to develop a provisional license which gives the business in question, three months in which to become compliant.

To save time and avoid some of the legal hassle of filing for a license or license renewal, a little organization goes a long way. Before applying for a new license or a license renewal, check and make sure your facility is in compliance with all the current regulations, confirm that all your facility information is up-to-date and correct, and that your paperwork is in order.

### **Start with your facility's SIC code.**

The Standard Industrial Classification (SIC) system originated in the 1930s as a way of standardizing the business analysis methods

WEBINAR ON

## STANDARD INDUSTRIAL CLASSIFICATION CODES (SIC CODES)



0:09 / 44:49 • Introduction >

of each branch of the government. Who is on the SIC code list? Almost every imaginable business sector, and then some – from coal mining, to fabric mills, to restaurants, and even private households. The Standard Industrial Classification system is a series of four-digit codes that are organized in a top-down hierarchy. “The first two digits of the code represent the major industry sector to which a business belongs. The third and fourth digits describe the sub-classification of the business group and specialization, respectively.”<sup>4</sup>

Take SIC code 3273 as an example. The first two digits identify the major industrial section of the SIC list, in this case, manufacturing “Stone, Clay, Glass, and Concrete” products. The third digit places this code in the “Concrete, Gypsum, and Plaster Products” sub-classification. The fourth and last digit identifies this code as “Ready-Mixed Concrete,” for businesses involved in manufacturing that product. “The Bureau of Labor Statistics updates the codes every three years and uses SIC to report on work force, wages and pricing issues. The Social Security Administration assigns SIC codes to businesses based on the descriptions provided by employers under the primary business activity entry on employer ID applications.”<sup>5</sup> “All businesses have a primary SIC code. This is the main code that categorizes the core industry of the business. Businesses can also have up to five secondary SIC codes. Secondary SIC codes classify other industries the business is involved in but aren’t the main focus. The secondary industries might overlap with your main industry, or they might be unrelated.”<sup>6</sup>

Usually there is just one SIC code per

business, (unless the facility is extremely diversified). You can find out what code applies to your facility by searching for it here ([numerically ordered](#); [alphabetically ordered](#)). Be sure to search within the appropriate division when identifying your SIC code. Divisions are as follows:

- **Agriculture, Forestry, And Fishing**
- **Mining**
- **Construction**
- **Manufacturing**
- **Transportation, Communications, Electric, Gas, And Sanitary Services**
- **Wholesale Trade**
- **Retail Trade**
- **Finance, Insurance, And Real Estate**
- **Services**
- **Public Administration**

To aid in a quick and thorough search, *use keywords to help identify SIC codes* – these keywords are related to your facility’s business operations.

After ascertaining your facility’s SIC code, use [Attachment A](#) to determine if your business is conducting any industrial activities as described by the 9 categories listed by the Industrial General Permit (facilities subject to storm water effluent limitations guidelines, new source performance standards, or toxic pollutant effluent standards; manufacturing facilities; oil and gas/mining facilities; hazardous waste treatment, storage, or disposal facilities; landfills, land application sites, & open dumps; recycling facilities; steam electric power generating facilities; transportation facilities; sewage and wastewater treatment works). *Note: the city or county is not responsible for acquiring your facility’s SIC code or checking Attachment A. They may*

*direct you to the appropriate resources to determine the code, but ultimately, it is your job to figure out what SIC code your business operates under.* After confirming that your SIC code is correct, and ensuring your facility is either under the Industrial General Permit, applying to be under the Permit, or exempt from the Permit, you are ready to file for a new business license or license renewal. But before filing, make sure you have all the following information: facility’s location and contact information, WDID number and application number. When you first register your facility on SMARTs, before your facility has been approved, you’ll immediately be given an application number. If you are already registered on SMARTs, your WDID number and application number will be right next to each other. If your facility is exempt from the permit through a No-Exposure Certification (NEC) or a Notice of Non-Applicability (NONA), you will need those identification numbers for your business license application. *Check out [this past newsletter](#) for more information on NONAs.* Make sure you have all your paperwork and compliance information in order, because municipalities may search the State Water Board’s SMARTs to verify the permit coverage reported by applicants and will have access to all your business’s information and history.

Don’t be surprised by this year’s business license renewal, it isn’t as complicated as it may seem by the advent of SB-205. It just requires a little organization and planning. For more information from the State Waterboard, visit the SB-205 resource page they have for industrial dischargers. You can find those resources [here](#).

1 [https://www.waterboards.ca.gov/water\\_issues/programs/stormwater/docs/sb205/sb205\\_cities\\_counties\\_faq\\_eg.pdf](https://www.waterboards.ca.gov/water_issues/programs/stormwater/docs/sb205/sb205_cities_counties_faq_eg.pdf)

2 <https://www.epa.gov/enforcement/criminal-provisions-waterpollution>

3 <https://www.californiaenvironmentallawblog.com/clean-water-act/senate-bill-205-imposes-new-requirements-for-industrial-companies-in-california/>

4&5 [https://en.wikipedia.org/wiki/Standard\\_Industrial\\_Classification](https://en.wikipedia.org/wiki/Standard_Industrial_Classification)

6 <https://www.patriotsoftware.com/blog/accounting/sic-codes/>

## The Rain Events

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*A Very*

from our office

*Merry Christmas*

to yours

*To You*

Every valley  
shall be raised  
up, every  
mountain and hill  
made low; the  
rough ground  
shall become  
level, the rugged  
places a plain.  
And the glory of  
the Lord will be  
revealed, and all  
people will see  
it together. For  
the mouth of the  
Lord has spoken.  
Isaiah 40:4-5



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**making sure only  
rain goes down  
that drain...**



# *Storm Water Contest...*

Each month, we invite our readers to participate in a contest to test their knowledge of the Industrial General Permit and show their storm water compliance program. We enter all submittals to our monthly newsletter question into a drawing and one person is selected at random to receive a \$25 gift card.

*What is the best way to winterize stored materials?*

Congratulations to Zachary who answered, *“The best way to winterize stored materials is to place them inside or under a rain-proof cover.”* We hope you enjoy a delicious seasonal treat from Starbucks.

## *...This Month's Contest*

*Where are regulated industrial activities listed in the IGP?*

We need industrial storm water sleuths to help us with this month's question. Submit your answers by Friday, January 10th. Email your answer to [jteravskis@wgr-sw.com](mailto:jteravskis@wgr-sw.com). One winner will be selected by a random drawing to receive a \$25 gift card to Home Depot.

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