

# Arizona Small Business Advocates Oppose Tempe's Proposed Business License Fee

*Tempe Arizona's proposed annual business license draws fire from owners and advocates, who call it an expensive, intrusive, and pointless new tax.*

TEMPE, AZ, UNITED STATES, June 26, 2025 /EINPresswire.com/ -- Go Local Arizona, an independent small business advocacy organization, is urging the Tempe City Council to reject a proposed ordinance that would require all individuals and entities conducting business within Tempe to

obtain a general business license starting August 1, 2025. The proposed measure includes a \$25 annual fee, with enforcement and full implementation beginning January 1, 2026.



Go Local Arizona. Advocating for small businesses!

The city of Tempe says the new license would allow officials to create a database of local businesses for increased communication, transparency, and economic development. However, small business owners and advocacy groups argue the ordinance amounts to an unnecessary and burdensome tax that offers no tangible benefit to entrepreneurs and nonprofits operating within the city.

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*Neil A. Schneider*

Neil A. Schneider, founder and CEO [of Go Local Arizona](#), said the city's move represents a significant overreach and fails to consider the needs of small business owners already navigating complex operating environments. Schneider says, "this represents a disturbing trend in local

government overreach and a complete disconnect from the realities of small business ownership.”

"Requiring small businesses and nonprofits to register with the city is overreaching, unnecessary and makes it harder to do business," Schneider says. "They're calling it a license fee, but it's really

a tax. And like most taxes, it won't stay at \$25. These kinds of fees usually grow over time and become just another way to nickel-and-dime small business owners."

The Tempe Chamber of Commerce has publicly supported the proposed ordinance, and Schneider is particularly critical of that entity for endorsing the proposal.

"It doesn't surprise me that the Chamber supports this," he says. "Chambers of commerce have become arms of city government. They spend most of their time schmoozing city staff and leaders and advocating for the interests of large corporations — i.e. APS, SRP, Amazon, Cox, Wells Fargo — while paying lip service to the small businesses that actually drive the local economy. Supporting this ordinance is a betrayal of the very businesses the Tempe Chamber claims to represent."

Business leaders across Tempe have voiced concern about the ordinance's scope, especially its potential to create redundant red tape. Joe Forte, a Tempe-based entrepreneur, nonprofit leader, and current candidate for city council, said the program is both financially inefficient and devoid of value for those expected to pay the fee. Forte also operates several home-based businesses in Tempe and D-MAK Productions located in Phoenix.

"The more I looked into it, the more it became clear—there's no benefit for the business owner," Forte said. "It's just bad policy. It adds friction, discourages entrepreneurship, and costs money to enforce. If Phoenix, the fifth largest city in the country, doesn't require a general business license, why should Tempe?"

Jason Turnquist, co-founder of Fyresite, a web development company based in Tempe, echoed those concerns. "I don't think this is necessary at all. There are far better and cheaper ways to gather business information than by requiring a city-run licensing system," he says. "What starts at \$25 can easily become \$50 or more. It's a slippery slope."

"This is a gross overstep of government oversight," Turnquist continues. "It starts at \$25, but you know that fee will go up. It always does."

According to [Go Local Arizona](#), the Arizona Corporation Commission already maintains a public database of registered businesses. Schneider says the city could request that list at no cost rather than creating a duplicative system.

City officials say the license will allow them to introduce new businesses to the community and connect them to city programs and services. Critics, however, question the effectiveness of those programs and whether such outreach justifies the new regulatory burden.

Opposition is also mounting from civil liberty groups. Eric Fowler of the Maricopa County Libertarian Party denounced the ordinance during a recent city council meeting. "This goes against individual liberty and free-market principles," Fowler said. "It's about punishment and

revenue, not safety or economic development."

He continued, "Almost half of the ordinance details how to penalize businesses. Worse, it forces home-based entrepreneurs to expose their private addresses, turning their homes into public listings. That's not just invasive — it's dangerous, especially for women and solo operators."

Critics also question the speed of implementation. The ordinance rolls out August 1 with a six-month "free registration" period, followed by mandatory fees beginning January 2026. Schneider, Go Local Arizona founder calls this a "bait-and-switch," explaining, "They'll collect your data now, so they can bill you later. This isn't about support—it's about control," Schneider says.

Forte adds: "This business license doesn't actually raise enough money to support any meaningful programs for Tempe. The city claimed this could bring in \$750,000 annually, but the reality will be closer to \$150,000 after you account for how few businesses will actually register. Tempe's finance department estimates just 20% of businesses will register based on the City of Mesa's program where around 20% of businesses register annually. By the time you factor in the costs of setting it up, maintaining it, and enforcing it, it becomes a financial drain—not a benefit to anyone, especially not the small business owners."

The draft ordinance outlines additional requirements for businesses, including publicly displaying the license, subjecting themselves to city inspections, and renewing annually or risking revocation.

Businesses operating multiple locations in Tempe would be required to register each location separately, and the city could revoke licenses for failure to renew or for violating any federal or state law — raising concerns that minor infractions, such as a traffic ticket, could jeopardize business operations. Licensees are also subject to surprise inspections and businesses are required

#### About Go Local Arizona

Founded in 2020, Go Local Arizona is an independent small business advocacy organization founded by Neil A. Schneider that supports entrepreneurs and promotes local economic resilience. The organization was launched in response to the lack of representation for small businesses during the COVID-19 pandemic and is committed to advancing policies that protect and empower Arizona's locally owned businesses.

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