



Memorandum

To: Mayor and Town Council Members
From: Aren Emerson, Town Clerk
Date: Aug 8, 2025
Re: Discussion and Possible Direction to Town Staff to Begin the Business License Revocation Process for Zion Outfitters Located at 7 Zion Park Boulevard, Springdale, UT, Per Town Code 3-1-12.

Background

The Town Council received a formal complaint (attachment #1) regarding the recent federal conviction of Phyllip Hallman Heaton, owner of Zion Outfitters, located at 7 Zion Park Boulevard in Springdale, Utah. Mr. Heaton was convicted of tax evasion under federal law.

Springdale Town Code § 3-1-12(A) authorizes the Town Council to revoke an existing business license under specified conditions. Specifically, subsection (A)(2) permits revocation if a licensee “within the previous ten years has violated the law of the State, the United States government, the ordinances of the Town, or the rules and regulations of any Town or Utah State agency governing the operation of the relevant business subject to the license.”

The Revocation Process

If the Council chooses to proceed with revocation under § 3-1-12, the following process applies:

- 1. Notice of Pending Revocation**

A written notice is issued to the licensee stating the Town Council’s intent to revoke the business license and outlining the reasons for revocation. The notice must inform the licensee of their right to request a hearing.

- 2. Request for Hearing**

The licensee has ten business days from receipt of the notice to request an administrative hearing. If no timely request is made, the Council may revoke the license without a hearing.

- 3. Continuation of License During Process**

If a timely request for a hearing is submitted, the license remains valid until the Town Council holds the hearing and issues a written decision.

- 4. Administrative Hearing Procedure**

The licensee has the right to:

- Appear before the Council
- Be represented by legal counsel
- Hear and respond to the evidence presented
- Cross-examine witnesses
- Present evidence and testimony in defense

5. **Hearing Scheduling and Notice**

Upon receipt of a valid request, a hearing date will be set as soon as reasonably practical. Written notice of the hearing's time, place, and procedure will be provided.

6. **Decision**

Within ten business days after the hearing, the Town Council must issue a written decision, which may:

- Dismiss the notice
- Revoke the license
- Grant a conditional license for a set period
- Deny the license renewal (applicable to renewals)

7. **Failure to Participate**

If the licensee fails to request or appear at a scheduled hearing, the Town Council may revoke the license without a hearing.

8. **Post-Revocation Status**

If the license is revoked or renewal is denied, it becomes unlawful to operate the business until a new license is approved by the Town Council in accordance with the Town Code (§ 3-1-12(C)).

Should the Town Council choose to proceed, staff will coordinate with the Town Attorney to prepare the required notice and, if necessary, schedule an administrative hearing in accordance with Section 3-1-12 and applicable state law.

ATTACHMENTS

- Attachment #1: Formal Complaint
- Attachment #2: Springdale Town Code § 3-1-12

Hello Town Council and Town Clerk's,

I wanted to reach out with concerns about there being no known ramifications from the town of Springdale for Zion Outfitters Tax evasion conviction.

<https://www.justice.gov/usao-ut/pr/outdoor-retailer-sentenced-prison-tax-fraud-and-ordered-pay-over-2m-fines-and>

Per town code 3-1-12 the following violations would justify a revocation of a business license:

3-1-12: - DENIAL OR REVOCATION OF A LICENSE; APPEALS:

A.Revocation or denial: The Town Council may, of its own accord or upon the recommendation of the Town Clerk or Deputy Clerk, revoke an existing license or deny a license renewal application in accordance with this section if the applicant, or any partner, officer, director or employee of the applicant as applicable:

2.Within the previous ten years has violated the law of the State, the United States government, the ordinances of the Town, or the rules and regulations of any Town or Utah State agency governing the operation of the relevant business subject to the license;

4.Has allowed or is responsible for unlawful activities conducted or permitted on the premises where the business is conducted;

6.Conducts business or operations in a manner that creates a nuisance or otherwise violates any local, State or Federal law.

The owner of Zion Outfitter has pled guilty to these charges. I believe this act was malicious as evidenced by the guilty plea and conviction.

My ask is that you bring this to the town council and hold this business owner accountable for their actions. Doing so would help the community know that the Town of Springdale holds business owners accountable to a standard that is ethical and does not tolerate fraudulent behavior that harms the public. It also serves as a deterrence to others by demonstrating that tax evasion holds serious consequences at the federal, state and town level.

I believe that failing to revoke this license sends the message that not all businesses are held to the same standard and business owners are not held accountable to the town code.

Thank you for your time and careful consideration.

Kody Smith

3-1-12: DENIAL OR REVOCATION OF A LICENSE; APPEALS:

- A. *Revocation or denial:* The Town Council may, of its own accord or upon the recommendation of the Town Clerk or Deputy Clerk, revoke an existing license or deny a license renewal application in accordance with this section if the applicant, or any partner, officer, director or employee of the applicant as applicable:
1. Has obtained or sought to obtain or to aid another in obtaining a license from the Town or another governmental entity in the previous three years by means of misrepresentation, fraud or deceit, including the filing of false information as part of the license application;
 2. Within the previous ten years has violated the law of the State, the United States government, the ordinances of the Town, or the rules and regulations of any Town or Utah State agency governing the operation of the relevant business subject to the license;
 3. Has failed to comply with conditions and requirements of this Code or any ordinance or requirement of the Town after notice of the violation and the passage of a reasonable time for compliance;
 4. Has allowed or is responsible for unlawful activities conducted or permitted on the premises where the business is conducted;
 5. Refuses to permit authorized officials to make a lawful inspection of the premises or to take a sample of a commodity or material, or has interfered with such authorized official while in the performance of his or her duty in making such inspection; or
 6. Conducts business or operations in a manner that creates a nuisance or otherwise violates any local, State or Federal law.
- B. *Notice; hearing:*
1. To revoke a license or deny an application to renew a business license, the Town will provide the licensee or applicant with a notice of pending denial or revocation that will state in substance that the Town Council intends to revoke the business license or deny the application to renew, together with the reason or reasons therefor, and that the applicant/licensee may request a hearing on the revocation/denial. A request for hearing under this section must be made within ten business days from the receipt of the notice. If a request for hearing is not made in accordance with this section, then the license or application may be revoked or denied by the Town Council without a hearing. If a licensee submits a timely request for hearing, the license continues to be valid until the Town holds a hearing and issues a written decision denying the license. If a timely request for hearing is submitted, the licensee or applicant has a right to appear, to be represented by counsel, to hear the evidence against the licensee or applicant, to cross examine witnesses and to present evidence as to why the license should not be revoked or the application denied.
 2. Subsection B.1. of this section does not apply to applications for licenses for businesses which have not previously been licensed by the Town. The Town Clerk may deny such an application by providing written notice of the denial and the reasons for the denial, and notice of the right to request a hearing before the Town Council within ten business days to address the denial.
 3. Upon receipt of a timely request for hearing by an applicant/licensee, the Town Council shall set a hearing date as soon as is reasonably practical, and shall provide written notice to the person requesting the hearing of the time and place the hearing is to be held, and the manner in which the hearing will be conducted. The Town Council will set by resolution fees to cover the costs associated with the hearing process.
 4. Within ten business days of the date of any hearing on license revocation, suspension or denial, the Town Council shall issue a written decision to dismiss the notice, to deny a license application, to revoke a business license, or to grant a conditional license for a specified period of time, in which case a review hearing shall be scheduled at the end of that specified time to review whether the conditions have been complied with and whether the license should be granted or denied.

5. If a licensee/applicant fails to make a timely request for a hearing, or fails to appear at a scheduled hearing, the Town Council may deny an application or revoke a license without a hearing.
- C. *Operation unlawful:* If at any time a license is suspended or revoked, or application for renewal is denied under the provisions of this chapter, it shall be unlawful for any person to engage in or carry on or operate any business, or to use or permit to be operated or used any property for any business with respect to which the license has been suspended or revoked, or renewal has been denied, until a new license is granted by the Town Council.

(Ord. 2018-07, 4-11-2018)