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**HOUSE BILL 1894**

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**State of Washington**

**68th Legislature**

**2024 Regular Session**

**By** Representatives Walen and Street; by request of Department of Revenue

Prefiled 12/06/23.

1 AN ACT Relating to nontax statutes administered by the department  
2 of revenue modifying provisions of the business licensing service  
3 program concerning fee change notice requirements, the administration  
4 of the business license account balance, and the handling fee  
5 exemption for the local government nonresident business license  
6 endorsement; and amending RCW 19.02.075 and 35.90.070.

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

8 **Sec. 1.** RCW 19.02.075 and 2020 c 164 s 1 are each amended to  
9 read as follows:

10 (1)(a) Except as provided in (b) of this subsection, the  
11 department must collect a handling fee on each business license  
12 application and each renewal application filing. The department must  
13 set the amount of the handling fees by rule, as authorized by RCW  
14 19.02.030. The handling fees may not exceed (~~ninety dollars~~) \$90  
15 for each business license application filed by any person to open or  
16 reopen a business, (~~ten dollars~~) \$10 for each business license  
17 renewal application filing, and (~~nineteen dollars~~) \$19 for each  
18 business license application filed for any other purpose. Handling  
19 fees collected under this section must be deposited in the business  
20 license account created under RCW 19.02.210.

1 (b) No handling fee is collected on a business license  
2 application filed by an existing business for the following purposes:

3 (i) To open an additional location; or

4 (ii) To obtain a local government's nonresident ~~((city))~~ business  
5 license endorsement.

6 (2) The department may increase all handling fees within the  
7 limits provided in this section for the purposes of defraying the  
8 department's costs associated with the administration of this  
9 chapter, including making improvements in the business licensing  
10 service program, such as improvements in technology and customer  
11 services, expanded access, and infrastructure.

12 (3) Annually, by the last day of September, beginning September  
13 30, ~~((2023))~~ 2024, the department must review the business license  
14 account balance ~~((at the end of the previous fiscal year))~~. If the  
15 balance in the account ~~((exceeds one million dollars))~~ at the end of  
16 the previous fiscal year exceeds an amount equal to the average of  
17 three months of monthly expenditures from the business license  
18 account during the previous fiscal year, or the department projects  
19 that the balance in the business license account at the end of the  
20 current fiscal year will exceed ~~((one million dollars at the end of~~  
21 ~~the current fiscal year))~~ an amount equal to the average of three  
22 months of monthly expenditures from the business license account  
23 during the previous fiscal year, the department must reduce one or  
24 more of the handling fees authorized in subsection (1) of this  
25 section. Handling fees must be reduced under this subsection (3) to  
26 the extent the department determines necessary to result in a balance  
27 in the business license account at the end of the fiscal year  
28 following the current fiscal year, as projected by the department, of  
29 no more than ~~((one million dollars at the end of the next fiscal year~~  
30 ~~as projected by the department))~~ an amount equal to the average of  
31 three months of monthly expenditures from the business license  
32 account during the previous fiscal year. This subsection (3) does not  
33 require the department to reduce handling fees more than once in any  
34 fiscal year.

35 (4) In increasing or decreasing any fee under this section, the  
36 department may round the adjusted fee to the nearest whole dollar  
37 that does not exceed the dollar limits in subsection (1) of this  
38 section.

1       **Sec. 2.** RCW 35.90.070 and 2017 c 209 s 7 are each amended to  
2 read as follows:

3       ((A)) (1) Except as provided in subsection (2) of this section, a  
4 general business license change enacted by a city whose general  
5 business license is issued through the business licensing system  
6 takes effect no sooner than ((seventy-five)) 75 days after the  
7 department receives notice of the change if the change affects in any  
8 way who must obtain a license, who is exempt from obtaining a  
9 license, or the ((amount-or)) method of determining any fee for the  
10 issuance or renewal of a license.

11       (2) If a general business license change enacted by a city whose  
12 general business license is issued through the business licensing  
13 system only affects the amount of the fee for the issuance or renewal  
14 of the license, the change takes effect no sooner than 10 business  
15 days after the department receives notice of the change.

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