
HOUSE BILL 2100

State of Washington

66th Legislature

2019 Regular Session

By Representative Dufault

1 AN ACT Relating to small city business licensing; and amending
2 RCW 35.90.020.

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

4 **Sec. 1.** RCW 35.90.020 and 2017 c 209 s 2 are each amended to
5 read as follows:

6 (1) Except as otherwise provided in subsection (7) of this
7 section, a city that requires a general business license of any
8 person that engages in business activities within that city must
9 partner with the department to have such license issued, and renewed
10 if the city requires renewal, through the business licensing service
11 in accordance with chapter 19.02 RCW.

12 (a) Except as otherwise provided in subsection (3) of this
13 section, the department must phase in the issuance and renewal of
14 general business licenses of cities that required a general business
15 license as of July 1, 2017, and are not already partnering with the
16 department, as follows:

17 (i) Between January 1, 2018, and December 31, 2021, the
18 department must partner with at least six cities per year;

19 (ii) Between January 1, 2022, and December 31, 2027, the
20 department must partner with the remaining cities; or

1 (iii) Between July 1, 2017 and December 31, 2022, the department
2 must partner with all cities requiring a general business license if
3 specific funding for the purposes of this subsection (~~(1)(a)~~)
4 (1)(a)(iii) is appropriated in the omnibus appropriations act.

5 (b) A city that imposes a general business license requirement
6 and does not partner with the department as of January 1, 2018, may
7 continue to issue and renew its general business licenses until the
8 city partners with the department as provided in subsection (4) of
9 this section.

10 (2)(a) A city that did not require a general business license as
11 of July 1, 2017, but imposes a new general business license
12 requirement after that date must advise the department in writing of
13 its intent to do so at least ninety days before the requirement takes
14 effect.

15 (b) If a city subject to (a) of this subsection (2) imposes a new
16 general business license requirement after July 1, 2017, the
17 department, in its sole discretion, may adjust resources to partner
18 with the imposing city as of the date that the new general business
19 licensing requirement takes effect. If the department cannot
20 reallocate resources, the city may issue and renew its general
21 business license until the department is able to partner with the
22 city.

23 (3) The department may delay assuming the duties of issuing and
24 renewing general business licenses beyond the dates provided in
25 subsection (1)(a) of this section if:

26 (a) Insufficient funds are appropriated for this specific
27 purpose;

28 (b) The department cannot ensure the business licensing system is
29 adequately prepared to handle all general business licenses due to
30 unforeseen circumstances;

31 (c) The department determines that a delay is necessary to ensure
32 that the transition to mandatory department issuance and renewal of
33 general business licenses is as seamless as possible; or

34 (d) The department receives a written notice from a city within
35 sixty days of the date that the city appears on the department's
36 biennial partnership plan, which includes an explanation of the
37 fiscal or technical challenges causing the city to delay joining the
38 system. A delay under this subsection (3)(d) may be for no more than
39 three years.

1 (4) (a) In consultation with affected cities and in accordance
2 with the priorities established in subsection (5) of this section,
3 the department must establish a biennial plan for partnering with
4 cities to assume the issuance and renewal of general business
5 licenses as required by this section. The plan must identify the
6 cities that the department will partner with and the dates targeted
7 for the department to assume the duties of issuing and renewing
8 general business licenses.

9 (b) By January 1, 2018, and January 1st of each even-numbered
10 year thereafter, the department must submit the partnering plan
11 required in (a) of this subsection (4) to the governor; legislative
12 fiscal committees; house local government committee; senate
13 agriculture, water, trade and economic development committee; senate
14 local government committee; affected cities; association of
15 Washington cities; association of Washington business; national
16 federation of independent business; and Washington retail
17 association.

18 (c) The department may, in its sole discretion, alter the plan
19 required in (a) of this subsection (4) with a minimum notice of
20 thirty days to affected cities.

21 (5) When determining the plan to partner with cities for the
22 issuance and renewal of general business licenses as required in
23 subsection (4) of this section, cities that notified the department
24 of their wish to partner with the department before January 1, 2017,
25 must be allowed to partner before other cities.

26 (6) A city that partners with the department for the issuance and
27 renewal of general business licenses through the business licensing
28 service in accordance with chapter 19.02 RCW may not issue and renew
29 those licenses.

30 (7) A city may decline to partner with the department for the
31 issuance and renewal of a general business license as provided in
32 subsection (1) of this section if the city participates in the online
33 local business license and tax filing portal known as "FileLocal" as
34 of July 1, 2020. For the purposes of this subsection (7), a city is
35 considered to be a FileLocal participant as of the date that a
36 business may access FileLocal for purposes of applying for or
37 renewing that city's general business license and reporting and
38 paying that city's local business and occupation taxes. A city that
39 ceases participation in FileLocal after July 1, 2020, must partner

1 with the department for the issuance and renewal of its general
2 business license as provided in subsection (1) of this section.

3 (8) A city may decline to partner with the department for the
4 issuance and renewal of a general business license as provided in
5 subsection (1) of this section if the city has a population of less
6 than twenty-five thousand as determined by the office of financial
7 management.

8 (9) By January 1, 2019, and each January 1st thereafter through
9 January 1, 2028, the department must submit a progress report to the
10 legislature. The report required by this subsection must provide
11 information about the progress of the department's efforts to partner
12 with all cities that impose a general business license requirement
13 and include:

14 (a) A list of cities that have partnered with the department as
15 required in subsection (1) of this section;

16 (b) A list of cities that have not partnered with the department;

17 (c) A list of cities that are scheduled to partner with the
18 department during the upcoming calendar year;

19 (d) A list of cities that have declined to partner with the
20 department as provided in subsection (7) of this section;

21 (e) An explanation of lessons learned and any process
22 efficiencies incorporated by the department;

23 (f) Any recommendations to further simplify the issuance and
24 renewal of general business licenses by the department; and

25 (g) Any other information the department considers relevant.

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