

CITY COUNCIL REGULAR SESSION

Ordinance amending Bellevue City Code Section (BCC) 4.09.030L, as previously amended, making minor changes to the definition of “engaging in business” as required by State Legislation creating a model municipal business license ordinance.

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EXECUTIVE SUMMARY

This is one of two actions for Council amending the City Code for mandatory business license model ordinance. State law requires that all cities that require a business license adopt changes in its code to comply with the model ordinance as adopted by the State Legislature. These changes must be made by January 1, 2019.

This agenda memo addresses the Ordinance amending BCC 4.09.030L – the definition of “engaging in business”. A separate agenda memo addresses the Ordinance amending BCC 4.03.025 – Registration/License Requirements.

RECOMMENDATION

Move to adopt Ordinance No. 6431

If approved, effective date is thirty days after passage and legal publication. The City plans to enforce the changes to BCC 4.09.030L effective January 1, 2019.

BACKGROUND/ANALYSIS

At the October 8 study session, staff presented the required changes to the City’s business license provisions, summarized below. Council directed staff to return with Ordinances implementing both the revision to the threshold for business licenses and updating the definition of “engaging in business”. This memo addresses the update to the definition of “engaging in business”, and the companion memo provides the business license threshold update.

In 2017, in response to concerns expressed by small business owners regarding the burden of obtaining a business license from every jurisdiction in which it provides a service, the State Legislature passed a law that established a task force on business licensing processes. The charge to the task force was to develop a model ordinance to simplify business licensing when businesses operate in multiple jurisdictions. The legislation required consultation and input from the business community and required cities, such as Bellevue, to adopt the resulting model ordinance by January 1, 2019.

The changes to the definition of “engaging in business” in the model municipal business license ordinance is limited in nature and intended to clarify the activities that constitute “engaging in business”. For example, the new model language clarifies that merely conducting advertising through email is not “engaging in business”.

The model ordinance provisions do not impact the City’s ability to continue to set business license fees and use FileLocal for business licensing. As Council will recall, FileLocal was established by interlocal agreement and allows businesses in Bellevue, Seattle, Tacoma, Everett, Lake Forest Park and Renton to file for business licenses and pay business and occupation taxes online.

POLICY & FISCAL IMPACTS

RCW 35.90.090

Cities that impose a general business license must adopt the mandatory provisions of the model ordinance as provided in RCW 35.90.080 by January 1, 2019. A city that has not complied with the requirements of this section by January 1, 2019, may not enforce its general business licensing requirements on any person until the date that the mandatory provisions of the model ordinance take effect within the city.

Fiscal Impact

The fiscal impact from adoption of the new model ordinance is de minimis.

OPTIONS

1. Adopt the Ordinance amending Bellevue City Code Section (BCC) 4.09.030L, as previously amended, making minor changes to the definition of “engaging in business” as required by State Legislation creating a model municipal business license ordinance.
2. Do not adopt the Ordinance and provide alternative direction to staff. Failure to adopt the model ordinance language by January 1, 2019 will result in the City being unable to enforce its general business licensing requirements on any person until the date that the mandatory provisions of the model ordinance take effect within the City.

ATTACHMENTS & AVAILABLE DOCUMENTS

- A. Model ordinance language
 - B. Ordinance - Redlined
- Proposed Ordinance No. 6431

AVAILABLE IN COUNCIL LIBRARY

N/A