

ESSB 5656 - H COMM AMD
By Committee on Local Government

NOT CONSIDERED

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** A new section is added to chapter 35.102
4 RCW to read as follows:

5 (1) Except as provided otherwise by subsection (3) of this section,
6 by July 1, 2019, each city that imposes a business and occupation tax
7 under this chapter must have its general business licenses issued and,
8 if a renewal is required, renewed through the business licensing system
9 or through a city-developed portal.

10 (2) Except as provided otherwise by subsection (3) of this section,
11 by July 1, 2019, each city that does not impose a business and
12 occupation tax under this chapter must have its general business
13 licenses issued and, if a renewal is required, renewed through the
14 business licensing system or through a city-developed portal.

15 (3) The department or the cities may delay or phase-in the issuance
16 and renewal of general business licenses beyond July 1, 2019, if
17 funding or other resources are insufficient to enable the department or
18 the cities to comply with this section.

19 (4) The department, working with affected cities, may establish a
20 schedule for assuming the issuance and renewal of general business
21 licenses for cities choosing this option. Cities may continue to issue
22 and renew their general business licenses until those licenses have
23 been incorporated into the business licensing system. A city whose
24 general business license has been incorporated into the business
25 licensing system must utilize the business licensing system and may not
26 directly issue or renew those licenses.

27 (5)(a) By July 1, 2017, the department must provide a report to the
28 appropriate committees of the house of representatives and senate
29 indicating:

1 (i) What actions the department has taken to comply with this
2 section and what the costs of those actions were;

3 (ii) What actions the department anticipates taking between July 1,
4 2017, and July 1, 2019, to comply with the requirements of this section
5 and what the anticipated costs of those actions will be;

6 (iii) What actions the department has taken to comply with the
7 diverse and differing needs of small, medium, and large cities subject
8 to the requirements of this section; and

9 (iv) Whether, in the department's judgment, the department believes
10 it will be able to comply with the deadlines established in subsections
11 (1) and (2) of this section.

12 (b) The report required by (a) of this subsection must be prepared
13 by the department in consultation with cities and other affected or
14 interested parties.

15 (6) The definitions in this subsection apply throughout this
16 section unless the context clearly requires otherwise.

17 (a) "Business and occupation tax" has the same meaning as in RCW
18 35.102.030.

19 (b) "Business licensing system" means the business licensing system
20 or service of the department established in accordance with chapter
21 19.02 RCW.

22 (c) "City-developed portal" means a single portal with at least
23 five participating cities that allows for the issuance or renewal of
24 general business licenses for all participating cities.

25 (d) "Department" means the department of revenue.

26 (7)(a) This section expires July 1, 2018.

27 (b) The intent of the expiration date in this subsection is to
28 afford the legislature a full opportunity to review and revise the
29 requirements of this section to ensure that compliance with its
30 provisions occurs in a timely, thoughtful, and appropriate manner that
31 best meets the needs of businesses and cities throughout Washington
32 state."

33 Correct the title.

EFFECT: In comparison to the underlying bill, the striking

amendment: (1) Changes the deadline for cities that impose a business and occupation tax from July 1, 2016, to July 1, 2019; (2) changes the deadline for cities that do not impose a business and occupation tax from January 1, 2019, to July 1, 2019; (3) defines "department" to mean the Department of Revenue (DOR), and "business licensing system" to mean the business licensing system or service established in accordance with provisions for the DOR in chapter 19.02 RCW; (4) modifies delayed implementation provisions by specifying that the DOR or the cities may delay or phase-in the issuance and renewal of general business licenses beyond July 1, 2019, if funding or other resources are insufficient to enable the DOR or the cities to comply with requirements for utilizing the business licensing system or a city-developed portal; (5) requires the DOR to provide a report by July 1, 2017, that indicates its progress, costs, and assessments in complying with requirements of the bill; (6) expires the bill on July 1, 2018, and provides associated intent provisions; and (7) makes technical changes.

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