

ESB 5402 - H AMD TO FIN COMM AMD (H5334.1/20) **2168**

By Representative Orwall

ADOPTED 03/06/2020

1 On page 68, after line 31 of the striking amendment, insert the
2 following:

3
4 "Sec. 59. 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

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

25 (b) A city that imposes a general business license requirement
26 and does not partner with the department as of January 1, 2018, may
27 continue to issue and renew its general business licenses until the

1 city partners with the department as provided in subsection (4) of
2 this section.

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

8 (b) If a city subject to (a) of this subsection (2) imposes a
9 new general business license requirement after July 1, 2017, the
10 department, in its sole discretion, may adjust resources to partner
11 with the imposing city as of the date that the new general business
12 licensing requirement takes effect. If the department cannot
13 reallocate resources, the city may issue and renew its general
14 business license until the department is able to partner with the
15 city.

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

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

20 (b) The department cannot ensure the business licensing system
21 is adequately prepared to handle all general business licenses due
22 to unforeseen circumstances;

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

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

32 (4)(a) In consultation with affected cities and in accordance
33 with the priorities established in subsection (5) of this section,
34 the department must establish a biennial plan for partnering with

1 cities to assume the issuance and renewal of general business
2 licenses as required by this section. The plan must identify the
3 cities that the department will partner with and the dates targeted
4 for the department to assume the duties of issuing and renewing
5 general business licenses.

6 (b) By January 1, 2018, and January 1st of each even-numbered
7 year thereafter until the department has partnered with all cities
8 that currently impose a general business license requirement and
9 that have not declined to partner with the department under
10 subsection (7) of this section, the department must submit the
11 partnering plan required in (a) of this subsection (4) to the
12 governor; legislative fiscal committees; house local government
13 committee; senate ((~~agriculture, water, trade and~~) financial
14 institutions, economic development and trade committee; senate local
15 government committee; affected cities; association of Washington
16 cities; association of Washington business; national federation of
17 independent business; and Washington retail 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
27 and renewal of general business licenses through the business
28 licensing service in accordance with chapter 19.02 RCW may not issue
29 and renew those licenses.

30 (7) ((A)) (a) Except at provided in (b) of this subsection, a
31 city may decline to partner with the department for the issuance and
32 renewal of a general business license as provided in subsection (1)
33 of this section if the city participates in the online local
34

1 business license and tax filing portal known as "FileLocal" as of
2 July 1, 2020.

3 (b) A city that receives at least one million nine hundred fifty
4 thousand dollars in fiscal year 2020 for temporary streamlined sales
5 tax mitigation under the 2019 omnibus appropriations act, section
6 722, chapter 415, Laws of 2019, may decline to partner with the
7 department for the issuance and renewal of a general business
8 license as provided in subsection (1) of this section if the city
9 participates in FileLocal as of July 1, 2021.

10 (c) For the purposes of this subsection (7), a city is
11 considered to be a FileLocal participant as of the date that a
12 business may access FileLocal for purposes of applying for or
13 renewing that city's general business license and reporting and
14 paying that city's local business and occupation taxes. A city that
15 ceases participation in FileLocal after July 1, 2020, or July 1,
16 2021, in the case of a city eligible for the extension under (b) of
17 this subsection, must partner with the department for the issuance
18 and renewal of its general business license as provided in
19 subsection (1) of this section.

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

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

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

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

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

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

1 (f) Any recommendations to further simplify the issuance and
2 renewal of general business licenses by the department; and
3 (g) Any other information the department considers relevant."

4

5 Correct the title.

6

EFFECT: Extends the deadline to decline partnership with the
Department of Revenue and Business Licensing Service by
participation in FileLocal to July 1, 2021 for certain cities.

--- END ---