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ORIGINAL

ORDINANCE NO. 2003

AN ORDINANCE OF THE CITY OF REDMOND, WASHINGTON, RELATING TO BUSINESS LICENSE FEES, AMENDING SECTIONS 5.04.030, 5.04.050, AND 5.04.080 OF THE REDMOND MUNICIPAL CODE, ADDING A NEW SECTION 5.04.084 TO THE REDMOND MUNICIPAL CODE CLARIFYING HOW TO CALCULATE PER-EMPLOYEE BUSINESS LICENSE FEES, CLARIFYING WHO IS RESPONSIBLE FOR PAYMENT OF PER-EMPLOYEE BUSINESS LICENSE FEES FOR TEMPORARY EMPLOYEES, CLARIFYING THE POWERS OF THE FINANCE DIRECTOR IN THE ADMINISTRATION OF CHAPTER 5.04 OF THE REDMOND MUNICIPAL CODE, AND FIXING A TIME WHEN THE SAME SHALL BECOME EFFECTIVE.

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WHEREAS, RCW 35A.82.020 authorizes code cities to impose business licensing requirements and excises upon business transacted within such a city to the extent permitted by the general laws; and

WHEREAS, the City has acted upon this authority by enacting business licensing and other requirements which are set forth in Title 5 of the Redmond Municipal Code; and

WHEREAS, the City adopted a per-employee business license fee to be paid by businesses licensed under Chapter 5.04 of the Redmond Municipal Code pursuant to Ordinance No. 1924; and

WHEREAS, there has been confusion with respect to calculation of the per-employee fees and with respect to who is responsible for payment of the per-employee fee for

workers provided by temporary employment agencies; and

WHEREAS, the City Council desires to clarify Chapter 5.04 of the Redmond Municipal Code to provide that businesses furnishing temporary workers within the City are responsible for payment of the per-employee fee for temporary workers; NOW, THEREFORE,

THE CITY COUNCIL OF THE CITY OF REDMOND, WASHINGTON, DO  
ORDAIN AS FOLLOWS:

Section 1. Section 5.04.030 of the Redmond Municipal Code is hereby amended to read as follows:

**5.04.030 Definitions.** Where used in this chapter, the following words and terms shall have the meanings as defined in this section, unless, from the context, a more limited or different meaning is clearly defined or apparent:

(1) "**Business**" includes all activities, occupations, pursuits, or professions located and/or engaged in within the city, with the object of gain, benefit or advantage to the person engaging in the same, or to any other person or class, directly or indirectly;

(2) "**Business license**" is that document issued by the city licensing the transaction of the indicated business by the person whose name appears thereon for the stated year. For the purpose of this chapter, an original or officially issued duplicate shall constitute a valid "business license" for every purpose;

(3) "**Employee**" means any person who performs work, labor, or services for a business and is on the business' payroll. For the purpose of this chapter, the term "employee" also includes self-employed persons, sole proprietors, owners, managers, partners, and all full-time, part-time, and temporary employees or workers on the business' payroll;

(4) "**Engaging in business**" means commencing, conducting or continuing in any business within the city, whether or not an office or physical location for the business lies within the city. Engaging in business includes: the performance of work or services by contractors, consultants, representatives, agents or other persons within the city, even though the office location of the contractor, consultant, representative, agent or other person is not

within the city limits; the exercise of corporate or franchise powers, as well as the liquidation of a business when the liquidators hold themselves out to the public as conducting such business; and, furnishing temporary employees to businesses located within the city by a business engaged in the practice of providing temporary employees and/or workers to other businesses;

(5) "**Finance Director**" or "**Director**" means the City of Redmond Finance Director or his/her designee.

(6) "**Person**" includes the singular and the plural and also means and includes any person, firm, corporation, association, club, partnership, society or any group of individuals acting as a unit;

(7) "**City**" means the City of Redmond, Washington; and

(8) "**Year**" means a calendar year.

Section 2. Section 5.04.050 of the Redmond Municipal Code is hereby amended to read as follows:

**5.04.050 Finance Director as license officer.** The Finance Director shall collect all license fees and shall issue licenses in the name of the city to all persons qualified under the provisions of this chapter and shall have the authority to:

(1) **Adopt Forms.** Adopt application, license, renewal, annual return, and all other necessary or convenient forms and prescribe the information to be provided. Such required information shall include, but not be limited to, the name of the applicant, his or her residence address, date of birth, place of business, the nature of the business, the form of ownership, the names of all officers of the business and the number of employees;

(2) **Obtain Endorsement.** Submit applications, when deemed appropriate, to other city officials for their endorsements thereon as to compliance by the applicant with all city regulations which the officials have the duty of enforcing;

(3) **Investigate.** Investigate and determine the eligibility of any applicant for a license as prescribed herein;

(4) Examine Records. Examine and audit the books and records of any applicant or licensee when reasonably necessary to the administration and enforcement of this chapter;

(5) Give Notice. Notify any applicant of the acceptance or rejection of the application;

(6) Regulate Form of Licenses. Ensure that each license is numbered, and shows the name of the licensee, business address and the character of the business authorized to be transacted.

Section 3. Section 5.04.080 of the Redmond Municipal Code is hereby amended

to read as follows:

**5.04.080 Fees--Payment.** (a) Except as otherwise provided by this chapter, every person engaging in business within the city shall pay an annual license fee based upon the number of employees of the business. For an initial license, the number of employees shall be the number employed at the time of application. For all renewals, the number of employees shall be the sum of the total of the number of employees as of the end of each calendar quarter for the preceding year divided by the total number of calendar quarters the company engaged in business within the city for the preceding year, rounded up to the nearest whole number.

Example:

Calendar Quarter	Employee Count
3/31/97	378
6/30/97	498
9/30/97	482
12/31/97	<u>532</u>
Total	1,890

(in business for full year)                      Divide by 4=

Count to report on  
business license application: 473  
(Rounded to nearest whole number)

Provided, however, that any business with gross annual revenues of \$1,500.00 or less derived from business transacted within the city shall pay an annual license fee of \$15.00. See RMC 5.04.084 for procedures related to temporary employees and

workers.

(b) The annual license fee shall be calculated as follows:

- |     |            |                       |
|-----|------------|-----------------------|
| (1) | Base fee:  | \$10.00 per employee. |
| (2) | Surcharge: | \$55.00 per employee. |

Provided, however, that the surcharge provided by this subsection shall expire after December 31, 2000.

(c) If, at any time during the year it appears that the number of employees was under-reported at the time of application or renewal, an additional license fee and a penalty on the additional license fee shall be due. The penalty shall be equal to twenty percent (20%) per annum of the additional fee, plus any accounting, legal or administrative expenses incurred by the city in determining the under-reporting or in collecting the tax and penalty.

(d) The license fee for a business required to be licensed under this chapter and not located within the city's corporate limits shall be calculated based upon the total number of employees of the business actually working within the city. If the number of employees is not known at the time of renewal, the business shall estimate the maximum number of employees they anticipate using in Redmond during the year based on the previous year's experience.

(e) Businesses doing business in the city who have no employees physically working within the city shall pay a base fee of \$10.00 and a surcharge of \$55.00 for a total of \$65.00.

(f) The annual license fee shall become due and payable on January 1st of each calendar year. The business license fee shall not be prorated for any part of any year.

(g) Payment made by draft or check shall not be deemed a payment of the fee unless and until the same has been honored in the usual course of business, nor shall acceptance of any such check or draft operate as an acquittance or discharge of the fee unless and until the check or draft is honored.

(h) If any person required by the terms and provisions of this chapter to pay a license fee for any period fails or refuses to do so, he shall not be granted a license for the current period until

the delinquent license fee, together with penalties, has been paid in full. Any license fee due and unpaid under this chapter and any penalties thereon, shall constitute a debt to the city and may be collected in court proceedings in the same manner as any other debt in like amount, which remedy shall be in addition to all other existing remedies.

Section 4. A new Section 5.04.084 is hereby added to the Redmond Municipal

Code to read as follows:

**5.04.084 Temporary Employees.** The following provisions shall apply to businesses engaged in the practice of providing temporary employees or workers ("temporary agencies") to businesses located within the city and to businesses located within the city which utilize the services of such employees or workers:

(1) Temporary agencies located within the city shall include all temporary employees and workers placed with businesses located within the city in calculating the number of their employees in addition to employees described under RMC 5.04.030(3);

(2) Temporary agencies located outside the city which place temporary employees or workers with businesses located within the city shall include all such temporary employees and workers in calculating the number of their employees;

(3) Businesses located within the city which utilize temporary employees or workers provided by a temporary agency shall not include the temporary employees or workers in calculating the number of their employees.

(4) Temporary agencies placing temporary employees and workers within the City shall calculate the number of such employees and workers in the manner provided in RMC 5.04.080(a).

(5) In submitting an initial business license application or subsequent renewal application, all businesses located within the City which use temporary employees or workers furnished by a temporary agency shall indicate the number of such employees using the formula set forth in RMC 5.04.080(a) and further indicate the names and addresses of the temporary agencies furnishing said employees or workers. Failure to so report the

number of temporary employees or workers or the names and addresses of the agencies furnishing said employees or workers shall result in imposition of a penalty equal to 10% of the company's total business license fee. In addition, failure to report may result in revocation, suspension, or denial of the business license.

Section 5. Severability. If any section, sentence, clause or phrase of this Ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this Ordinance.

Section 6. Effective Date. This ordinance, being an exercise of a power specifically delegated to a city legislative body, is not subject to referendum and shall take effect five (5) days after passage and publication of an approved summary thereof consisting of the title.

CITY OF REDMOND



Mayor Pro Tem

MAYOR ROSEMARIE IVES

ATTEST/AUTHENTICATED:



CITY CLERK, BONNIE MATTSON

APPROVED AS TO FORM:  
OFFICE OF THE CITY ATTORNEY:

By: 

FILED WITH THE CITY CLERK:	November 24, 1998
PASSED BY THE CITY COUNCIL:	December 1, 1998
SIGNED BY THE MAYOR:	December 1, 1998
PUBLISHED:	December 5, 1998
EFFECTIVE DATE:	December 10, 1998
ORDINANCE NO. <u>2003</u>	