

CODE

**CITY OF REDMOND  
ORDINANCE NO. 2770**

AN ORDINANCE OF THE CITY OF REDMOND, WASHINGTON, AMENDING SECTIONS 5.04.045, 5.04.070, 5.04.080, 5.04.130 AND CHAPTER 5.05 OF THE REDMOND MUNICIPAL CODE INCREASING THE BUSINESS LICENSE FEE, MAKING MINOR HOUSEKEEPING ADJUSTMENTS, PROVIDING FOR REFERENDUM, AND ESTABLISHING AN EFFECTIVE DATE

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WHEREAS, chapter 35A.82 of the Revised Code of Washington authorizes the City to require business licenses and to impose business license fees for the purpose of regulation and revenue; and

WHEREAS, the City of Redmond has not increased the portion of the business license fee for operations by inflation since 2007; and

WHEREAS, the City of Redmond approved the creation of a business tax on December 17, 1996, for the purpose of improving Redmond's transportation system and transportation demand management programs; and

WHEREAS, the City of Redmond recognizes the importance of an effective transportation system, that includes capital projects and effective management of travel demand and travel choices for maintaining community well-being and conducting commerce in the City, and

WHEREAS, the City of Redmond promotes a strong multi-modal transportation system that offers real travel choices, with improved connections both within and through Redmond and between Redmond and the region; and

WHEREAS, the City of Redmond decreased impact fees for transportation in 2014; and

WHEREAS, the City of Redmond has determined that an increase in the business license fee is necessary in order to provide additional revenue for ongoing operations, transportation capital and transportation demand management projects; and

WHEREAS, minor housekeeping adjustments need to be made to the definition of a master event business license; and

WHEREAS, Reflexology establishments need to be added as a business that is subject to business license requirements.

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

Section 1.      Classification.      This ordinance is of a general and permanent nature and shall become a part of the City Code.

Section 2.      Amendment of Section.      RMC 5.04.045, Master event business license, is hereby amended to read as follows:

**5.04.045 Master event business license.**

(A) Any person organizing, promoting, sponsoring, or conducting any arts or crafts fair, farmer's market, trade show, or other similar event which:

(1) Does not exceed seven days in duration and does not occur more than once in any calendar year; or

(2) Does not exceed two days in duration during any calendar week and does not operate for more than six months in any calendar year, at which multiple dealers or vendors will be present selling goods or services at a single location, may obtain a master event business license as provided in this section. The master event business license shall cover all dealers and vendors involved in the event and individual dealers and vendors participating in the event shall not be required to obtain separate business licenses in connection with their participation.

(B) The city may also obtain a master event business license for the following city-sponsored community events for which an admission fee is charged: Friday performance arts events, summer music series, special entertainment lunches, Trash or

Treasure, the father/daughter dance, the mother/daughter tea, Big Truck Day, [AND—THE] community swap meet/flea market, Redmond Senior Center Talent Shows, and the Spring/Fall Farm School Activities. Additional city-sponsored community events for which an admission fee is charged may be added to this list with approval of the event-sponsoring department and the Finance Director.

(C) Applicants for a master event business license shall be required to meet all requirements of this chapter for issuance of a business license and shall be required to pay all fees and taxes imposed by this chapter on behalf of themselves and all dealers and vendors covered by the master event business license.

(D) Holders of master event business licenses shall be required to provide the Finance Director with a list of all participating dealers and vendors at least ten days prior to the event. The list shall include the dealer or vendor's name, address, telephone number, and state UBI number. Only those dealers and vendors set forth on the list are covered under the master event business license.

(E) Nothing in this section is intended to prevent the city from requiring other permits or approvals in connection with an event covered by this section, including but not limited to any necessary building and zoning approvals, and any necessary right-of-way use permits.

Section 3. Amendment of Section. RMC 5.04.070, Procedures for issuance of license, is hereby amended to read as follows:

**5.04.070 Procedures for issuance of license.**

(A) Formal Application Required. Every person required to procure a license under the provisions of this chapter shall submit an application for such license to the finance director. The application shall be made upon forms provided by the finance director.

(1) Determination of whether a business license application is complete for purposes of issuing a business license shall be made by the finance director.

(2) An application for a business license shall be deemed to be abandoned 90 days after the date of application, unless such application has been pursued in good faith or a license has been issued.

Expired applications shall forfeit a minimum of [~~\$92~~]  
\$106.90 of the new application fee.

(B) Commencement of Business Activities. No person shall be entitled or authorized to engage in business within the city until such time as the finance director has approved the issuance of a business license pursuant to the terms of this chapter. The acceptance of a business license application by the city shall not be deemed to grant any right or privilege under this chapter, except as otherwise provided by law.

(C) Burden on Applicant. The finance director, or other designated officer, is authorized, but not required, to mail to persons engaging in business forms for applications and/or renewals for licenses, but failure of the person to receive any such form shall not excuse the person from making application for and securing the license required by this chapter.

(D) Applications for new business licenses, including home businesses, within the boundaries of Wellhead Protection Zones 1, 2, or 3 shall be accompanied by a completed Hazardous Materials Questionnaire to determine the regulatory status of the business. The City of Redmond Director of Public

Works, or his or her designee, shall review and approve the Hazardous Materials Questionnaire. Applications for business license renewals do not need to be accompanied by a Hazardous Materials Questionnaire; however, the City of Redmond Director of Public Works, or his or her designee, may require an updated Hazardous Materials Questionnaire from renewing businesses in accordance with the requirements under Chapter 13.07, Wellhead Protection.

Section 4. Amendment of Section. RMC 5.04.080, Fees - Payment, is hereby amended to read as follows:

**5.04.080 Fees - Payment.**

(A) Reporting by Hours Method. The annual business license fee is calculated by determining the number of employee hours worked in the City of Redmond during the previous year and then multiplying that figure by [~~\$0.047917~~] \$0.055677. The City shall allocate [~~35/92~~] \$42.90 out of each \$106.90 [~~OF THE TOTAL FEE~~] received to the general fund and [~~57/92~~] \$64.00 out of each \$106.90 [~~OF THE TOTAL FEE~~] received to the transportation capital improvements fund.

(1) *Repealed by Ord. 2546.*

(2) *Repealed by Ord. 2546.*

(3) Annual employee hours are calculated based on the sum of the four quarterly reports submitted to the Washington State Department of Labor and Industries for the previous year.

(4) It shall be the responsibility of the employer to determine the number of hours worked within the city from these reports. Businesses that did not file quarterly reports with the Washington State Department of Labor and Industries shall determine the number of hours worked within the city and demonstrate, if required, to the satisfaction of the finance director, that the number of employee hours worked is correct.

(5) Employers without a full year history would need to estimate the number of employee hours that will be worked in the current calendar year.

(6) If a business has more than one location in the city of Redmond, the annual business license fee calculation must include annual employee hours at all locations.

(7) Businesses with more than one location must use the same method of calculation for all locations.

(B) Reporting by FTE Method. A business may choose to calculate its annual license fee based on the number of its full-time equivalent employees. Using this method the annual business license fee is calculated by multiplying the number of full-time equivalent employees during the previous year by [~~\$92.00~~] \$106.90. The City shall allocate [~~\$35.00~~] \$42.90 out of each [~~\$92.00~~] \$106.90 received to the general fund and [~~\$57.00~~] \$64.00 out of each [~~\$92.00~~] \$106.90 received to the transportation capital improvements fund.

(1) *Repealed by Ord. 2546.*

(2) *Repealed by Ord. 2546.*

(3) *Repealed by Ord. 2546.*

(4) *Repealed by Ord. 2546.*

(5) *Repealed by Ord. 2546.*

(6) The number of full-time equivalent employees shall be based on the sum of the full-time employees in the four quarterly reports submitted to the Washington State Department of Labor and Industries for the previous year divided by four.

(7) It shall be the responsibility of the employer to determine the number of full-time equivalent employees working within the city from

these reports. Businesses that did not file quarterly reports with the Washington State Department of Labor and Industries shall determine the number of full-time equivalent employees working in the city and demonstrate, if required, to the satisfaction of the finance director, that the number of full-time equivalent employees is correct.

(8) For businesses with employees who work less than 1,920 hours per year (the work hour figure used by the Washington Department of Labor and Industries) the total number of hours worked by all such employees during the four quarters of the previous year shall be added together and divided by 1,920 to determine the full time employee equivalency.

(9) Employers without a full year history would need to estimate the number of full-time equivalent employees that will work in the city for the current calendar year.

(10) If a business has more than one location in the city of Redmond, the annual business license fee calculation must include annual full-time equivalent employees at all locations.

(11) Businesses with more than one location must use the same method of calculation for all locations.

(C) If at any time during the year it appears that the number of employee hours worked or if using the FTE method 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 number of employee hours worked or the number of full-time equivalent employees within the city, but in no event shall the license fee be less than the minimum fee set forth in this chapter.

(E) Businesses doing business in the city that have no employees physically working within the city shall pay the minimum license fee required under this chapter.

(F) The minimum fee for any license issued under this chapter shall be [~~\$91.00 IN 2011 AND \$92.00 IN 2012~~] \$106.90.

(1) Exemptions. The following entities may claim an exemption from the license or renewal fee, but if exempt under this subsection such entities shall register under this chapter.

(a) Any entity exempt from taxation under 26 U.S.C. Sec. 501(c)(3), upon furnishing proof to the finance director of its nonprofit status.

(b) Governmental entities that engage solely in activities which are not exclusively governmental, such as some activities of a hospital or medical clinic.

(c) A nonprofit business operated exclusively for a religious purpose that files with the city a copy of its current IRS 501(C)(3) exemption certificate issued by the Internal Revenue Service.

(d) Civic groups, service clubs, and social organizations that are not engaged in any profession, trade, or occupation, but are organized to provide civic, service or social activities in the city. Examples of such organizations may include but are not limited to: Soroptimists; Kiwanis; Lions;

Rotary; American Legion; children's and adults' athletic organizations; and similar types of groups, clubs or organizations.

(G) 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.

(H) A licensee may request that the city refund that portion of the annual business license overpaid on the basis that the business miscounted the number of employee hours worked or the number of employees. The request must be in writing and the city must receive the request and all supporting payroll documentation no later than 60 days after the end of the licensee's fiscal year in which the error was made. If the finance director is satisfied that the business paid an excess business license fee, then the city will refund the excess fee paid by the business during either the current calendar year or one prior calendar year.

(I) Payment made by 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 operate as an acquittance

or discharge of the fee unless and until the check is honored. Any person who submits a business license fee payment by check to the city pursuant to the provisions of this chapter shall be assessed a NSF fee set by the finance director if the check is returned unpaid by a bank or other financial institution for insufficient funds in the account or for any other reason.

(J) 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 5.      Amendment of Section.      RMC 5.04.130,

Exemptions, is hereby amended to read as follows:

**5.04.130 Exemptions.**

The provisions of this chapter shall not apply  
to:

(1) Any instrumentality of the United States, the State of Washington, or political subdivision thereof with respect to the exercise of governmental functions;

(2) Any farmer, gardener, or other person who sells, delivers or peddles any fruits, vegetables, berries, butter, eggs, fish, milk, poultry, meat or any farm produce or edibles raised, caught, produced or manufactured by such person in the state;

(3) *Repealed by Ord. 2546;*

(4) Any apartment or condominium, residential rental or leasing activity which does not involve more than four residential units at any one location within the city;

(5) Any insurers or their agents, as those terms are defined in RCW 48.01.050 and 48.17.010, respectively, who represent insurance companies or sell insurance to the public and are properly licensed by the state. Provided, however, that this exemption shall not apply to insurance brokers or solicitors, as said terms are defined in RCW 48.17.020 and 48.17.030, respectively;

(6) Newspaper carriers under the age of 18;

(7) Any person, business, enterprise, firm, or corporation which the city is forbidden to license or tax under state or federal law; or

(8) Businesses that do not engage in other business activities within the city limits but are merely complying with destination-based sourcing rules as outlined in the National Streamlined Sales Tax (SST) Agreement;

(9) Community special events that are sponsored by the city and that are open to the public without the payment of an admission fee are exempt from the requirement to obtain a business license. In addition, no business license shall be required for dealers, vendors, entertainers, instructors, and others with whom the city or any co-sponsor contracts to provide goods or services at the event. As used in this subsection, "community special event" means the following events sponsored or co-sponsored by the City: Derby Days, Redmond Lights, Eggstravaganza, the Digital Arts Festival, the Arts in the Park Series, the Community Lecture Series, Pet Fair, Bridal Fair, the Spring Garden Fair, the Holiday Craft Market, Healthy, Wealthy and Wise Health Fair, Sculpture Garden, ~~[AND—THE]~~ Great Day of Play, Redmond Bike

Bash, City of Redmond Poet Laureate, So Bazaar Night  
Market and the Redmond Senior Center Outdoor Music  
Series.

Additional city-sponsored community special events that are open to the public without the payment of an admission fee may be added to this list with approval of the event-sponsoring department and the Finance Director. The City Council will be notified of changes to the list of free city-sponsored community events.

Section 6. Amendment of Chapter. RMC Chapter 5.05, Public Massage Establishment, is hereby amended to read as follows:

**Chapter 5.05  
PUBLIC MASSAGE OR REFLEXOLOGY ESTABLISHMENT**

Sections:

~~[5.05.010 PUBLIC MASSAGE ESTABLISHMENT DEFINED.]~~

**5.05.012 Definitions.**

5.05.020 Additional business license requirement for public massage or reflexology establishment.

~~[5.05.010 PUBLIC MASSAGE ESTABLISHMENT DEFINED.]~~

~~FOR PURPOSES OF THIS CHAPTER, A PUBLIC MASSAGE ESTABLISHMENT MEANS ANY PLACE WITHIN THE CITY WHERE MESSAGES, AS DEFINED BY RCW 18.108.010, ARE GIVEN OR~~

~~FURNISHED FOR, OR IN EXPECTATION OF, ANY FEE,  
COMPENSATION OR MONETARY CONSIDERATION.]~~

5.05.012 Definitions.

(A) For purposes of this chapter, a public  
massage establishment means any place within the city  
where massages, as defined by RCW 18.108.010, are  
given or furnished for, or in expectation of, any fee,  
compensation or monetary consideration.

(B) For purposes of this chapter, a public  
reflexology establishment means any place within the  
city where reflexology, as defined by RCW 18.108.010,  
is provided, given or furnished for, or in expectation  
of, any fee, compensation or monetary consideration.

5.05.020 Additional business license requirement for  
public massage or reflexology establishment.

(A) Any individual who applies for a business  
license for a public massage establishment must, in  
addition to meeting the licensing requirements of  
Chapter 5.04, provide the finance director with  
evidence that the individual has received a state of  
Washington massage practitioner's license pursuant to  
RCW Chapter 18.108, which license shall be current and

in effect unless such person is exempt from the state license requirement. Additionally, any individual rendering services at the public massage establishment must also possess a state of Washington massage practitioner's license.

(B) Any individual who applies for a business license for a public reflexology establishment must, in addition to meeting the licensing requirements of Chapter 5.04, provide the finance director with evidence that the individual has received a state of Washington reflexology certification pursuant to RCW Chapter 18.108, which certification shall be current and in effect unless such person is exempt from the state license requirement. Additionally, any individual rendering services at the public reflexology establishment must also possess a state of Washington reflexology certification.

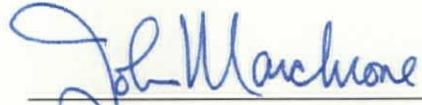
Section 7. Severability. Should any section, subsection, paragraph, sentence, clause or phrase of this chapter be declared unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining portion of this chapter.

Section 8. Effective Date. This ordinance is subject to referendum as set forth in RCW 35.21.706. Any duly qualified

person may file a referendum petition with the City Clerk within seven (7) days after the passage of this ordinance. In the event such a petition is filed, the City Clerk shall, within ten (10) days confer with the petitioner regarding the form and style of the petition, secure an accurate, concise and positive ballot title from the City Attorney, and assign an identification number to the petition. Thereafter, the petitioner shall have thirty (30) days within which to gather signatures from not less than 15 percent of the City's registered voters as of the last municipal general election upon petition forms which contain the ballot title and the full text of the measure to be referred. In the event that no referendum petition is filed, this ordinance shall take effect on and after the 1<sup>st</sup> day of January, 2015, and after publication of an approved summary thereof consisting of the title.

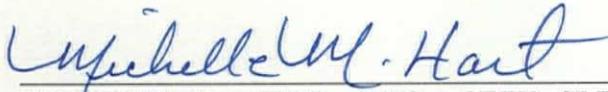
ADOPTED by the Redmond City Council this 2<sup>nd</sup> day of  
December, 2014.

CITY OF REDMOND



JOHN MARCHIONE, MAYOR

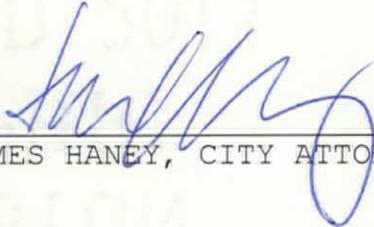
ATTEST:



MICHELLE M. HART, MMC, CITY CLERK

(SEAL)

APPROVED AS TO FORM:



JAMES HANEY, CITY ATTORNEY

FILED WITH THE CITY CLERK:	November 18, 2014
PASSED BY THE CITY COUNCIL:	December 2, 2014
SIGNED BY THE MAYOR:	December 4, 2014
PUBLISHED:	December 8, 2014
EFFECTIVE DATE:	December 13, 2014
ORDINANCE NO:	2770

YES: Allen, Carson, Flynn, Margeson, Shutz, Stilin

NO: Myers