

ORDINANCE NO. 2088

AN ORDINANCE OF THE CITY OF REDMOND, WASHINGTON, RELATING TO BUSINESS LICENSE FEES, AMENDING SECTION 5.04.080 OF THE REDMOND MUNICIPAL CODE IN ORDER TO EXTEND THE BUSINESS TAX IMPOSED BY CHAPTER 5.04 THROUGH DECEMBER 31, 2004 AND TO CHANGE THE METHOD OF CALCULATING THE BUSINESS TAX, PROVIDING FOR SEVERABILITY, AND ESTABLISHING AN EFFECTIVE DATE.

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 established a business license surcharge with its adoption of Ordinance 1924, establishing a \$55 per employee fee dedicated to fund transportation improvements to expire after December 31, 2000; and

WHEREAS, the City has determined that the surcharge should be extended to fund continuing transportation needs; and

WHEREAS, the City has amended the method of calculating the tax from a per employee calculation to one based upon actual employee-hours worked; NOW, THEREFORE,

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

Section 1. Business Tax. 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 business license fee based upon the number of employee-hours worked in Redmond during the previous year. 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. It will be the responsibility of the employer to determine the number of hours worked within the city from these reports. The annual license fee (base fee and surcharge) shall be calculated by multiplying the number of employee-hours worked by an hourly rate (the hourly rate will be calculated as follows: the approved tax rate per full-time person divided by 1920 hours per year, the work hour figure used by the Washington State Department of Labor and Industries). Employers without a full year history would need to estimate the number of employee hours that will be worked in the current calendar year.

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: \$12.50 per full-time employee (or \$.0065 per employee-hour worked).

(2) Surcharge: \$55.00 per full-time employee (or \$.0286 per employee- hour worked).

Provided, however, that the surcharge provided by this subsection shall expire after December 31, 2004.

(c) If at any time during the year it appears that the number of employee-hours worked was underreported 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 underreporting 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 within the city. If the number of employee-hours worked is not known at the time of renewal, the business shall estimate the maximum number of employee-hours they anticipate using in Redmond during the year.

(e) Businesses doing businesses in the city that have no employees physically working within the city shall pay a base fee of \$12.50 and a surcharge of \$55.00 for a total of \$67.50.

(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 2. Temporary Employees. Section 5.04.084 of the Redmond Municipal

Code is hereby amended 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 and 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 employee hours worked 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 hours worked by 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 employee-hours;

- (4) Temporary agencies placing temporary employees and workers within the city shall calculate the number of hours worked by such employees and workers in the manner provided by 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 employee hours worked by 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 hours worked by 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 3. 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 4. Effective Date. This ordinance, being the exercise of a power specifically delegated to the 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
/S/ MAYOR ROSEMARIE IVES

ATTEST/AUTHENTICATED:
/S/ CITY CLERK BONNIE MATTSON

APPROVED AS TO FORM:
/S/ JAMES E. HANEY, CITY ATTORNEY

FILED WITH THE CITY CLERK:	December 1, 2000
PASSED BY THE CITY COUNCIL:	December 5, 2000
SIGNED BY THE MAYOR:	December 5, 2000

PUBLISHED:
EFFECTIVE DATE:
ORDINANCE NO. 2088

December 9, 2000
December 14, 2000