

STATE OF WASHINGTON

DEPARTMENT OF REVENUE

OFFICE OF THE DIRECTOR

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December 18, 2019

TO: The Honorable Mark Mullet, Chair The Honorable Lynda Wilson Financial Institutions, Economic Development & Trade Committee Washington State Senate

> The Honorable Zack Hudgins, Chair The Honorable Norma Smith Innovation, Technology & Economic Development Committee Washington State House of Representatives

Keith Phillips, Policy Director Office of the Governor

FROM: Vikki Smith, Director *A* Washington State Department of Revenue

SUBJECT: 2019 State Agency Business Licensing Information Report

The Department of Revenue is submitting this report to the Legislature and Governor as required by RCW 19.02.055. This law directs 24 state agencies to provide the Department's Business Licensing Service with essential information about each agency's business licensing requirements and to update that information each year. The agencies are directed to provide detailed information, including:

- a listing of all business licenses issued by the agency
- a description of the persons and activities for which the license is required
- the duration of the license and any issuance or renewal requirements

Each agency must certify annually to the Department that the licensing information the agency has provided is complete and current or submit a progress report and explanation. The Department must compile the information and submit an aggregate report to the Legislature's

economic development committees and the Governor by January 1 of each year. Included with the attached report is an appendix in a spreadsheet format, which includes information provided by the responding agencies.

If you have any questions or need the report in an alternate format, please contact David Duvall, Legislative and External Affairs Liaison, Executive Division, at (360) 534-1545 or DavidD@dor.wa.gov.

Attachment

cc: Brad Hendrickson, Secretary, Washington State Senate Bernard Dean, Chief Clerk, Washington State House of Representatives Members, Senate Financial Institutions, Economic Development & Trade Committee Members, House Innovation, Technology & Economic Development Committee David Schumacher, Director, Office of Financial Management Drew Shirk, Executive Director, Legislative Affairs, Office of the Governor Roselyn Marcus, Assistant Director, Office of Financial Management Ramona Nabors, Budget Assistant, Office of Financial Management Rachel Knutson, Budget Assistant, Office of Financial Management



2019 State Agency Business Licensing Information

December 2019 Washington State Department of Revenue

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Summary

The Department of Revenue is submitting this report to the Legislature and Governor as required by RCW 19.02.055(3).

Enacted in 2013, this law is intended to promote economic development by providing licensing information to businesses. To that end, the law directs 24 state agencies to provide the department's Business Licensing Service with updated information about each agency's business licensing requirements annually.

Each agency is directed to provide detailed information including:

- a listing of all business licenses issued by the agency
- a description of the persons and activities subject to licensing and the duration of each license
- requirements for issuing and renewing these licenses and any additional information that may be available
- the average time between the license application submittal and license issuance,
- whether the license is subject to renewal, and if so, how often

Each agency must certify annually to the Department of Revenue that the licensing information the agency has provided is complete and up to date or submit a progress report and explanation. We must compile the information and submit an aggregate report to the Legislature and Governor by January 1 of each year.

Background

Business Licensing Service

The state's Business Licensing Service (BLS), part of the Department of Revenue, is the state's primary business licensing portal. First established in the 1970s as the Master License Service at the Department of Licensing, the Legislature transferred the program to the Department of Revenue in 2011. As originally envisioned, BLS was intended to provide a convenient, accessible, and timely one-stop service for the business community to acquire and maintain the necessary licenses to conduct business.

BLS is a one-stop business licensing and renewal service for many businesses. For example, a sole proprietor grocery store opening in Richland that registers through BLS can comply with multiple agencies' requirements at once. Using BLS, the business can do all of the following:

- register with the departments of Revenue, Labor & Industries, and Employment Security
- register as a lottery retailer with the State Lottery
- obtain retail liquor licenses and cigarette and vapor permits from the Liquor and Cannabis Board
- register scales with the Department of Agriculture
- obtain a business license from the city of Richland

As state and city partnerships continue to grow, BLS becomes a one-stop destination for many more businesses. Currently, BLS offers more than 200 licenses from 9 state agencies and over 100 cities using a single, combined application process. The licensing model has been a national and world leader for years—garnering visits from officials from other states and countries. BLS is one of the very few systems in the country that allows a business to register with state agencies and get city licenses using the same system.

Collecting the Information

In 2019, we contacted the participating state agencies and asked them to certify that the licensing information submitted in 2018 was still correct, or to provide updates. All 24 agencies provided us with this requested information.

Questions to Participating Agencies

The participating state agencies answered these questions:

- What is the license name and category?
- What is the purpose of the license?
- Where is the application available?
- What are the fees associated with this license?
- What is the process for submitting the application?
- Are there inspections, background checks, or other additional requirements involved?
- What is the average time between application and license issuance?
- Does this license need to be renewed? How often?
- What are the penalties for late renewal?
- What RCWs and WACs govern this license?
- Is this license available through the Business Licensing Service?
- Is the license listed on the website of the Governor's Office for Regulatory Innovation and Assistance website?

Participating Agencies

The 24 agencies required by RCW 19.02.055 to annually provide the Department of Revenue with current licensing information are:

- Board of Accountancy
- Department of Agriculture
- Department of Archaeology and Historic Preservation
- Department of Children, Youth, and Families
- Department of Ecology
- Department of Financial Institutions
- Department of Fish and Wildlife
- Department of Health
- Department of Labor & Industries
- Department of Licensing
- Department of Revenue
- Department of Social and Health Services
- Department of Transportation
- Employment Security Department
- Gambling Commission
- Horse Racing Commission
- Liquor and Cannabis Board
- Office of the Insurance Commissioner
- Secretary of State
- State Lottery
- Student Achievement Council
- Utilities and Transportation Commission
- Washington State Patrol
- Workforce Training and Education Coordinating Board

Online Integration

We integrated the information provided by the 24 participating state agencies into our online Business Licensing Wizard, now available on the BLS website: *business.wa.gov/bls*.

The Business Licensing Wizard is an interactive online resource that takes the user through a series of questions to determine the various business licenses needed. The wizard currently includes information and contacts for hundreds of business activities, extending to most cities and every county in Washington.

By consolidating the information gathered into the wizard, we created a more comprehensive online resource for businesses to determine the licenses they need in the state of Washington. After a business steps through the questions in the interactive wizard, they receive a customized guide sheet that includes detailed information and instructions about the licenses they need, along with contact information for non-partner licenses, to help them get set up correctly.

For an example of a Business Licensing Wizard-guide sheet, see Pages 8-10. The sheet includes a link to the appropriate web page with more licensing information. An example of an informational web page is shown on Page 11.

The Business Licensing Wizard helps customers determine what licenses they need. This interactive tool for state and city licensing provides detailed licensing information to new businesses, providing them peace of mind knowing that they have the licensing information needed to help their businesses succeed.

Conclusion

RCW 19.02.055 ensures that up-to-date business licensing information for all participating agencies continues to be made available in one place to better serve business' needs.

Business Licensing Wizard (Example 1)

Washington Stat	e Department of Rev	venue				
interes → Busines → Busines	ss Licensing Wizard					
1. Business Activity 2.	. Structure 3. Employees	4. Physical Location	5. Other Cities	6. Summary		
Summary						
				Email	Print	

Based on your scenario

Below is your custom list of Washington state license requirements based on the information you provided. The list is intended to help you prepare to file your Washington State Business License application.

For contact information for city and state agencies that are not partners with the Washington State Business Licensing Service, see Additional Resources.

Before you apply

You have chosen your business ownership as Corporation

Research business name(s):

Is anyone else using your business name? To avoid possible infringement on a reserved name, make sure you do a thorough search on all business names you will use

- For Washington Trademark information, visit http://www.sos.wa.gov/corps/Trademarks.aspx or call (360) 725-0344
- Search Department of Revenue's Business Lookup at http://dor.wa.gov/businesslookup
 Contact the U.S. Patent and Trademark Office at 1-800-786-9199 or visit http://www.uspto.gov/

Register with the Washington Secretary of State

You are required to register your corporation or LLC structure with the Washington Secretary of State prior to filing a Washington State Business License Application. Filing with the Secretary of State can be done at http://www.sos.wa.gov/corps/

The Secretary of State will issue your business a Washington State Unified Business Identifier (UBI). This UBI is required to complete a business license application.

Washington Secretary of State Corporations Phone: (360) 725-0377 http://www.sos.wa.gov/corps/

Apply for your Washington State Business License

The Washington State Business License Application is used to apply for many state endorsements, registrations, and city licenses.

You can apply online for ALL of the following items as part of your Washington state business license application. A \$19 processing fee (nonrefundable) is required.

Tax Registration

Tax Registration - No fee Fee: Trade Name - \$5 per trade name

Average approval time from the date a completed application is received: 5-7 business days.

Olympia General Business

Fee: General Business endorsement \$30 General Business - Non-Resident endorsement - \$30 Nonprofit Business endorsement - No fee

Average approval time from the date a completed application is received: 3-5 business days.



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Business Licensing Wizard - Guide Sheet (cont.)

Summary of Information You Provided

- Collapse

Business Activities

The business activity you selected is Adult Daycare.

COUNTY ZONING: If your business is located outside city limits, contact the Thurston County's Permit Assistance Center at (360) 786-5490 for zoning information. http://www.co.thurston.wa.us/permitting/

Employee Information

You indicated the employee type is: Adults

HIRING EMPLOYEES: All employers are required to report all newly hired and rehired employees to the Division of Child Support (DCS): Department of Social and Health Services Child Support Enforcement Phone: 1-800-562-0479 New Hire Reporting - https://www.dshs.wa.gov/esa/division-child-support/new-hire-reporting

You must also retain a completed Federal I-9 form for every employee: U.S. Citizenship and Immigration Services Phone: 1-800-870-3676 http://www.uscis.gov/files/form/i-9.pdf

Location Information

You provided the business physical location address: Olympia (Thurston County) WA

BUSINESS AND OCCUPATION TAXES: Washington cities tax private businesses, municipal, and private utility companies within their boundaries. Contact each city in which business will be conducted.

Please be advised that you should contact any incorporated city or any county in which you perform your work to determine if there are additional licensing or zoning requirements. Additional items you need to inquire about are:

- * A building permit for any construction or modification to a building.
- * The local codes before making or ordering a sign for your business because cities often restrict location, size, etc.

Additional Resources and Requirements

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County

THURSTON COUNTY, WASHINGTON Business Licensing Inquiries (unincorporated areas only) Phone: (360) 786-5406 http://www.co.thurston.wa.us/auditor/

PROPERTY AND PERSONAL PROPERTY TAX: You must report your business property, furniture, equipment, supplies, etc., to the assessor of the county in which your business is located. Thurston County Assessor Phone: (360) 786-5410

http://www.co.thurston.wa.us/assessor/

State

DEPARTMENT OF LABOR AND INDUSTRIES: Phone: (360) 902-5800 -or- 1-800-547-8367 http://www.lni.wa.gov/

HOME CARE AGENCY LICENSING: Washington State Department of Health Facilities and Services Licensing Division Phone: (360) 236-2900 http://www.doh.wa.gov/LicensesPermitsandCertificates/FacilitiesNewReneworUpdate/HomeCareAgencies

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Business Licensing Wizard - Guide Sheet (cont.)

SALES TAX INFORMATION: If your business provides a service to customers, you may be required to collect sales tax for that service. Contact the Washington State Department of Revenue for further information regarding sales tax.

Washington State Department of Revenue Phone: (360) 705-6676 -or- 1-800-647-7706

http://dor.wa.gov/

Reseller Permit

https://dor.wa.gov/find-taxes-rates/retail-sales-tax/reseller-permits

See specific licensing requirements: http://bls.dor.wa.gov/dor.aspx

STILL NEED ASSISTANCE?

Go to the Small Business Guide at: http://www.oria.wa.gov/site/alias__oria/345/our_business_services.aspx You will be provided with step-by-step instructions for planning, starting, operating, running or growing your business in Washington State.

Federal

FEDERAL TAX NUMBER: You may need an Employer Identification Number (EIN) also known as federal tax identification number. Internal Revenue Service Phone: 1-800-829-4933 http://www.irs.gov/businesses/small/index.html

U.S. COPYRIGHT LAWS: If you use or intend to use live or recorded music at your place of business, be aware that all music used in this way is protected by U.S. copyright laws. For information contact:

Business Licensing Service Use of Music http://bls.dor.wa.gov/music_use.aspx American Society of Composers, Authors and Publishers (ASCAP) Phone: 1-800-505-4052 -or-Broadcast Music Incorporated (BMI) Phone: 1-800-925-8451 -or-

Sesac Incorporated Phone: 1-800-826-9996.

AFFORDABLE CARE ACT : For information or to apply online for medical health care coverage for business owners and employees visit https://www.healthcare.gov/businesses/

FEDERAL FORMS:

Internal Revenue Service Phone: 1-800-829-3676 to order Publication 583 - Starting a Business and Keeping Records

Federal taxes may be paid by electronic transfer. In some cases, payment through electronic transfer is mandatory. Phone: 1-800-555-4477 -or- 1-800-945-8400 for enrollment forms

You may also file some of your federal tax returns electronically. Phone: 1-800-829-1040 to get information on electronic filing.

By Mail

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About this Guide

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The information produced by this system is updated regularly and is provided only as a guide. These results include contact information and business licensing requirements based on the information that has been provided to Business Licensing Service. Legal requirements and regulations change, and neither the Department of Revenue, nor the State of Washington will be held responsible for any omissions or incorrect referrals.

Informational Web Page (Example 2)

	Home	Start your busi	ness Chan	ge or update you	r business informa	ation How to	renew your lice	ense		
Registrations	Filinas Rec	nuired for Busi	nesses in Wa	shington State						
				ionington otato						
Depar	tment	of Reve	enue							
Choose another a	gency									
howing 1 to 1 c	of 1 entries								Search:	
how 10	- entries								Search.	
how 10	- entries									
									Previous	s 1 Ne
What is the license name & category?	What is the purpose of the license?	Where is the application available?	What are the fees associated with this license?	What is the process for submitting the application?	Are there inspections, background checks, or other additional requirements involved?	What is the average time between application and license issuance?	Does this license need to be renewed? How often?	What are the penalties for late renewal?	What RCWs and WACs govern this license?	Is this license available through Business Licensing Service (BLS)
Washington State Reseller Permit	To allow businesses to make qualifying purchases for resale without paying sales tax.	An electronic application can be filed via My Account at dor.wa.gov. Businesses can request a paper application be mailed to them by calling 1-800-647-7706.	No fee	The application is a brief questionnaire concerning the business activities. It can be filed electronically or a paper application can be faxed or mailed in.	Yes, the Department reviews the type of activity the business is engaged in and whether the business actively reports gross income. Not all businesses need to apply. The Department automatically issues reseller permits (including renewal	During FY 2015, more than 90% of applications were worked within 8 business days.	Yes. Valid for 2 or 4 years depending on how long the business has been open and whether it actively reports gross income. Permits for all contractors are valid for 2 years. Permits for all Indian businesses are	No penalties. The permit is optional and is not required.	RCW 82.32.291 RCW 82.32.780 RCW 82.32.783 RCW 82.32.784 RCW 82.32.785 RCW 82.32.787 WAC 458-20-102 WAC 458-20-10201 WAC 458-20-10202	No.

RCW 19.02.055: Agency Reporting Requirements



(b) An agency that issues licenses in accordance with (i) national or federal mandates, requirements, or standards; or (ii) educational standards and an examination, may alternatively comply with this chapter by providing the department with a link to its licensing web site, summary information about the licensing requirements or standards in a format or formats designated by the department, and a designated agency contact.

(2) In addition to the requirements in subsection (1) of this section, each agency, by November 1st of each year, beginning November 1, 2013, must provide the department with certification on a form designated by the department that all business licensing information submitted by the agency is complete and up-to-date. If an agency has not submitted all the business licensing information required under this section, the agency must instead submit a progress report and explanation to the department.

(3) The department must compile the information submitted by each agency, and submit an aggregate report to the governor and the economic development committees of the legislature by January 1st of each year, beginning January 1, 2014.

[2013 c 111 § 2.]