



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](mailto:DavidD@dor.wa.gov).

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# Local Business Licensing Partnership Plan FY 2020 - 2021

*January 1, 2020*

## SUMMARY

The Department of Revenue prepared this Fiscal Year 2020-2021 Local Business Licensing Partnership Plan (plan) in compliance with RCW [35.90.020](#)(4).

In 2017, the Legislature enacted [Engrossed House Bill \(EHB\) 2005](#) to simplify the administration of local business licensing. Most of this bill is codified at [chapter 35.90 RCW](#). Under [RCW 35.90.020](#):

- Washington cities and towns that have general business licenses are required to join a combined licensing system, either FileLocal or the department's Business Licensing Service (BLS).
- The department's BLS program must partner with all cities and towns requiring a general business license between July 1, 2017, and December 31, 2022, other than those cities and towns participating in FileLocal as of July 1, 2020.
- The department must submit a two-year onboarding plan to the Governor, Legislature, and other specified stakeholders by the first day of each even numbered year, beginning January 1, 2018.
- The department must submit an annual progress report to the Legislature, beginning January 1, 2019, through January 1, 2028.

There are 281 incorporated cities and towns in Washington State. Of those, 230 issue local business licenses. By the end of Fiscal Year 2019, BLS provided local licensing services for 98 cities and towns, reducing the license renewal workload for these jurisdictions and saving businesses time with a one-stop solution. Eight cities currently participate with the FileLocal portal for local business and occupation tax collection and business licensing. Throughout the remainder of this report, cities and towns are collectively referred to as "cities."

This plan identifies 76 cities that committed to join the BLS partnership in Fiscal Years 2020 and 2021, as well as the proposed quarterly implementation dates. Should any city in the 2020-2021 plan be unable to complete work on schedule, BLS may choose to expedite another city's partnership with the department to maintain progress toward the December 31, 2022 deadline.

## FISCAL YEAR 2020-2021 CITY PARTNER PLAN

BLS engaged all cities identified in this two-year plan by webinar, phone, and email. Every city agreed in writing to the partnership schedule. The plan accommodates the volume and complexity of city licenses while continuing to meet the conditions of [EHB 2005](#). Where practical, BLS coordinated the schedule to fit with city leadership requests. Implementation or "go-live" dates within the designated quarter and year will be set about three months in advance.

## Fiscal Year 2020 (39 cities total)

Quarter 1 (July-Sept., 19)	Quarter 2 (Oct.-Dec., 19)	Quarter 3 (Jan.-March, 20)	Quarter 4 (April-June, 20)
<ul style="list-style-type: none"> <li>✓ Airway Heights</li> <li>✓ Springdale</li> <li>✓ Cheney</li> <li>✓ Grandview</li> <li>✓ Tenino</li> <li>✓ Medical Lake</li> <li>✓ Toppenish</li> <li>✓ Granger</li> <li>✓ Oakville</li> </ul>	<ul style="list-style-type: none"> <li>✓ Lynnwood</li> <li>✓ Woodway</li> <li>✓ Mountlake Terrace</li> <li>✓ Federal Way</li> <li>✓ Othello</li> <li>✓ Camas</li> <li>✓ Mercer Island</li> <li>✓ Wenatchee</li> </ul>	<ul style="list-style-type: none"> <li>• Everson</li> <li>• Roy</li> <li>• Steilacoom</li> <li>• La Center</li> <li>• Clarkston</li> <li>• Ritzville</li> <li>• Cle Elum</li> <li>• Soap Lake</li> <li>• Republic</li> <li>• Brewster</li> </ul>	<ul style="list-style-type: none"> <li>• Yakima</li> <li>• Kalama</li> <li>• South Bend</li> <li>• Mill Creek</li> <li>• Raymond</li> <li>• Concrete</li> <li>• Union Gap</li> <li>• George</li> <li>• Waterville</li> <li>• Burien</li> <li>• Yacolt</li> <li>• Ferndale</li> </ul>

✓ Onboarding complete by January 1, 2020

## Fiscal Year 2021 (37 cities total)

Quarter 1 (July-Sept., 20)	Quarter 2 (Oct.-Dec., 20)	Quarter 3 (Jan.-March, 21)	Quarter 4 (April-June, 21)
<ul style="list-style-type: none"> <li>• Entiat</li> <li>• Omak</li> <li>• Chelan</li> <li>• Grand Coulee</li> <li>• Lyman</li> <li>• Hamilton</li> <li>• Lynden</li> <li>• Coulee Dam</li> </ul>	<ul style="list-style-type: none"> <li>• South Cle Elum</li> <li>• Tieton</li> <li>• Brier</li> <li>• Colville</li> <li>• Stevenson</li> <li>• White Salmon</li> <li>• Naches</li> <li>• Harrah</li> </ul>	<ul style="list-style-type: none"> <li>• Zillah</li> <li>• Mabton</li> <li>• Goldendale</li> <li>• Mattawa</li> <li>• Bingen</li> <li>• Redmond</li> <li>• Hoquiam</li> <li>• Elma</li> <li>• Rainer</li> <li>• Ocean Shores</li> <li>• Wilkeson</li> </ul>	<ul style="list-style-type: none"> <li>• Westport</li> <li>• Aberdeen</li> <li>• Montesano</li> <li>• Cosmopolis</li> <li>• Waitsburg</li> <li>• Cathlamet</li> <li>• Winlock</li> <li>• Toledo</li> <li>• Pe Ell</li> <li>• Vader</li> </ul>

If the department needs to alter the plan, we will provide affected cities at least 30 days' notice as required by law. This plan assumes the Legislature continues to maintain increased funding for BLS to provide the department with the necessary resources to continue onboarding all cities at an accelerated rate before the statutory deadline of December 31, 2022.

## **NEXT STEPS**

### *Annual Progress Report (2020 - 2021)*

By January 1, 2021, we will submit a progress report to the Legislature as required by [RCW 35.90.020](#)(8). The report will include a summary of accomplishments, a description of efforts made to engage cities not already part of the onboarding plan, and a list of cities scheduled to partner in Calendar Year 2021. It will also include a list of cities declining to pursue BLS partnership, descriptions of process improvements made, and recommendations to further simplify the process for issuing and renewing local business licenses in Washington State.

### *Partnering Plan*

By January 1, 2022, we will submit an updated partnering plan to the Legislature as required by [RCW 35.90.020](#)(4). The two-year plan will include a list of cities that have agreed in writing to partner with BLS for the issuance and renewal of their general business licenses.