



EXPEDITED RULE MAKING

CR-105 (December 2017) (Implements RCW 34.05.353)

CODE REVISER USE ONLY

OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED

DATE: September 10, 2020

TIME: 11:00 AM

WSR 20-19-041

Agency: Department of Revenue

Title of rule and other identifying information: (describe subject) WAC 458-02-200 Business licensing service-Applications, licenses, renewals-Fees-Posting. This rule provides information about business license application handling fees, renewal application handling fees, and late filing delinquency fees as described in chapter 19.02 RCW.

Purpose of the proposal and its anticipated effects, including any changes in existing rules: During the 2020 legislative session, Substitute Senate Bill 6632 passed and changed the maximum amount of handling fees that may be charged by the Department to process business license applications and business license renewal applications. The higher fees became effective July 1, 2020, so the Department amended this rule through the emergency rule making process. Language was also added to this rule to address Engrossed Senate Bill 5402, which also passed during the 2020 legislative session. This legislation allowed the Department to waive or cancel the business license delinquency fee if the licensee failed to renew timely and it was due to an undisputable error or failure by the Department. To make these updates permanent, the Department is amending this rule through the expedited rule making process.

Reasons supporting proposal: Taxpayers rely on WAC 458-02-200 to determine the fees they will be charged when submitting or renewing a business license. Updating this rule to provide the correct fee amounts will provide accurate information for these taxpayers. .

Statutory authority for adoption: RCW 19.02.030(3)

Statute being implemented: RCW 19.02.075 and RCW 19.02.085

Is rule necessary because of a:

- | | | |
|-------------------------|------------------------------|--|
| Federal Law? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Federal Court Decision? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| State Court Decision? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |

If yes, CITATION:

Name of proponent: (person or organization) Department of Revenue

- Private
 Public
 Governmental

Name of agency personnel responsible for:

	Name	Office Location	Phone
Drafting:	Leslie Mullin	6400 Linderson Way SW, Tumwater, WA	(360) 534-1589
Implementation:	John Ryser	6400 Linderson Way SW, Tumwater, WA	(360) 534-1605
Enforcement:	John Ryser	6400 Linderson Way SW, Tumwater, WA	(360) 534-1605

Agency comments or recommendations, if any, as to statutory language, implementation, enforcement, and fiscal matters: None.

Expedited Adoption - Which of the following criteria was used by the agency to file this notice:

- Relates only to internal governmental operations that are not subject to violation by a person;
- Adopts or incorporates by reference without material change federal statutes or regulations, Washington state statutes, rules of other Washington state agencies, shoreline master programs other than those programs governing shorelines of statewide significance, or, as referenced by Washington state law, national consensus codes that generally establish industry standards, if the material adopted or incorporated regulates the same subject matter and conduct as the adopting or incorporating rule;
- Corrects typographical errors, make address or name changes, or clarify language of a rule without changing its effect;
- Content is explicitly and specifically dictated by statute;
- Have been the subject of negotiated rule making, pilot rule making, or some other process that involved substantial participation by interested parties before the development of the proposed rule; or
- Is being amended after a review under RCW 34.05.328.

Expedited Repeal - Which of the following criteria was used by the agency to file notice:

- The statute on which the rule is based has been repealed and has not been replaced by another statute providing statutory authority for the rule;
- The statute on which the rule is based has been declared unconstitutional by a court with jurisdiction, there is a final judgment, and no statute has been enacted to replace the unconstitutional statute;
- The rule is no longer necessary because of changed circumstances; or
- Other rules of the agency or of another agency govern the same activity as the rule, making the rule redundant.

Explanation of the reason the agency believes the expedited rule-making process is appropriate pursuant to RCW 34.05.353(4): The expedited rule-making process is appropriate for these rule updates because the Department is incorporating changes resulting from 2020 legislation.

NOTICE

THIS RULE IS BEING PROPOSED UNDER AN EXPEDITED RULE-MAKING PROCESS THAT WILL ELIMINATE THE NEED FOR THE AGENCY TO HOLD PUBLIC HEARINGS, PREPARE A SMALL BUSINESS ECONOMIC IMPACT STATEMENT, OR PROVIDE RESPONSES TO THE CRITERIA FOR A SIGNIFICANT LEGISLATIVE RULE. IF YOU OBJECT TO THIS USE OF THE EXPEDITED RULE-MAKING PROCESS, YOU MUST EXPRESS YOUR OBJECTIONS IN WRITING AND THEY MUST BE SENT TO

Name: Leslie Mullin

Agency: Department of Revenue

Address: PO Box 47467, Olympia, WA 98504-7467

Phone: (360) 534-1589

Fax: (360) 534-1606

Email: LeslieMu@dor.wa.gov

Other:

AND RECEIVED BY (date) November 23, 2020

Date: September 10, 2020

Name: Atif Aziz

Title: Rules Coordinator

Signature:



AMENDATORY SECTION (Amending WSR 14-08-010, filed 3/20/14, effective 4/20/14)

WAC 458-02-200 Business licensing service—Applications, licenses, renewals—Fees ~~((—Posting))~~. (1) **Introduction.** This rule provides information about business license application handling fees, renewal application handling fees, and late filing delinquency fees as described in chapter 19.02 RCW. Information about ((the)) individual licenses ((that)) may be obtained from the business licensing service (BLS) of the department of revenue ((the)) department) and is available online at ((: http://bls.dor.wa.gov/)) dor.wa.gov.

(2) **Definitions.** The definitions in RCW 19.02.020 apply to this rule.

~~((3))~~ (3) **What fee do I need to pay when applying for or renewing a license?** Individual license fees vary depending on the license(s) for which you are applying or renewing. The fee payable is the total amount of all applicable individual license fees, business license application handling fees, renewal application handling fees, late filing delinquency fees, and other penalty fees ((, and handling fees, and)). The method of payment may ((include)) result in additional ((fees charged to cover)) charges for credit or debit card processing ((. Licensing fees vary depending on the license(s) for which you are applying or renewing)).

~~((3))~~ (4) **What does the department do with the fees?** The department will distribute the fees received for individual licenses to the respective regulatory agencies. The application and renewal handling fees and the late filing delinquency fees support the operation of the BLS. Credit or debit card payment processing fees are charged and retained by a third-party payment processor.

~~((4))~~ (5) **When do I get my business license?** ((The)) A business license will not be issued until the total fees ((payable is)) due are collected and all required information has been submitted. Some individual licenses require review and approval by the regulating authorities, and the business license will not be issued until the regulating authorities have approved them.

~~((5))~~ (6) **Can I get a refund?** The business license application handling fee and renewal application handling fee ((s)) collected under RCW 19.02.075 are not refundable. The late filing delinquency fee under RCW 19.02.085 may not be waived or refunded unless the department determines that the licensee failed to renew a license by the business license expiration date due to an undisputable error or failure by the department that caused the late filing. When a license is denied or when an applicant withdraws an application, a refund of any other refundable portion of the total payment will be made in accordance with the applicable licensing laws.

~~((6))~~ (7) **What are the ((handling)) fees?** The business license application handling fee, renewal application handling fee, late renewal filing delinquency fee, and individual license fee amounts are as follows:

Type of ((handling)) fee:	Fee amount:
Business license application ((filing)) handling fee to open the first business location of a new business, or to reopen a closed business:	\$((19.00)) 90.00

Type of ((handling)) fee:	Fee amount:
<u>Business license application handling fee for an existing business adding a new business location or requesting a city's license endorsement for a nonresident business:</u>	<u>\$0</u>
<u>Business license application handling fee for any other purpose(s):</u>	<u>\$19.00</u>
<u>Business license renewal application ((filing)) handling fee:</u>	<u>\$((11.00)) 10.00</u>
<u>Late renewal filing delinquency fee:</u>	<u>Up to \$150.00 per business location. See subsection (9)(b) of this rule.</u>
<u>Individual license fee:</u>	<u>Varies depending on type of license.</u>

~~((7))~~ (8) What should I do with my business license? The business license document must be displayed in a conspicuous place at the business location for which the license is issued.

~~((8))~~ (9) Do I need to renew my business license?

(a) The various licenses endorsed and displayed on the business license may each have a requirement to be renewed periodically. The department ~~((will))~~ may prorate the terms of individual licenses ~~((issuance))~~ and associated fees as ~~((appropriate))~~ needed so that all requested licenses ~~((are renewed))~~ on the account are due for renewal at the same time.

(b) Licenses requiring renewal must be renewed by the expiration date or the department will assess a delinquency fee. The delinquency fee is calculated according to RCW 19.02.085 and must be paid by the licensee before a business license is renewed. Other regulatory agencies may also assess delinquency fees and/or penalties for late renewal, and may cancel the individual licenses for nonrenewal. Reissuance of individual licenses canceled for nonrenewal may require the filing of a new business license application.