



RULE-MAKING ORDER EMERGENCY RULE ONLY

CR-103E (December 2017) (Implements RCW 34.05.350 and 34.05.360)

CODE REVISER USE ONLY

OFFICE OF THE CODE REVISER
STATE OF WASHINGTON
FILED

DATE: June 26, 2020

TIME: 4:52 PM

WSR 20-14-068

Agency: Department of Revenue

Effective date of rule:

Emergency Rules

- Immediately upon filing.
- Later (specify) July 1, 2020.

Any other findings required by other provisions of law as precondition to adoption or effectiveness of rule?

- Yes No If Yes, explain: According to RCW 19.02.075, the Department of Revenue must establish the amount of handling fees by rule, as authorized under RCW 19.02.030. During the 2020 legislative session, Substitute Senate Bill 6632 passed and changed the amount of these handling fees. The legislation becomes effective on July 1, 2020.

Purpose: WAC 458-02-200 is the rule that provides information about business license application handling fees, renewal application handling fees, and late filing delinquency fees as described in chapter 19.02 RCW. 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. Because the Department will be changing these fees effective July 1, 2020, the information must be included in the rule so the public is aware of the change. Language was also added to this rule to address Engrossed Senate Bill 5402, which also passed during the 2020 legislative session. This legislation allows 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. The Department will continue with the expedited rule making process to make this rule permanent.

Citation of rules affected by this order:

- New:
- Repealed:
- Amended: WAC 458-02-200 Business licensing service-Applications, licenses, renewals-Fees-Posting.
- Suspended:

Statutory authority for adoption: RCW 19.02.030(3)

Other authority: RCW 34.05.350

EMERGENCY RULE

Under RCW 34.05.350 the agency for good cause finds:

- That immediate adoption, amendment, or repeal of a rule is necessary for the preservation of the public health, safety, or general welfare, and that observing the time requirements of notice and opportunity to comment upon adoption of a permanent rule would be contrary to the public interest.
- That state or federal law or federal rule or a federal deadline for state receipt of federal funds requires immediate adoption of a rule.

Reasons for this finding: Taxpayers rely on WAC 458-02-200 to determine the fees they will be charged when submitting or renewing a business license. Effective July 1, 2020, the Department will be adjusting these fees and must publish the updated fee amounts in rule.

**Note: If any category is left blank, it will be calculated as zero.
No descriptive text.**

**Count by whole WAC sections only, from the WAC number through the history note.
A section may be counted in more than one category.**

The number of sections adopted in order to comply with:

Federal statute:	New	_____	Amended	_____	Repealed	_____
Federal rules or standards:	New	_____	Amended	_____	Repealed	_____

Recently enacted state statutes: New ____ Amended 1 Repealed ____

The number of sections adopted at the request of a nongovernmental entity:

New ____ Amended ____ Repealed ____

The number of sections adopted on the agency’s own initiative:

New ____ Amended 1 Repealed ____

The number of sections adopted in order to clarify, streamline, or reform agency procedures:

New ____ Amended 1 Repealed ____

The number of sections adopted using:

Negotiated rule making: New ____ Amended ____ Repealed ____

Pilot rule making: New ____ Amended ____ Repealed ____

Other alternative rule making: New ____ Amended ____ Repealed ____

Date Adopted: June 26, 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) **What fee do I need to pay when applying for or renewing a license?** The fee payable is the total amount of all individual license fees, business license application handling fees, renewal application handling fees, late filing delinquency fees, 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~~) Individual license 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 fee payable is 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 fees 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 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))~~, as required by RCW 19.02.085. The delinquency fee is the lesser of one hundred fifty dollars or fifty percent of a base comprised of the licensee's renewal fee minus corporate licensing taxes, corporation annual report fee, and any interest fees or penalties charged for late taxes or corporate renewals. The delinquency fee 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.