
HOUSE BILL 1874

State of Washington

61st Legislature

2009 Regular Session

By Representatives Sells, Condotta, Orcutt, Upthegrove, Liias, Kelley,
and Bailey

Read first time 01/30/09. Referred to Committee on Finance.

1 AN ACT Relating to compliance with sales, use, and business and
2 occupation tax requirements; amending RCW 35.22.280, 35.23.440,
3 35.27.370, 35.102.050, 35A.21.335, and 82.14.055; and adding new
4 sections to chapter 82.32 RCW.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 **Sec. 1.** RCW 35.22.280 and 2008 c 129 s 1 are each amended to read
7 as follows:

8 Any city of the first class shall have power:

9 (1) To provide for general and special elections, for questions to
10 be voted upon, and for the election of officers;

11 (2) To provide for levying and collecting taxes on real and
12 personal property for its corporate uses and purposes, and to provide
13 for the payment of the debts and expenses of the corporation;

14 (3) To control the finances and property of the corporation, and to
15 acquire, by purchase or otherwise, such lands and other property as may
16 be necessary for any part of the corporate uses provided for by its
17 charter, and to dispose of any such property as the interests of the
18 corporation may, from time to time, require;

1 (4) To borrow money for corporate purposes on the credit of the
2 corporation, and to issue negotiable bonds therefor, on such conditions
3 and in such manner as shall be prescribed in its charter; but no city
4 shall, in any manner or for any purpose, become indebted to an amount
5 in the aggregate to exceed the limitation of indebtedness prescribed by
6 chapter 39.36 RCW as now or hereafter amended;

7 (5) To issue bonds in place of or to supply means to meet maturing
8 bonds or other indebtedness, or for the consolidation or funding of the
9 same;

10 (6) To purchase or appropriate private property within or without
11 its corporate limits, for its corporate uses, upon making just
12 compensation to the owners thereof, and to institute and maintain such
13 proceedings as may be authorized by the general laws of the state for
14 the appropriation of private property for public use;

15 (7) To lay out, establish, open, alter, widen, extend, grade, pave,
16 plank, establish grades, or otherwise improve streets, alleys, avenues,
17 sidewalks, wharves, parks, and other public grounds, and to regulate
18 and control the use thereof, and to vacate the same, and to authorize
19 or prohibit the use of electricity at, in, or upon any of said streets,
20 or for other purposes, and to prescribe the terms and conditions upon
21 which the same may be so used, and to regulate the use thereof;

22 (8) To change the grade of any street, highway, or alley within its
23 corporate limits, and to provide for the payment of damages to any
24 abutting owner or owners who shall have built or made other
25 improvements upon such street, highway, or alley at any point opposite
26 to the point where such change shall be made with reference to the
27 grade of such street, highway, or alley as the same existed prior to
28 such change;

29 (9) To authorize or prohibit the locating and constructing of any
30 railroad or street railroad in any street, alley, or public place in
31 such city, and to prescribe the terms and conditions upon which any
32 such railroad or street railroad shall be located or constructed; to
33 provide for the alteration, change of grade, or removal thereof; to
34 regulate the moving and operation of railroad and street railroad
35 trains, cars, and locomotives within the corporate limits of said city;
36 and to provide by ordinance for the protection of all persons and
37 property against injury in the use of such railroads or street
38 railroads;

1 (10) To provide for making local improvements, and to levy and
2 collect special assessments on property benefited thereby, and for
3 paying for the same or any portion thereof;

4 (11) To acquire, by purchase or otherwise, lands for public parks
5 within or without the limits of such city, and to improve the same.
6 When the language of any instrument by which any property is so
7 acquired limits the use of said property to park purposes and contains
8 a reservation of interest in favor of the grantor or any other person,
9 and where it is found that the property so acquired is not needed for
10 park purposes and that an exchange thereof for other property to be
11 dedicated for park purposes is in the public interest, the city may,
12 with the consent of the grantor or such other person, his heirs,
13 successors, or assigns, exchange such property for other property to be
14 dedicated for park purposes, and may make, execute, and deliver proper
15 conveyances to effect the exchange. In any case where, owing to death
16 or lapse of time, there is neither donor, heir, successor, or assignee
17 to give consent, this consent may be executed by the city and filed for
18 record with an affidavit setting forth all efforts made to locate
19 people entitled to give such consent together with the facts which
20 establish that no consent by such persons is attainable. Title to
21 property so conveyed by the city shall vest in the grantee free and
22 clear of any trust in favor of the public arising out of any prior
23 dedication for park purposes, but the right of the public shall be
24 transferred and preserved with like force and effect to the property
25 received by the city in such exchange;

26 (12) To construct and keep in repair bridges, viaducts, and
27 tunnels, and to regulate the use thereof;

28 (13) To determine what work shall be done or improvements made at
29 the expense, in whole or in part, of the owners of the adjoining
30 contiguous, or proximate property, or others specially benefited
31 thereby; and to provide for the manner of making and collecting
32 assessments therefor;

33 (14) To provide for erecting, purchasing, or otherwise acquiring
34 waterworks, within or without the corporate limits of said city, to
35 supply said city and its inhabitants with water, or authorize the
36 construction of same by others when deemed for the best interests of
37 such city and its inhabitants, and to regulate and control the use and
38 price of the water so supplied;

1 (15) To provide for lighting the streets and all public places, and
2 for furnishing the inhabitants thereof with gas or other lights, and to
3 erect, or otherwise acquire, and to maintain the same, or to authorize
4 the erection and maintenance of such works as may be necessary and
5 convenient therefor, and to regulate and control the use thereof;

6 (16) To establish and regulate markets, and to provide for the
7 weighing, measuring, and inspection of all articles of food and drink
8 offered for sale thereat, or at any other place within its limits, by
9 proper penalties, and to enforce the keeping of proper legal weights
10 and measures by all vendors in such city, and to provide for the
11 inspection thereof. Whenever the words "public markets" are used in
12 this chapter, and the public market is managed in whole or in part by
13 a public corporation created by a city, the words shall be construed to
14 include all real or personal property located in a district or area
15 designated by a city as a public market and traditionally devoted to
16 providing farmers, crafts vendors and other merchants with retail space
17 to market their wares to the public. Property located in such a
18 district or area need not be exclusively or primarily used for such
19 traditional public market retail activities and may include property
20 used for other public purposes including, but not limited to, the
21 provision of human services and low-income or moderate-income housing;

22 (17) To erect and establish hospitals and pesthouses, and to
23 control and regulate the same;

24 (18) To provide for establishing and maintaining reform schools for
25 juvenile offenders;

26 (19) To provide for the establishment and maintenance of public
27 libraries, and to appropriate, annually, such percent of all moneys
28 collected for fines, penalties, and licenses as shall be prescribed by
29 its charter, for the support of a city library, which shall, under such
30 regulations as shall be prescribed by ordinance, be open for use by the
31 public;

32 (20) To regulate the burial of the dead, and to establish and
33 regulate cemeteries within or without the corporate limits, and to
34 acquire land therefor by purchase or otherwise; to cause cemeteries to
35 be removed beyond the limits of the corporation, and to prohibit their
36 establishment within two miles of the boundaries thereof;

37 (21) To direct the location and construction of all buildings in
38 which any trade or occupation offensive to the senses or deleterious to

1 public health or safety shall be carried on, and to regulate the
2 management thereof; and to prohibit the erection or maintenance of such
3 buildings or structures, or the carrying on of such trade or occupation
4 within the limits of such corporation, or within the distance of two
5 miles beyond the boundaries thereof;

6 (22) To provide for the prevention and extinguishment of fires and
7 to regulate or prohibit the transportation, keeping, or storage of all
8 combustible or explosive materials within its corporate limits, and to
9 regulate and restrain the use of fireworks;

10 (23) To establish fire limits and to make all such regulations for
11 the erection and maintenance of buildings or other structures within
12 its corporate limits as the safety of persons or property may require,
13 and to cause all such buildings and places as may from any cause be in
14 a dangerous state to be put in safe condition;

15 (24) To regulate the manner in which stone, brick, and other
16 buildings, party walls, and partition fences shall be constructed and
17 maintained;

18 (25) To deepen, widen, dock, cover, wall, alter, or change the
19 channels of waterways and courses, and to provide for the construction
20 and maintenance of all such works as may be required for the
21 accommodation of commerce, including canals, slips, public landing
22 places, wharves, docks, and levees, and to control and regulate the use
23 thereof;

24 (26) To control, regulate, or prohibit the anchorage, moorage, and
25 landing of all watercrafts and their cargoes within the jurisdiction of
26 the corporation;

27 (27) To fix the rates of wharfage and dockage, and to provide for
28 the collection thereof, and to provide for the imposition and
29 collection of such harbor fees as may be consistent with the laws of
30 the United States;

31 (28) To license, regulate, control, or restrain wharf boats, tugs,
32 and other boats used about the harbor or within such jurisdiction;

33 (29) To require the owners of public halls or other buildings to
34 provide suitable means of exit; to provide for the prevention and
35 abatement of nuisances, for the cleaning and purification of
36 watercourses and canals, for the drainage and filling up of ponds on
37 private property within its limits, when the same shall be offensive to
38 the senses or dangerous to health; to regulate and control, and to

1 prevent and punish, the defilement or pollution of all streams running
2 through or into its corporate limits, and for the distance of five
3 miles beyond its corporate limits, and on any stream or lake from which
4 the water supply of said city is taken, for a distance of five miles
5 beyond its source of supply; to provide for the cleaning of areas,
6 vaults, and other places within its corporate limits which may be so
7 kept as to become offensive to the senses or dangerous to health, and
8 to make all such quarantine or other regulations as may be necessary
9 for the preservation of the public health, and to remove all persons
10 afflicted with any infectious or contagious disease to some suitable
11 place to be provided for that purpose;

12 (30) To declare what shall be a nuisance, and to abate the same,
13 and to impose fines upon parties who may create, continue, or suffer
14 nuisances to exist;

15 (31) To regulate the selling or giving away of intoxicating, malt,
16 vinous, mixed, or fermented liquors as authorized by the general laws
17 of the state: PROVIDED, That no license shall be granted to any person
18 or persons who shall not first comply with the general laws of the
19 state in force at the time the same is granted;

20 (32) To grant licenses for any lawful purpose, and to fix by
21 ordinance the amount to be paid therefor, and to provide for revoking
22 the same. However, no license shall be granted to continue for longer
23 than one year from the date thereof.

24 (a) A city may not require a business to be licensed based solely
25 upon registration under or compliance with the streamlined sales and
26 use tax agreement.

27 (b) A city may not require a business to be licensed if the only
28 activity conducted within the city by the business is the delivery,
29 including delivery by common carrier and delivery by the business's own
30 vehicle, of tangible personal property sold by the business;

31 (33) To regulate the carrying on within its corporate limits of all
32 occupations which are of such a nature as to affect the public health
33 or the good order of said city, or to disturb the public peace, and
34 which are not prohibited by law, and to provide for the punishment of
35 all persons violating such regulations, and of all persons who
36 knowingly permit the same to be violated in any building or upon any
37 premises owned or controlled by them;

1 (34) To restrain and provide for the punishment of vagrants,
2 mendicants, prostitutes, and other disorderly persons;

3 (35) To provide for the punishment of all disorderly conduct, and
4 of all practices dangerous to public health or safety, and to make all
5 regulations necessary for the preservation of public morality, health,
6 peace, and good order within its limits, and to provide for the arrest,
7 trial, and punishment of all persons charged with violating any of the
8 ordinances of said city. The punishment shall not exceed a fine of
9 five thousand dollars or imprisonment in the city jail for one year, or
10 both such fine and imprisonment. The punishment for any criminal
11 ordinance shall be the same as the punishment provided in state law for
12 the same crime. Such cities alternatively may provide that violations
13 of ordinances constitute a civil violation subject to monetary
14 penalties, but no act which is a state crime may be made a civil
15 violation;

16 (36) To project or extend its streets over and across any tidelands
17 within its corporate limits, and along or across the harbor areas of
18 such city, in such manner as will best promote the interests of
19 commerce;

20 (37) To provide in their respective charters for a method to
21 propose and adopt amendments thereto.

22 **Sec. 2.** RCW 35.23.440 and 2008 c 129 s 2 are each amended to read
23 as follows:

24 The city council of each second-class city shall have power and
25 authority:

26 (1) Ordinances: To make and pass all ordinances, orders, and
27 resolutions not repugnant to the Constitution of the United States or
28 the state of Washington, or the provisions of this title, necessary for
29 the municipal government and management of the affairs of the city, for
30 the execution of the powers vested in said body corporate, and for the
31 carrying into effect of the provisions of this title.

32 (2) License of shows: To fix and collect a license tax, for the
33 purposes of revenue and regulation, on theatres, melodeons, balls,
34 concerts, dances, theatrical, circus, or other performances, and all
35 performances where an admission fee is charged, or which may be held in
36 any house or place where wines or liquors are sold to the

1 participators; also all shows, billiard tables, pool tables, bowling
2 alleys, exhibitions, or amusements.

3 (3) Hotels, etc., licenses: To fix and collect a license tax for
4 the purposes of revenue and regulation on and to regulate all taverns,
5 hotels, restaurants, banks, brokers, manufactories, livery stables,
6 express companies and persons engaged in transmitting letters or
7 packages, railroad, stage, and steamboat companies or owners, whose
8 principal place of business is in such city, or who have an agency
9 therein.

10 (4) Peddlers', etc., licenses: To license, for the purposes of
11 revenue and regulation, tax, prohibit, suppress, and regulate all
12 raffles, hawkers, peddlers, pawnbrokers, refreshment or coffee stands,
13 booths, or sheds; and to regulate as authorized by state law all
14 tipling houses, dram shops, saloons, bars, and barrooms.

15 (5) Dance houses: To prohibit or suppress, or to license and
16 regulate all dance houses, fandango houses, or any exhibition or show
17 of any animal or animals.

18 (6) License vehicles: To license for the purposes of revenue and
19 regulation, and to tax hackney coaches, cabs, omnibuses, drays, market
20 wagons, and all other vehicles used for hire, and to regulate their
21 stands, and to fix the rates to be charged for the transportation of
22 persons, baggage, and property.

23 (7) Hotel runners: To license or suppress runners for steamboats,
24 taverns, or hotels.

25 (8) License generally: To fix and collect a license tax for the
26 purposes of revenue and regulation, upon all occupations and trades,
27 and all and every kind of business authorized by law not heretofore
28 specified. However, on any business, trade, or calling not provided by
29 law to be licensed for state and county purposes, the amount of license
30 shall be fixed at the discretion of the city council, as they may deem
31 the interests and good order of the city may require.

32 (a) A city may not require a business to be licensed based solely
33 upon registration under or compliance with the streamlined sales and
34 use tax agreement.

35 (b) A city may not require a business to be licensed if the only
36 activity conducted within the city by the business is the delivery,
37 including delivery by common carrier and delivery by the business's own
38 vehicle, of tangible personal property sold by the business.

1 (9) Riots: To prevent and restrain any riot or riotous
2 assemblages, disturbance of the peace, or disorderly conduct in any
3 place, house, or street in the city.

4 (10) Nuisances: To declare what shall be deemed nuisances; to
5 prevent, remove, and abate nuisances at the expense of the parties
6 creating, causing, or committing or maintaining the same, and to levy
7 a special assessment on the land or premises whereon the nuisance is
8 situated to defray the cost or to reimburse the city for the cost of
9 abating the same.

10 (11) Stock pound: To establish, maintain, and regulate a common
11 pound for estrays, and to appoint a poundkeeper, who shall be paid out
12 of the fines and fees imposed and collected of the owners of any
13 animals impounded, and from no other source; to prevent and regulate
14 the running at large of any and all domestic animals within the city
15 limits or any parts thereof, and to regulate or prevent the keeping of
16 such animals within any part of the city.

17 (12) Control of certain trades: To control and regulate
18 slaughterhouses, washhouses, laundries, tanneries, forges, and
19 offensive trades, and to provide for their exclusion or removal from
20 the city limits, or from any part thereof.

21 (13) Street cleaning: To provide, by regulation, for the
22 prevention and summary removal of all filth and garbage in streets,
23 sloughs, alleys, back yards, or public grounds of such city, or
24 elsewhere therein.

25 (14) Gambling, etc.: To prohibit and suppress all gaming and all
26 gambling or disorderly houses, and houses of ill fame, and all immoral
27 and indecent amusements, exhibitions, and shows.

28 (15) Markets: To establish and regulate markets and market places.

29 (16) Speed of railroad cars: To fix and regulate the speed at
30 which any railroad cars, streetcars, automobiles, or other vehicles may
31 run within the city limits, or any portion thereof.

32 (17) City commons: To provide for and regulate the commons of the
33 city.

34 (18) Fast driving: To regulate or prohibit fast driving or riding
35 in any portion of the city.

36 (19) Combustibles: To regulate or prohibit the loading or storage
37 of gunpowder and combustible or explosive materials in the city, or
38 transporting the same through its streets or over its waters.

1 (20) Property: To have, purchase, hold, use, and enjoy property of
2 every name or kind whatsoever, and to sell, lease, transfer, mortgage,
3 convey, control, or improve the same; to build, erect, or construct
4 houses, buildings, or structures of any kind needful for the use or
5 purposes of such city.

6 (21) Fire department: To establish, continue, regulate, and
7 maintain a fire department for such city, to change or reorganize the
8 same, and to disband any company or companies of the said department;
9 also, to discontinue and disband said fire department, and to create,
10 organize, establish, and maintain a paid fire department for such city.

11 (22) Water supply: To adopt, enter into, and carry out means for
12 securing a supply of water for the use of such city or its inhabitants,
13 or for irrigation purposes therein.

14 (23) Overflow of water: To prevent the overflow of the city or to
15 secure its drainage, and to assess the cost thereof to the property
16 benefited.

17 (24) House numbers: To provide for the numbering of houses.

18 (25) Health board: To establish a board of health; to prevent the
19 introduction and spread of disease; to establish a city infirmary and
20 to provide for the indigent sick; and to provide and enforce
21 regulations for the protection of health, cleanliness, peace, and good
22 order of the city; to establish and maintain hospitals within or
23 without the city limits; to control and regulate interments and to
24 prohibit them within the city limits.

25 (26) Harbors and wharves: To build, alter, improve, keep in
26 repair, and control the waterfront; to erect, regulate, and repair
27 wharves, and to fix the rate of wharfage and transit of wharf, and levy
28 dues upon vessels and commodities; and to provide for the regulation of
29 berths, landing, stationing, and removing steamboats, sail vessels,
30 rafts, barges, and all other watercraft; to fix the rate of speed at
31 which steamboats and other steam watercraft may run along the
32 waterfront of the city; to build bridges so as not to interfere with
33 navigation; to provide for the removal of obstructions to the
34 navigation of any channel or watercourses or channels.

35 (27) License of steamers: To license steamers, boats, and vessels
36 used in any watercourse in the city, and to fix and collect a license
37 tax thereon.

1 (28) Ferry licenses: To license ferries and toll bridges under the
2 law regulating the granting of such license.

3 (29) Penalty for violation of ordinances: To provide that
4 violations of ordinances with the punishment for any offense not
5 exceeding a fine of five thousand dollars or imprisonment for more than
6 one year, or both fine and imprisonment, but the punishment for any
7 criminal ordinance shall be the same as the punishment provided in
8 state law for the same crime. Alternatively, such a city may provide
9 that a violation of an ordinance constitutes a civil violation subject
10 to monetary penalties or to determine and impose fines for forfeitures
11 and penalties, but no act which is a state crime may be made a civil
12 violation. A violation of an order, regulation, or ordinance relating
13 to traffic including parking, standing, stopping, and pedestrian
14 offenses is a traffic infraction, except that violation of an order,
15 regulation, or ordinance equivalent to those provisions of Title 46 RCW
16 set forth in RCW 46.63.020 remains a misdemeanor.

17 (30) Police department: To create and establish a city police; to
18 prescribe their duties and their compensation; and to provide for the
19 regulation and government of the same.

20 (31) Examine official accounts: To examine, either in open session
21 or by committee, the accounts or doings of all officers or other
22 persons having the care, management, or disposition of moneys,
23 property, or business of the city.

24 (32) Contracts: To make all appropriations, contracts, or
25 agreements for the use or benefit of the city and in the city's name.

26 (33) Streets and sidewalks: To provide by ordinance for the
27 opening, laying out, altering, extending, repairing, grading, paving,
28 planking, graveling, macadamizing, or otherwise improving of public
29 streets, avenues, and other public ways, or any portion of any thereof;
30 and for the construction, regulation, and repair of sidewalks and other
31 street improvements, all at the expense of the property to be benefited
32 thereby, without any recourse, in any event, upon the city for any
33 portion of the expense of such work, or any delinquency of the property
34 holders or owners, and to provide for the forced sale thereof for such
35 purposes; to establish a uniform grade for streets, avenues, sidewalks,
36 and squares, and to enforce the observance thereof.

37 (34) Waterways: To clear, cleanse, alter, straighten, widen, fill
38 up, or close any waterway, drain, or sewer, or any watercourse in such

1 city when not declared by law to be navigable, and to assess the
2 expense thereof, in whole or in part, to the property specially
3 benefited.

4 (35) Sewerage: To adopt, provide for, establish, and maintain a
5 general system of sewerage, draining, or both, and the regulation
6 thereof; to provide funds by local assessments on the property
7 benefited for the purpose aforesaid and to determine the manner, terms,
8 and place of connection with main or central lines of pipes, sewers, or
9 drains established, and compel compliance with and conformity to such
10 general system of sewerage or drainage, or both, and the regulations of
11 said council thereto relating, by the infliction of suitable penalties
12 and forfeitures against persons and property, or either, for
13 nonconformity to, or failure to comply with the provisions of such
14 system and regulations or either.

15 (36) Buildings and parks: To provide for all public buildings,
16 public parks, or squares, necessary or proper for the use of the city.

17 (37) Franchises: To permit the use of the streets for railroad or
18 other public service purposes.

19 (38) Payment of judgments: To order paid any final judgment
20 against such city, but none of its lands or property of any kind or
21 nature, taxes, revenue, franchise, or rights, or interest, shall be
22 attached, levied upon, or sold in or under any process whatsoever.

23 (39) Weighing of fuel: To regulate the sale of coal and wood in
24 such city, and may appoint a measurer of wood and weigher of coal for
25 the city, and define his duties, and may prescribe his term of office,
26 and the fees he shall receive for his services: PROVIDED, That such
27 fees shall in all cases be paid by the parties requiring such service.

28 (40) Hospitals, etc.: To erect and establish hospitals and
29 pesthouses and to control and regulate the same.

30 (41) Waterworks: To provide for the erection, purchase, or
31 otherwise acquiring of waterworks within or without the corporate
32 limits of the city to supply such city and its inhabitants with water,
33 and to regulate and control the use and price of the water so supplied.

34 (42) City lights: To provide for lighting the streets and all
35 public places of the city and for furnishing the inhabitants of the
36 city with gas, electric, or other light, and for the ownership,
37 purchase or acquisition, construction, or maintenance of such works as

1 may be necessary or convenient therefor: PROVIDED, That no purchase of
2 any such water plant or light plant shall be made without first
3 submitting the question of such purchase to the electors of the city.

4 (43) Parks: To acquire by purchase or otherwise land for public
5 parks, within or without the limits of the city, and to improve the
6 same.

7 (44) Bridges: To construct and keep in repair bridges, and to
8 regulate the use thereof.

9 (45) Power of eminent domain: In the name of and for the use and
10 benefit of the city, to exercise the right of eminent domain, and to
11 condemn lands and property for the purposes of streets, alleys, parks,
12 public grounds, waterworks, or for any other municipal purpose and to
13 acquire by purchase or otherwise such lands and property as may be
14 deemed necessary for any of the corporate uses provided for by this
15 title, as the interests of the city may from time to time require.

16 (46) To provide for the assessment of taxes: To provide for the
17 assessment, levying, and collecting of taxes on real and personal
18 property for the corporate uses and purposes of the city and to provide
19 for the payment of the debts and expenses of the corporation.

20 (47) Local improvements: To provide for making local improvements,
21 and to levy and collect special assessments on the property benefited
22 thereby and for paying the same or any portion thereof; to determine
23 what work shall be done or improvements made, at the expense, in whole
24 or in part, of the adjoining, contiguous, or proximate property, and to
25 provide for the manner of making and collecting assessments therefor.

26 (48) Cemeteries: To regulate the burial of the dead and to
27 establish and regulate cemeteries, within or without the corporate
28 limits, and to acquire lands therefor by purchase or otherwise.

29 (49) Fire limits: To establish fire limits with proper regulations
30 and to make all needful regulations for the erection and maintenance of
31 buildings or other structures within the corporate limits as safety of
32 persons or property may require, and to cause all such buildings and
33 places as may from any cause be in a dangerous state to be put in a
34 safe condition; to regulate the manner in which stone, brick, and other
35 buildings, party walls, and partition fences shall be constructed and
36 maintained.

37 (50) Safety and sanitary measures: To require the owners of public
38 halls, theaters, hotels, and other buildings to provide suitable means

1 of exit and proper fire escapes; to provide for the cleaning and
2 purification of watercourses and canals and for the draining and
3 filling up of ponds on private property within its limits when the same
4 shall be offensive to the senses or dangerous to the health, and to
5 charge the expense thereof to the property specially benefited, and to
6 regulate and control and provide for the prevention and punishment of
7 the defilement or pollution of all streams running in or through its
8 corporate limits and a distance of five miles beyond its corporate
9 limits, and of any stream or lake from which the water supply of the
10 city is or may be taken and for a distance of five miles beyond its
11 source of supply, and to make all quarantine and other regulations as
12 may be necessary for the preservation of the public health and to
13 remove all persons afflicted with any contagious disease to some
14 suitable place to be provided for that purpose.

15 (51) To regulate liquor traffic: To regulate the selling or giving
16 away of intoxicating, spirituous, malt, vinous, mixed, or fermented
17 liquors as authorized by the general laws of the state.

18 (52) To establish streets on tidelands: To project or extend or
19 establish streets over and across any tidelands within the limits of
20 such city.

21 (53) To provide for the general welfare.

22 **Sec. 3.** RCW 35.27.370 and 2008 c 129 s 3 are each amended to read
23 as follows:

24 The council of said town shall have power:

25 (1) To pass ordinances not in conflict with the Constitution and
26 laws of this state, or of the United States;

27 (2) To purchase, lease or receive such real estate and personal
28 property as may be necessary or proper for municipal purposes, and to
29 control, dispose of and convey the same for the benefit of the town; to
30 acquire, own, and hold real estate for cemetery purposes either within
31 or without the corporate limits, to sell and dispose of such real
32 estate, to plat or replat such real estate into cemetery lots and to
33 sell and dispose of any and all lots therein, and to operate, improve
34 and maintain the same as a cemetery;

35 (3) To contract for supplying the town with water for municipal
36 purposes, or to acquire, construct, repair and manage pumps, aqueducts,

1 reservoirs, or other works necessary or proper for supplying water for
2 use of such town or its inhabitants, or for irrigating purposes
3 therein;

4 (4) To establish, build and repair bridges, to establish, lay out,
5 alter, widen, extend, keep open, improve, and repair streets,
6 sidewalks, alleys, squares and other public highways and places within
7 the town, and to drain, sprinkle and light the same; to remove all
8 obstructions therefrom; to establish the grades thereof; to grade,
9 pave, plank, macadamize, gravel and curb the same, in whole or in part,
10 and to construct gutters, culverts, sidewalks and crosswalks therein,
11 or on any part thereof; to cause to be planted, set out and cultivated
12 trees therein, and generally to manage and control all such highways
13 and places;

14 (5) To establish, construct and maintain drains and sewers, and
15 shall have power to compel all property owners on streets along which
16 sewers are constructed to make proper connections therewith, and to use
17 the same for proper purposes when such property is improved by the
18 erection thereon of a building or buildings; and in case the owners of
19 such improved property on such streets shall fail to make such
20 connections within the time fixed by such council, they may cause such
21 connections to be made, and to assess against the property in front of
22 which such connections are made the costs and expenses thereof;

23 (6) To provide fire engines and all other necessary or proper
24 apparatus for the prevention and extinguishment of fires;

25 (7) To impose and collect an annual license on every dog within the
26 limits of the town, to prohibit dogs running at large, and to provide
27 for the killing of all dogs found at large and not duly licensed;

28 (8) To levy and collect annually a property tax, for the payment of
29 current expenses and for the payment of indebtedness (if any
30 indebtedness exists) within the limits authorized by law;

31 (9) To license, for purposes of regulation and revenue, all and
32 every kind of business, authorized by law and transacted and carried on
33 in such town; and all shows, exhibitions and lawful games carried on
34 therein and within one mile of the corporate limits thereof; to fix the
35 rate of license tax upon the same, and to provide for the collection of
36 the same, by suit or otherwise; to regulate, restrain, or prohibit the
37 running at large of any and all domestic animals within the city
38 limits, or any part or parts thereof, and to regulate the keeping of

1 such animals within any part of the city; to establish, maintain and
2 regulate a common pound for estrays, and to appoint a poundkeeper, who
3 shall be paid out of the fines and fees imposed on, and collected from,
4 the owners of any impounded stock.

5 (a) A ((city)) town may not require a business to be licensed based
6 solely upon registration under or compliance with the streamlined sales
7 and use tax agreement.

8 (b) A town may not require a business to be licensed if the only
9 activity conducted within the town by the business is the delivery,
10 including delivery by common carrier and delivery by the business's own
11 vehicle, of tangible personal property sold by the business;

12 (10) To improve the rivers and streams flowing through such town or
13 adjoining the same; to widen, straighten and deepen the channels
14 thereof, and to remove obstructions therefrom; to prevent the pollution
15 of streams or water running through such town, and for this purpose
16 shall have jurisdiction for two miles in either direction; to improve
17 the waterfront of the town, and to construct and maintain embankments
18 and other works to protect such town from overflow;

19 (11) To erect and maintain buildings for municipal purposes;

20 (12) To grant franchises or permits to use and occupy the surface,
21 the overhead and the underground of streets, alleys and other public
22 ways, under such terms and conditions as it shall deem fit, for any and
23 all purposes, including but not being limited to the construction,
24 maintenance and operation of railroads, street railways, transportation
25 systems, water, gas and steam systems, telephone and telegraph systems,
26 electric lines, signal systems, surface, aerial and underground
27 tramways;

28 (13) To punish the keepers and inmates and lessors of houses of ill
29 fame, and keepers and lessors of gambling houses and rooms and other
30 places where gambling is carried on or permitted, gamblers and keepers
31 of gambling tables;

32 (14) To impose fines, penalties and forfeitures for any and all
33 violations of ordinances, and for any breach or violation of any
34 ordinance, to fix the penalty by fine or imprisonment, or both; but no
35 such fine shall exceed five thousand dollars, nor the term of
36 imprisonment exceed one year, except that the punishment for any
37 criminal ordinance shall be the same as the punishment provided in

1 state law for the same crime; or to provide that violations of
2 ordinances constitute a civil violation subject to a monetary penalty,
3 but no act which is a state crime may be made a civil violation;

4 (15) To operate ambulance service which may serve the town and
5 surrounding rural areas and, in the discretion of the council, to make
6 a charge for such service;

7 (16) To make all such ordinances, bylaws, rules, regulations and
8 resolutions not inconsistent with the Constitution and laws of the
9 state of Washington, as may be deemed expedient to maintain the peace,
10 good government and welfare of the town and its trade, commerce and
11 manufacturers, and to do and perform any and all other acts and things
12 necessary or proper to carry out the provisions of this chapter.

13 **Sec. 4.** RCW 35.102.050 and 2008 c 129 s 4 are each amended to read
14 as follows:

15 (1) A city may not impose a business and occupation tax on a person
16 unless that person has nexus with the city. For the purposes of this
17 section, the term "nexus" means business activities conducted by a
18 person sufficient to subject that person to the taxing jurisdiction of
19 a city under the standards established for interstate commerce under
20 the commerce clause of the United States Constitution.

21 (2) Mere registration under or compliance with the streamlined
22 sales and use tax agreement does not constitute nexus for the purposes
23 of this section.

24 (3) A city may not impose a business and occupation tax on a person
25 if the only activity conducted within the city by the person is the
26 delivery, including delivery by common carrier and delivery by the
27 person's own vehicle, of tangible personal property sold by the person.

28 **Sec. 5.** RCW 35A.21.335 and 2008 c 129 s 5 are each amended to read
29 as follows:

30 A code city may not require a business to be licensed based solely
31 upon registration under or compliance with the streamlined sales and
32 use tax agreement. A code city may not require a business to be
33 licensed if the only activity conducted within the code city by the
34 business is the delivery, including delivery by common carrier and
35 delivery by the business's own vehicle, of tangible personal property
36 sold by the business.

1 NEW SECTION. **Sec. 6.** A new section is added to chapter 82.32 RCW
2 to read as follows:

3 (1) Notwithstanding any other provision in this chapter, no
4 interest or penalties may be imposed on any taxpayer because of errors
5 in collecting or remitting the correct amount of local sales or use tax
6 arising out of changes in local sales and use tax sourcing rules
7 implemented under RCW 82.14.490 and the chapter 6, Laws of 2007
8 amendments to RCW 82.14.020 if the taxpayer demonstrates that it made
9 a good faith effort to comply with the sourcing rules.

10 (2) The relief from penalty and interest provided by subsection (1)
11 of this section does not apply with respect to transactions occurring
12 after December 31, 2012.

13 NEW SECTION. **Sec. 7.** A new section is added to chapter 82.32 RCW
14 to read as follows:

15 (1) Impacted taxpayers may either:

16 (a) Use the services of a certified service provider at no cost to
17 themselves for tax reporting periods up to one year after July 1, 2010;
18 or

19 (b) Claim a credit against the tax imposed under RCW 82.08.020(1),
20 collected and otherwise required to be remitted by the taxpayer as a
21 seller and the tax imposed under RCW 82.04.220. The amount of the
22 credit is equal to the amount of costs incurred June 30, 2009, in order
23 to comply with the changes in the local sales and use tax sourcing
24 rules implemented under RCW 82.14.490 and the chapter 6, Laws of 2007
25 amendments to RCW 82.14.020.

26 (i) The total amount of credit claimed under this subsection (1)(b)
27 may not exceed one thousand dollars.

28 (ii) The credit may be claimed until it is used. No refunds may be
29 granted for the credit. The costs that may be used in the calculation
30 of the credit include goods and services purchased, and labor costs
31 incurred, for the purpose of complying with the local sales tax
32 sourcing rules.

33 (iii) The credit may only be claimed on tax returns for tax
34 reporting periods ending after June 30, 2009.

35 (2) The use of a certified service provider under subsection (1)(a)
36 of this section must begin before July 1, 2010.

1 (3) The credit under subsection (1)(b) of this section must first
2 be claimed before July 1, 2010. This subsection does not affect the
3 ability of a taxpayer to claim unused credit until it is used.

4 (4) For purposes of this section, "impacted taxpayer" means a
5 taxpayer that:

6 (a) Immediately before July 1, 2008, was registered with the
7 department and engaged in making sales of tangible personal property
8 that the taxpayer delivered to physical locations away from its place
9 of business; and

10 (b) During the calendar year of 2008:

11 (i) Had a physical presence in Washington;

12 (ii) Had gross income of the business less than three million
13 dollars, but equal to or more than five hundred thousand dollars;

14 (iii) Had at least five percent of its gross income from sales
15 subject to sales tax derived from sales of tangible personal property
16 delivered to physical locations away from its place of business; and

17 (iv) Had at least one percent of its gross income from sales
18 subject to sales tax derived from deliveries of tangible personal
19 property to destinations in local jurisdictions imposing sales tax
20 other than the one to which the taxpayer reported the most local sales
21 tax.

22 (5) Certified service providers agreeing to provide services to
23 impacted taxpayers under subsection (1)(a) of this section must be
24 compensated for those services by retaining as a fee an amount adopted
25 by rule by the department. The department may be guided by the
26 provisions for monetary allowances adopted by the governing board of
27 the agreement to determine the amount of the fee. The fee must be
28 reasonable and provide adequate incentive for certified service
29 providers to provide services to impacted taxpayers. The fee will be
30 funded solely from state sales taxes.

31 (6) No application is necessary for either the use of certified
32 service providers under subsection (1)(a) of this section or the tax
33 credit under subsection (1)(b) of this section. The taxpayer must keep
34 records necessary for the department to determine eligibility under
35 this section. The department may prescribe rules and procedures
36 regarding the administration of this section.

1 **Sec. 8.** RCW 82.14.055 and 2003 c 168 s 206 are each amended to
2 read as follows:

3 (1) Except as provided in subsections (2), (3), and (4) of this
4 section, a local sales and use tax change shall take effect (a) no
5 sooner than seventy-five days after the department receives notice of
6 the change and (b) only on the first day of January(~~(, April,)~~) or
7 July(~~(, or October)~~).

8 (2) In the case of a local sales and use tax that is a credit
9 against the state sales tax or use tax, a local sales and use tax
10 change shall take effect (a) no sooner than thirty days after the
11 department receives notice of the change and (b) only on the first day
12 of a month.

13 (3)(a) A local sales and use tax rate increase imposed on services
14 applies to the first billing period starting on or after the effective
15 date of the increase.

16 (b) A local sales and use tax rate decrease imposed on services
17 applies to bills rendered on or after the effective date of the
18 decrease.

19 (c) For the purposes of this subsection (3), "services" means
20 retail services such as installing and constructing and retail services
21 such as telecommunications, but does not include services such as
22 tattooing.

23 (4) For the purposes of this section, "local sales and use tax
24 change" means enactment or revision of local sales and use taxes under
25 this chapter or any other statute, including changes resulting from
26 referendum or annexation.

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