
HOUSE BILL 2017

State of Washington

62nd Legislature

2011 Regular Session

By Representative Hunter

Read first time 03/14/11. Referred to Committee on Ways & Means.

1 AN ACT Relating to the master license service program; amending RCW
2 19.02.020, 19.02.030, 19.02.050, 19.02.070, 19.02.075, 19.02.100,
3 19.02.800, 19.94.015, 35.21.392, 35A.21.340, 76.48.121, and 82.32.030;
4 creating new sections; providing an effective date; and declaring an
5 emergency.

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

7 NEW SECTION. **Sec. 1.** The purpose of this act is to improve
8 customer service by transferring the master license service program
9 from the department of licensing to the department of revenue. It is
10 the legislature's intent that all licenses, as defined in RCW
11 19.02.020, obtained or renewed through the master license service
12 immediately before the transfer of the master license service program
13 to the department of revenue, except licenses issued under RCW
14 46.72A.050 and 79A.60.480, will continue to be obtained or renewed
15 through the master license service effective July 1, 2011. With
16 respect to those professions that are licensed by the department of
17 licensing as of June 30, 2011, it is the legislature's intent that the
18 department of licensing will continue to administer the licenses for
19 those professions, including issuing and renewing such licenses.

1 NEW SECTION. **Sec. 2.** (1) All powers, duties, and functions of the
2 department of licensing pertaining to the administration of chapter
3 19.02 RCW are transferred to the department of revenue. All references
4 to the department of licensing or the director of licensing in the
5 Revised Code of Washington shall be construed to mean the department of
6 revenue or the director of revenue when referring to the powers,
7 duties, and functions transferred under this section.

8 (2)(a) All reports, documents, surveys, books, records, files,
9 papers, or written material, including electronic records and files, in
10 the possession of the department of licensing pertaining to the powers,
11 functions, and duties transferred to the department of revenue under
12 this section shall be delivered to the custody of the department of
13 revenue. All cabinets, furniture, office equipment, motor vehicles,
14 and other tangible property employed by the department of licensing in
15 carrying out the powers, functions, and duties transferred shall be
16 made available to the department of revenue. All funds, credits, or
17 other assets held in connection with the powers, functions, and duties
18 transferred shall be assigned to the department of revenue.

19 (b) Any appropriations made to the department of licensing for
20 carrying out the powers, functions, and duties transferred shall, on
21 the effective date of this section, be transferred and credited to the
22 department of revenue.

23 (c) Whenever any question arises as to the transfer of any
24 personnel, funds, books, documents, records, papers, files, equipment,
25 or other tangible property used or held in the exercise of the powers
26 and the performance of the duties and functions transferred, the
27 director of financial management shall make a determination as to the
28 proper allocation and certify the same to the state agencies concerned.

29 (3) All employees of the department of licensing primarily engaged
30 in performing the powers, functions, and duties transferred are
31 transferred to the jurisdiction of the department of revenue. All
32 employees classified under chapter 41.06 RCW, the state civil service
33 law, are assigned to the department of revenue to perform their usual
34 duties upon the same terms as formerly, without any loss of rights,
35 subject to any action that may be appropriate thereafter in accordance
36 with the laws and rules governing state civil service.

37 (4) All rules and all pending business before the department of
38 licensing pertaining to the powers, functions, and duties transferred

1 shall be continued and acted upon by the department of revenue. All
2 existing contracts and obligations shall remain in full force and shall
3 be performed by the department of revenue.

4 (5) The transfer of the powers, duties, functions, and personnel of
5 the department of licensing shall not affect the validity of any act
6 performed before the effective date of this section.

7 (6) If apportionments of budgeted funds are required because of the
8 transfers directed by this section, the director of financial
9 management shall certify the apportionments to the agencies affected,
10 the state auditor, and the state treasurer. Each of these shall make
11 the appropriate transfer and adjustments in funds and appropriation
12 accounts and equipment records in accordance with the certification.

13 (7) All classified employees of the department of licensing
14 assigned to the department of revenue under this section whose
15 positions are within an existing bargaining unit description at the
16 department of revenue shall become a part of the existing bargaining
17 unit at the department of revenue and shall be considered an
18 appropriate inclusion or modification of the existing bargaining unit,
19 if any, under the provisions of chapter 41.80 RCW.

20 NEW SECTION. **Sec. 3.** To ensure a seamless transfer of the master
21 license service program from the department of licensing to the
22 department of revenue and to prevent any disruption of service to
23 persons seeking to use the master license system, the department of
24 revenue is authorized to contract, under chapter 39.34 RCW, with the
25 department of licensing for support in administering chapter 19.02 RCW.
26 Any contract entered into pursuant to this section must be for a
27 duration no longer than necessary to fully and effectively transfer the
28 master license service program from the department of licensing to the
29 department of revenue.

30 **Sec. 4.** RCW 19.02.020 and 1993 c 142 s 3 are each amended to read
31 as follows:

32 (~~(As used in this chapter, the following words shall have the~~
33 ~~following meanings:)~~) The definitions in this section apply throughout
34 this chapter unless the context clearly requires otherwise.

35 (1) "System" means the mechanism by which master licenses are

1 issued and renewed, license and regulatory information is disseminated,
2 and account data is exchanged by the agencies((+)).
3 (2) "Business license center" means the business registration and
4 licensing center established by this chapter and located in and under
5 the administrative control of the department of ((licensing+)) revenue.
6 (3) "Master application" means a document incorporating pertinent
7 data from existing applications for licenses covered under this
8 chapter((+)).
9 (4) "Master license" means the single document designed for public
10 display issued by the business license center which certifies state
11 agency license approval and which incorporates the endorsements for
12 individual licenses included in the master license system, which the
13 state requires for any person subject to this chapter((+)).
14 (5) "License" means the whole or part of any agency permit,
15 license, certificate, approval, registration, charter, or any form or
16 permission required by law, including agency rule, to engage in any
17 activity((+)).
18 (6) "Regulatory" means all licensing and other governmental or
19 statutory requirements pertaining to business or professional
20 activities((+)).
21 (7) "Person" means any individual, sole proprietorship,
22 partnership, association, cooperative, corporation, nonprofit
23 organization, state or local government agency, and any other
24 organization required to register with the state to do business in the
25 state and to obtain one or more licenses from the state or any of its
26 agencies((+)).
27 (8) "Director" means the director of ((licensing+)) revenue.
28 (9) "Department" means the department of ((licensing+)) revenue.
29 (10) "Regulatory agency" means any state agency, board, commission,
30 or division which regulates one or more professions, occupations,
31 industries, businesses, or activities((+)).
32 (11) "Renewal application" means a document used to collect
33 pertinent data for renewal of licenses covered under this chapter((+
34 and)).
35 (12) "License information packet" means a collection of information
36 about licensing requirements and application procedures custom-
37 assembled for each request.

1 **Sec. 5.** RCW 19.02.030 and 1999 c 240 s 5 are each amended to read
2 as follows:

3 (1) There is ~~((created))~~ located within the department ~~((of~~
4 ~~licensing))~~ a business license center.

5 (2) The duties of the center shall include:

6 (a) Developing and administering a computerized one-stop master
7 license system capable of storing, retrieving, and exchanging license
8 information with due regard to privacy statutes, as well as issuing and
9 renewing master licenses in an efficient manner;

10 (b) Providing a license information service detailing requirements
11 to establish or engage in business in this state;

12 (c) Providing for staggered master license renewal;

13 (d) Identifying types of licenses appropriate for inclusion in the
14 master license system;

15 (e) Recommending in reports to the governor and the legislature the
16 elimination, consolidation, or other modification of duplicative,
17 ineffective, or inefficient licensing or inspection requirements; and

18 (f) Incorporating licenses into the master license system.

19 (3) The ~~((director of licensing))~~ department may adopt under
20 chapter 34.05 RCW such rules as may be necessary to effectuate the
21 purposes of this chapter.

22 **Sec. 6.** RCW 19.02.050 and 1997 c 391 s 11 are each amended to read
23 as follows:

24 The legislature hereby directs the full participation by the
25 following agencies in the implementation of this chapter:

26 (1) Department of agriculture;

27 (2) Secretary of state;

28 (3) Department of social and health services;

29 (4) Department of revenue;

30 (5) Department of fish and wildlife;

31 (6) ~~((Department of))~~ Employment security department;

32 (7) Department of labor and industries;

33 (8) Department of ~~((community, trade, and economic development))~~
34 commerce;

35 (9) Liquor control board;

36 (10) Department of health;

37 (11) Department of licensing;

- 1 (12) Parks and recreation commission;
- 2 (13) Utilities and transportation commission; and
- 3 (14) Other agencies as determined by the governor.

4 **Sec. 7.** RCW 19.02.070 and 1990 c 264 s 1 are each amended to read
5 as follows:

6 (1) Any person requiring licenses which have been incorporated into
7 the system shall submit a master application to the department
8 requesting the issuance of the licenses. The master application form
9 shall contain in consolidated form information necessary for the
10 issuance of the licenses.

11 (2) The applicant shall include with the application the sum of all
12 fees and deposits required for the requested individual license
13 endorsements as well as the handling fee established by the department
14 under the authority of RCW 19.02.075.

15 (3) Irrespective of any authority delegated to the department (~~of~~
16 ~~licensing~~) to implement the provisions of this chapter, the authority
17 for approving issuance and renewal of any requested license that
18 requires a prelicensing or renewal investigation, inspection, testing,
19 or other judgmental review by the regulatory agency otherwise legally
20 authorized to issue the license shall remain with that agency. The
21 business license center has the authority to issue those licenses for
22 which proper fee payment and a completed application form have been
23 received and for which no prelicensing or renewal approval action is
24 required by the regulatory agency.

25 (4) Upon receipt of the application and proper fee payment for any
26 license for which issuance is subject to regulatory agency action under
27 subsection (3) of this section, the department shall immediately notify
28 the regulatory agency with authority to approve issuance or renewal of
29 the license requested by the applicant. Each regulatory agency shall
30 advise the department within a reasonable time after receiving the
31 notice: (a) That the agency approves the issuance of the requested
32 license and will advise the applicant of any specific conditions
33 required for issuing the license; (b) that the agency denies the
34 issuance of the license and gives the applicant reasons for the denial;
35 or (c) that the application is pending.

36 (5) The department shall issue a master license endorsed for all
37 the approved licenses to the applicant and advise the applicant of the

1 status of other requested licenses. It is the responsibility of the
2 applicant to contest the decision regarding conditions imposed or
3 licenses denied through the normal process established by statute or by
4 the agency with the authority for approving issuance of the license.

5 (6) Regulatory agencies shall be provided information from the
6 master application for their licensing and regulatory functions.

7 **Sec. 8.** RCW 19.02.075 and 1995 c 403 s 1007 are each amended to
8 read as follows:

9 ~~((1))~~ The department shall collect a handling fee ~~((of fifteen
10 dollars))~~ on each master application~~((The entire master application
11 fee shall be deposited in the master license fund.~~

12 ~~(2) The department shall collect a fee of nine dollars on))~~ and
13 each renewal application filing. ~~((Renewal application fees shall))~~
14 The department shall set the amount of the handling fees by rule, as
15 authorized by RCW 19.02.030. The handling fees may not exceed nineteen
16 dollars for each master application, and eleven dollars for each
17 renewal application filing, and must be deposited in the master license
18 fund.

19 **Sec. 9.** RCW 19.02.100 and 1997 c 58 s 865 are each amended to read
20 as follows:

21 (1) The department shall not issue or renew a master license to any
22 person if:

23 (a) The person does not have a valid tax registration, if required;

24 (b) The person is a corporation delinquent in fees or penalties
25 owing to the secretary of state or is not validly registered under
26 Title 23B RCW, chapter 18.100 RCW, Title 24 RCW, and any other statute
27 now or hereafter adopted which gives corporate or business licensing
28 responsibilities to the secretary of state; or

29 (c) The person has not submitted the sum of all fees and deposits
30 required for the requested individual license endorsements, any
31 outstanding master license delinquency fee, or other fees and penalties
32 to be collected through the system.

33 (2) Nothing in this section shall prevent registration by the state
34 of an employer for the purpose of paying an employee of that employer
35 industrial insurance or unemployment insurance benefits.

1 (3) The department shall immediately suspend the license or
2 certificate of a person who has been certified pursuant to RCW
3 74.20A.320 by the department of social and health services as a person
4 who is not in compliance with a support order (~~or a residential or~~
5 ~~visitation order~~). If the person has continued to meet all other
6 requirements for reinstatement during the suspension, reissuance of the
7 license or certificate shall be automatic upon the department's receipt
8 of a release issued by the department of social and health services
9 stating that the licensee is in compliance with the order.

10 **Sec. 10.** RCW 19.02.800 and 2000 c 171 s 44 are each amended to
11 read as follows:

12 Except as provided in RCW 43.07.200, the provisions of this chapter
13 regarding the processing of license applications and renewals under a
14 master license system shall not apply to those business or professional
15 activities that are licensed or regulated under RCW 46.72A.050 or
16 79A.60.480, or under chapter 31.04, 31.12, (~~(31.12A,)~~) or 31.13 RCW, or
17 under Title 30, 32, 33, or 48 RCW.

18 **Sec. 11.** RCW 19.94.015 and 1995 c 355 s 1 are each amended to read
19 as follows:

20 (1) Except as provided in subsection (4) of this section for the
21 initial registration of an instrument or device, no weighing or
22 measuring instrument or device may be used for commercial purposes in
23 the state unless its commercial use is registered annually. If its
24 commercial use is within a city that has a city sealer and a weights
25 and measures program as provided by RCW 19.94.280, the commercial use
26 of the instrument or device shall be registered with the city if the
27 city has adopted fees pursuant to subsection (2) of this section. If
28 its commercial use is outside of such a city, the commercial use of the
29 instrument or device shall be registered with the department.

30 (2) A city with such a sealer and program may establish an annual
31 fee for registering the commercial use of such a weighing or measuring
32 instrument or device with the city. The annual fee shall not exceed
33 the fee established in RCW 19.94.175 for registering the use of a
34 similar instrument or device with the department. Fees upon weighing
35 or measuring instruments or devices within the jurisdiction of the city

1 that are collected under this subsection by city sealers shall be
2 deposited into the general fund, or other account, of the city as
3 directed by the governing body of the city.

4 (3) Registrations with the department are accomplished as part of
5 the master license system under chapter 19.02 RCW. Payment of the
6 registration fee for a weighing or measuring instrument or device under
7 the master license system constitutes the registration required by this
8 section.

9 (4) The fees established by or under RCW 19.94.175 for registering
10 a weighing or measuring instrument or device shall be paid to the
11 department of (~~licensing~~) revenue concurrently with an application
12 for a master license or with the annual renewal of a master license
13 under chapter 19.02 RCW. A weighing or measuring instrument or device
14 shall be initially registered with the state at the time the owner
15 applies for a master license for a new business or at the first renewal
16 of the license that occurs after the instrument or device is first
17 placed into commercial use. However, the use of an instrument or
18 device that is in commercial use on the effective date of this act
19 shall be initially registered at the time the first renewal of the
20 master license of the owner of the instrument or device is due
21 following the effective date of this act. The department of
22 (~~licensing~~) revenue shall remit to the department of agriculture all
23 fees collected under this provision less reasonable collection
24 expenses.

25 (5) Each city charging registration fees under this section shall
26 notify the department of agriculture at the time such fees are adopted
27 and whenever changes in the fees are adopted.

28 **Sec. 12.** RCW 35.21.392 and 2009 c 432 s 2 are each amended to read
29 as follows:

30 A city that issues a business license to a person required to be
31 registered under chapter 18.27 RCW may verify that the person is
32 registered under chapter 18.27 RCW and report violations to the
33 department of labor and industries. The department of (~~licensing~~)
34 revenue shall conduct the verification for cities that participate in
35 the master license system.

1 **Sec. 13.** RCW 35A.21.340 and 2009 c 432 s 3 are each amended to
2 read as follows:

3 A city that issues a business license to a person required to be
4 registered under chapter 18.27 RCW may verify that the person is
5 registered under chapter 18.27 RCW and report violations to the
6 department of labor and industries. The department of (~~licensing~~)
7 revenue shall conduct the verification for cities that participate in
8 the master license system.

9 **Sec. 14.** RCW 76.48.121 and 2009 c 245 s 13 are each amended to
10 read as follows:

11 Every first or secondary specialized forest products buyer
12 purchasing specialty wood and specialty wood processor shall
13 prominently display a master license issued by the department of
14 (~~licensing~~) revenue under RCW 19.02.070 or a copy of the license at
15 each location where the buyer or processor receives specialty wood if
16 the first or secondary specialized forest products buyer or specialty
17 wood processor is required to possess a license incorporated into the
18 master license system created in chapter 19.02 RCW.

19 **Sec. 15.** RCW 82.32.030 and 2007 c 6 s 202 are each amended to read
20 as follows:

21 (1) Except as provided in subsections (2) and (3) of this section,
22 if any person engages in any business or performs any act upon which a
23 tax is imposed by the preceding chapters, he or she shall, under such
24 rules as the department of revenue shall prescribe, apply for and
25 obtain from the department a registration certificate. Such
26 registration certificate shall be personal and nontransferable and
27 shall be valid as long as the taxpayer continues in business and pays
28 the tax accrued to the state. In case business is transacted at two or
29 more separate places by one taxpayer, a separate registration
30 certificate for each place at which business is transacted with the
31 public shall be required. Each certificate shall be numbered and shall
32 show the name, residence, and place and character of business of the
33 taxpayer and such other information as the department of revenue deems
34 necessary and shall be posted in a conspicuous place at the place of
35 business for which it is issued. Where a place of business of the
36 taxpayer is changed, the taxpayer must return to the department the

1 existing certificate, and a new certificate will be issued for the new
2 place of business. No person required to be registered under this
3 section shall engage in any business taxable hereunder without first
4 being so registered. The department, by rule, may provide for the
5 issuance of certificates of registration to temporary places of
6 business.

7 (2) Unless the person is a dealer as defined in RCW 9.41.010,
8 registration under this section is not required if the following
9 conditions are met:

10 (a) A person's value of products, gross proceeds of sales, or gross
11 income of the business, from all business activities taxable under
12 chapter 82.04 RCW, is less than twelve thousand dollars per year;

13 (b) The person's gross income of the business from all activities
14 taxable under chapter 82.16 RCW is less than twelve thousand dollars
15 per year;

16 (c) The person is not required to collect or pay to the department
17 of revenue any other tax or fee which the department is authorized to
18 collect; and

19 (d) The person is not otherwise required to obtain a license
20 subject to the master application procedure provided in chapter 19.02
21 RCW.

22 (3) All persons who agree to collect and remit sales and use tax to
23 the department under the agreement must register through the central
24 registration system authorized under the agreement. Persons required
25 to register under subsection (1) of this section are not relieved of
26 that requirement because of registration under this subsection (3).

27 (4) Persons registered under subsection (3) of this section who are
28 not required to register under subsection (1) of this section and who
29 are not otherwise subject to the requirements of chapter 19.02 RCW are
30 not subject to the fees imposed by the department under the authority
31 of RCW 19.02.075.

32 NEW SECTION. **Sec. 16.** This act is necessary for the immediate
33 preservation of the public peace, health, or safety, or support of the
34 state government and its existing public institutions, and takes effect
35 July 1, 2011.

--- END ---