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**SUBSTITUTE HOUSE BILL 2840**

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**State of Washington**

**66th Legislature**

**2020 Regular Session**

**By** House Finance (originally sponsored by Representatives Springer and Frame; by request of Department of Revenue)

READ FIRST TIME 02/11/20.

1 AN ACT Relating to providing additional funding for the business  
2 licensing service program administered by the department of revenue;  
3 amending RCW 19.02.075; and providing an effective date.

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

5 **Sec. 1.** RCW 19.02.075 and 2013 c 144 s 20 are each amended to  
6 read as follows:

7 ~~((The))~~ (1)(a) Except as provided in (b) of this subsection, the  
8 department must collect a handling fee on each business license  
9 application and each renewal application filing. The department must  
10 set the amount of the handling fees by rule, as authorized by RCW  
11 19.02.030. The handling fees may not exceed ~~((nineteen dollars for~~  
12 ~~each business license application, and eleven))~~ ninety dollars for  
13 each business license application filed by any person to open or  
14 reopen a business, ten dollars for each business license renewal  
15 application filing, and nineteen dollars for each business license  
16 application filed for any other purpose. Handling fees collected  
17 under this section must be deposited in the business license account  
18 created under RCW 19.02.210.

19 (b) No handling fee is collected on a business license  
20 application filed by an existing business for the following purposes:

21 (i) To open an additional location; or

1        (ii) To obtain a nonresident city endorsement.

2        (2) The department may increase all handling ((and renewal)) fees  
3 within the limits provided in this section for the purposes of  
4 defraying the department's costs associated with the administration  
5 of this chapter, including making improvements in the business  
6 licensing service program, ((including)) such as improvements in  
7 technology and customer services, expanded access, and  
8 infrastructure.

9        (3) Annually, by the last day of September, beginning September  
10 30, 2023, the department must review the business license account  
11 balance at the end of the previous fiscal year. If the balance in the  
12 account exceeds one million dollars or the department projects that  
13 the balance in the business license account will exceed one million  
14 dollars at the end of the current fiscal year, the department must  
15 reduce one or more of the handling fees authorized in subsection (1)  
16 of this section. Handling fees must be reduced under this subsection  
17 (3) to the extent the department determines necessary to result in a  
18 balance in the business license account of no more than one million  
19 dollars at the end of the next fiscal year as projected by the  
20 department. This subsection (3) does not require the department to  
21 reduce handling fees more than once in any fiscal year.

22        (4) In increasing or decreasing any fee under this section, the  
23 department may round the adjusted fee to the nearest whole dollar  
24 that does not exceed the dollar limits in subsection (1) of this  
25 section.

26        NEW SECTION. Sec. 2. This act takes effect July 1, 2020.

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