
HOUSE BILL 2430

State of Washington

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2024 Regular Session

By Representatives Springer, Wilcox, Jacobsen, Chambers, Caldier, Reeves, Chapman, Berg, Orcutt, Walen, Schmick, Barkis, Rule, Leavitt, Gregerson, Wylie, Barnard, and Farivar

Read first time 01/18/24. Referred to Committee on Consumer Protection & Business.

1 AN ACT Relating to waiving business licensing handling and
2 delinquency fees for eligible businesses; amending RCW 19.02.075 and
3 19.02.085; and creating a new section.

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

5 **Sec. 1.** RCW 19.02.075 and 2020 c 164 s 1 are each amended to
6 read as follows:

7 (1) (a) Except as provided in (b) and (c) 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 (~~ninety dollars~~) \$90
12 for each business license application filed by any person to open or
13 reopen a business, (~~ten dollars~~) \$10 for each business license
14 renewal application filing, and (~~nineteen dollars~~) \$19 for each
15 business license application filed for any other purpose. Handling
16 fees collected under this section must be deposited in the business
17 license account created under RCW 19.02.210.

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

20 (i) To open an additional location; or

1 (ii) To obtain a local government's nonresident ((city)) business
2 license endorsement.

3 (c)(i) Only one handling fee is collected on a business license
4 renewal application filed by an existing business who fails to renew
5 by the business license expiration date, if the following apply:

6 (A) The business is unable to operate due to a state, any of its
7 subdivisions, or the federal government declaring an emergency or
8 disaster in the area in which the business is licensed to operate and
9 the business renews its business license no more than 36 months after
10 the declaration of such emergency or disaster; or

11 (B) The business is unable to operate due to experiencing any
12 combination of theft, fire, or flood, and the business renews its
13 business license no more than 36 months after the date of such event.

14 (ii) To qualify under this subsection (1)(c), the business must:

15 (A) Not have engaged in business as described in RCW 82.32.030
16 without an active business license; and

17 (B) Notify the department in writing that it is unable to operate
18 due to circumstances described in (c)(i)(A) or (B) of this
19 subsection.

20 (iii) The department may require any such business subject to
21 only one handling fee under this subsection (1)(c) to provide
22 documentation verifying eligibility such as agency correspondence,
23 proclamation, public notice, or other similar documentation that the
24 closure and lapse in licensing resulted from circumstances described
25 in (c)(i)(A) or (B) of this subsection.

26 (iv) For purposes of this subsection, "emergency or disaster" has
27 the same meaning as in RCW 42.14.010.

28 (2) The department may increase all handling fees within the
29 limits provided in this section for the purposes of defraying the
30 department's costs associated with the administration of this
31 chapter, including making improvements in the business licensing
32 service program, such as improvements in technology and customer
33 services, expanded access, and infrastructure.

34 (3) Annually, by the last day of September, beginning September
35 30, 2023, the department must review the business license account
36 balance at the end of the previous fiscal year. If the balance in the
37 account exceeds (~~one million dollars~~) \$1,000,000 or the department
38 projects that the balance in the business license account will exceed
39 (~~one million dollars~~) \$1,000,000 at the end of the current fiscal
40 year, the department must reduce one or more of the handling fees

1 authorized in subsection (1) of this section. Handling fees must be
2 reduced under this subsection (3) to the extent the department
3 determines necessary to result in a balance in the business license
4 account of no more than (~~one million dollars~~) \$1,000,000 at the end
5 of the next fiscal year as projected by the department. This
6 subsection (3) does not require the department to reduce handling
7 fees more than once in any fiscal year.

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

12 **Sec. 2.** RCW 19.02.085 and 2023 c 258 s 1 are each amended to
13 read as follows:

14 (1) To encourage timely renewal by applicants, a business license
15 delinquency fee is imposed on licensees who fail to renew by the
16 business license expiration date. The business license delinquency
17 fee must be the lesser of \$150 or 50 percent of a base comprised of
18 the licensee's renewal fee minus corporate licensing taxes,
19 corporation annual report fee, and any interest fees or penalties
20 charged for late taxes or corporate renewals. The business license
21 delinquency fee must be added to the renewal fee and paid by the
22 licensee before a business license is renewed. The delinquency fee
23 must be deposited in the business license account.

24 (2) (a) The department must waive or cancel the business license
25 delinquency fee imposed in subsection (1) of this section only if:

26 (~~(a)~~) (i) The department determines that the licensee failed to
27 renew a license by the business license expiration date due to an
28 undisputable error or failure by the department; (~~(e)~~

29 ~~(b)~~) (ii) The licensee requests the waiver and has timely
30 renewed all business licenses and paid the applicable business
31 license fees for a period of 24 months immediately preceding the
32 period covered by the renewal application for which the waiver is
33 being requested; or

34 (iii) The business is subject to only one handling fee on its
35 delinquent business license renewal as a result of the provisions in
36 RCW 19.02.075(1)(c).

37 (~~(e)~~) (b) For purposes of this subsection, an error or failure
38 is undisputable if the department is satisfied, beyond any doubt,
39 that the error or failure occurred.

1 NEW SECTION. **Sec. 3.** This act applies prospectively only and
2 not retroactively. It applies only to business licenses renewed after
3 the effective date of this section.

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