



ORDINANCE NO. 3882-22

An ORDINANCE relating to Tax Administration, AMENDING EMC 3.19.030

WHEREAS,

- A.** The City's Tax Administration Code, Chapter 3.19 EMC, requires modifications periodically to clarify or update the tax administration process.
- B.** In 2016, the Everett City Council added two categories for business license renewal fees for businesses reporting gross proceeds under \$20,000 per year; one for businesses inside and one for outside the City limits of Everett.
- C.** The intent of establishing the two categories was to support small businesses through reduced license renewal fees
- D.** Upon review, it has been determined that additional modification and clarification are needed to ensure that the intent of reduced renewal fees is being met.

NOW, THEREFORE, THE CITY OF EVERETT DOES ORDAIN:

Section 1. Effective January 1, 2023, EMC 3.19.030 is amended as follows:

A. Unless exempt under subsection (A)(1) of this section, any person, so engaging in a business activity within the city whether taxable or not, shall apply for and obtain from the city clerk, upon payment of the fee provided in this section, a business license. Such applicant shall complete an application form for such business license upon such forms as provided by the office of the city clerk and shall accompany such application with the required fee. Such business license shall be personal and nontransferable. If a taxpayer transacts business at two or more locations within the city, the taxpayer must obtain additional business licenses for each additional location and pay the required additional location fee annually. Prior to license issuance, all business license applications will be reviewed by the city's community, planning, and economic development department for compliance with the city's land use and zoning code. Business license issuance does not indicate that the business complies with all federal, state, and local regulations.

- 1. For purposes of the license required by this chapter, any person or business whose annual value of products, gross proceeds of sales, or gross income of the business in the city is equal to or less than ~~two~~ five thousand dollars and who does not maintain a place of business within the city, shall submit a business license registration to the city clerk. For businesses meeting this threshold, no registration fee is required. The threshold does not apply to regulatory license requirements or activities that require a specialized permit.

B. *License Control.* Each business license shall be numbered and shall show the name, place and

character of the business of the taxpayer and such other information as the office of the clerk deems necessary and shall be posted in a conspicuous place at the place of business for which it is issued.

C. *License Duration.* Each business license issued by the office of the clerk will be valid from January 1st to December 31st of a calendar year, so long as the taxpayer pays the tax accrued to the city. If a taxpayer changes its place of business, the taxpayer must return its existing business license to the office of the clerk and the office of the clerk will issue a new business license for the new place of business with the same expiration date as the taxpayer's existing license and without an additional charge.

D. *License Restrictions.* No person shall engage in any business taxable under this chapter without being registered in compliance with the provisions of this chapter, except that the office of the clerk, by general regulation, may provide for the issuance of temporary business licenses to a temporary place of business without requiring the payment of any fee. No person to whom a business license has been issued may allow any person for whom a separate business license is required to operate under or to display his/her business license. No person may operate under or display a business license issued by the city to another taxpayer.

E. *License Fees.*

1. *Registration Fee.* Unless exempt under subsection (A)(1) of this section, a registration fee of ~~eighty-four~~ ninety dollars will be due at the time of filing an application for a business license. If the application for a business license is filed between July 1st and December 31st, and the registrant's first day of business is July 1st or later, the registration fee will be ~~forty-two~~ forty-five dollars.
2. *Additional Location Fee.* For each additional location at which a taxpayer transacts business, the taxpayer will pay a fee of twenty-~~four~~ four dollars per year at the time of registration. If the application for an additional location is filed between July 1st and December 31st, the additional location fee will be ~~ten~~ twelve dollars.
3. *Renewal Fee.* A renewal fee will be due on or before the last day of the next month following expiration of the current license. If the due date is a Saturday, Sunday, or city or federal legal holiday, then the due date shall be the next succeeding day that is neither a Saturday, Sunday, or city or federal legal holiday. For businesses located inside the city limits of Everett with total world-wide gross receipts of less than ~~twenty~~ forty thousand dollars in the first two ~~three~~ three quarters of the year preceding the license year, plus the third and fourth quarters of the year prior to the preceding year, the annual renewal fee is ~~eleven~~ twelve dollars. For all businesses inside the city limits of Everett with gross receipts greater than forty thousand dollars in the first two quarters of the year preceding the license year, plus the third and fourth quarters of the year prior to the preceding year, the annual renewal fee will be ninety dollars. For all businesses located outside of the city limits of Everett that do not qualify for the no fee registration in EMC 3.19.030 (A)(1), the annual renewal fee will be ninety dollars. ~~For businesses located outside the city limits of Everett with total world-wide gross income of less than twenty thousand dollars in the first three quarters of the year, plus the fourth quarter of the year prior to the preceding year, the annual~~

~~renewal fee is twenty-eight dollars.~~ The renewal fee for each additional location will be ~~twenty-three~~ four dollars.

4. *Fee Adjustment.* The office of the clerk shall administratively adjust the fees provided for in subsections (E)(1), (E)(2), and (E)(3) in this section ~~herein~~ annually in an amount equal to the annual change in the June-to-June Consumer Price Index (CPI-U) (1982-84=100) for the Seattle-Tacoma-Bremerton area as published by the United States Department of Labor (CPI), compounded from the base year of 2015. To calculate the adjustment adjusted fee each year, each fee rate ~~rate~~ established in subsections, (E)(1), (E)(2), and (E)(3) of this section will be multiplied by one plus the compounded annual change in the CPI between the current year and ~~2015-2022~~ . If the annual change in CPI is negative, no adjustment shall be made for the year. The amount of the fees so calculated will be rounded to the nearest whole dollar.
5. *Reduced License Fee Threshold Adjustment.* The office of the clerk shall administratively adjust the forty thousand dollar threshold provided for in subsection (E)(3) of this section annually in an amount equal to the annual change in the June-to-June Consumer Price Index (CPI-U) (1982-84=100) for the Seattle-Tacoma-Bremerton area as published by the United States Department of Labor (CPI), compounded from the base year of 2023. To calculate the adjustment, the forty thousand dollar threshold established in subsection (E)(3) of this section will be multiplied by one plus the compounded annual change in the CPI between the current year and 2023. The amount of the threshold so calculated will be adjusted in increments of five thousand dollars, rounding upward to the nearest five thousand dollar increment.

F. *License Renewal.* Prior to January 31st of each year, a taxpayer desiring to renew its license must submit a renewal form and the renewal fee to the office of the clerk. The renewal form must indicate any changes to the taxpayer's name, location, or character of business, or affirm that there have not been any changes. Any taxpayer failing to make payment on or prior to January 31st will be subject to penalties in the following amounts:

1. Ten percent of the current renewal fee, as adjusted in subsection (E)(4) of this section, if the payment is not received on or before the last day of the month following the expiration date.
2. Twenty percent of the current renewal fee, as adjusted in subsection (E)(4) of this section, if the payment is not received on or before the last day of the second month following the expiration date.
3. All business licenses issued subsequent to the initial license period will be deemed renewal licenses if there has been no discontinuance of the taxpayer's operations or activities. Nonpayment by the taxpayer of taxes or business license fees when due during the term of any license will constitute grounds for revocation of, or the refusal

to renew, said license.

Section 2. The following is provided for reference and may not be complete:

EMC Amended by this Ordinance	Ordinance History of EMC Amended by this Ordinance
EMC 3.19.030	(Ord. 3710-19 § 1, 2019.)

Section 3. The City Clerk and the codifiers of this Ordinance are authorized to make necessary corrections to this Ordinance, including, but not limited to, the correction of scrivener's/clerical errors, references, ordinance numbering, section/subsection numbers, and any internal references.

Section 4. The City Council hereby declares that should any section, paragraph, sentence, clause or phrase of this ordinance be declared invalid for any reason, it is the intent of the City Council that it would have passed all portions of this ordinance independent of the elimination of any such portion as may be declared invalid.

Section 5. The enactment of this Ordinance shall not affect any case, proceeding, appeal, or other matter currently pending in any court or in any way modify any right or liability, civil or criminal, which may be in existence on the effective date of this Ordinance.

Section 6. It is expressly the purpose of this Ordinance to provide for and promote the health, safety, and welfare of the general public and not to create or otherwise establish or designate any particular class or group of persons who will or should be especially protected or benefited by the terms of this Ordinance. It is the specific intent of this Ordinance that no provision or any term used in this Ordinance is intended to impose any duty whatsoever upon the City or any of its officers or employees. Nothing contained in this Ordinance is intended nor shall be construed to create or form the basis of any liability on the part of the City, or its officers, employees, or agents, for any injury or damage resulting from any action or inaction on the part of the City related in any manner to the enforcement of this Ordinance by its officers, employees or agents.

Section 7. This ordinance is effective January 1, 2023.



Cassie Franklin, Mayor

ATTEST:



Marista Jorve, City Clerk

PASSED: 7/13/2022

VALID: 7/14/2022

PUBLISHED: 7/18/2022

EFFECTIVE DATE: January 1, 2023

Ordinance 3882-22-FINAL

Final Audit Report

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