

**ORDINANCE NO. 67-B  
CITY OF LIBERTY LAKE  
SPOKANE COUNTY, WASHINGTON**

**AN ORDINANCE OF THE CITY OF LIBERTY LAKE, WASHINGTON, AMENDING  
ORDINANCE NO. 67A, PASSED ON JULY 1, 2008 AMENDING BUSINESS  
LICENSING REGULATIONS FOR THE CITY OF LIBERTY LAKE**

WHEREAS, state law authorizes cities to adopt regulations for licensing of businesses operating within their corporate boundaries; and

WHEREAS, on September 18, 2001 the Mayor and City Council established a registration system which assisted the City in identifying the precise composition of the commercial community to enhance the marketing, development and exchange of information between the City and its businesses by adopting Ordinance No. 67, regulating business licensing requirements for the City; and

WHEREAS, on July 1, 2008 the City Council passed Ordinance No. 67-A amending the City's business license regulations, revising the application procedure from in-house processing of business license applications to partnering with the Washington State Department of Licensing's Master License Service (MLS) to administer the application process; and

WHEREAS in July, 2011, MLS changed from the Washington State Department of Licensing to Business License Services (BLS) under the Washington State Department of Revenue; and

WHEREAS, during the 2017-18 legislative session, the Washington State Legislature passed Engrossed House Bill 2005, now codified in chapter 35.90 RCW; and

WHEREAS, RCW 35.90.020 provides that any city that requires a general business license of any person engaging in business activities within that city must partner with the Washington State Department of Revenue (the "Department") to have such license issued and renewed through the Department's BLS and

WHEREAS, RCW 35.90.080 provides that any city that requires a general business license of any person engaging in business activities within that city must adopt model ordinance language developed by the Association of Washington Cities; and

WHEREAS, the City Council desires to amend Title 4 of the City of Liberty Lake Municipal Code to conform with guidance from the Department and to comply with the legal requirements in chapter 35.90 RCW.

NOW, THEREFORE, the City Council of the City of Liberty Lake, Washington, do ordain as follows:

**Section 1.** The following sections of Title 4 of the City of Liberty Lake Municipal Code is amended as follows:

**4-1-1 Definitions:**

Engaging in Business: ~~Commencing, conducting, or continuing in business, the exercise of corporate or franchise powers, as well as liquidating a business when the liquidators thereof hold themselves out to the public as conducting such business.~~

(1) The term "engaging in business" means commencing, conducting, or continuing in business, and also the exercise of corporate or franchise powers, as well as liquidating a business when the liquidators thereof hold themselves out to the public as conducting such business.

(2) This section sets forth examples of activities that constitute engaging in business in the City, and establishes safe harbors for certain of those activities so that a person who meets the criteria may engage in de minimus business activities in the City without having to pay a business license fee. The activities listed in this section are illustrative only and are not intended to narrow the definition of "engaging in business" in subsection (1). If an activity is not listed, whether it constitutes engaging in business in the City shall be determined by considering all the facts and circumstances and applicable law.

(3) Without being all inclusive, any one of the following activities conducted within the City by a person, or its employee, agent, representative, independent contractor, broker or acting on its behalf constitutes engaging in business and requires a person to register and obtain a business license.

(a) Owning, renting, leasing, maintaining, or having the right to use, or using, tangible personal property, intangible personal property, or real property permanently or temporarily located in the City.

(b) Owning, renting, leasing, using, or maintaining, an office, place of business, or other establishment in the City.

(c) Soliciting sales.

(d) Making repairs or providing maintenance or service to real or tangible personal property, including warranty work and property maintenance.

(e) Providing technical assistance or service, including quality control, product inspections, warranty work, or similar services on or in connection with tangible personal property sold by the person or on its behalf.

(f) Installing, constructing, or supervising installation or construction of, real or tangible personal property.

(g) Soliciting, negotiating, or approving franchise, license, or other similar agreements.

(h) Collecting current or delinquent accounts.

(i) Picking up and transporting tangible personal property, solid waste, construction debris, or excavated materials.

(j) Providing disinfecting and pest control services, employment and labor pool services, home nursing care, janitorial services, appraising, landscape architectural services,

security system services, surveying, and real estate services including the listing of homes and managing real property.

(k) Rendering professional services such as those provided by accountants, architects, attorneys, auctioneers, consultants, engineers, professional athletes, barbers, baseball clubs and other sports organizations, chemists, consultants, psychologists, court reporters, dentists, doctors, detectives, laboratory operators, teachers, veterinarians.

(l) Meeting with customers or potential customers, even when no sales or orders are solicited at the meetings.

(m) Training or recruiting agents, representatives, independent contractors, brokers or others, domiciled or operating on a job in the City, acting on its behalf, or for customers or potential customers.

(n) Investigating, resolving, or otherwise assisting in resolving customer complaints.

(o) In-store stocking or manipulating products or goods, sold to and owned by a customer, regardless of where sale and delivery of the goods took place.

(p) Delivering goods in vehicles owned, rented, leased, used, or maintained by the person or acting on its behalf.

(4) If a person, or its employee, agent, representative, independent contractor, broker or acting on the person's behalf, engages in no other activities in or with the City but the following, it need not register and obtain a business license.

(a) Meeting with suppliers of goods and services as a customer.

(b) Meeting with government representatives in their official capacity, other than those performing contracting or purchasing functions.

(c) Attending meetings, such as board meetings, retreats, seminars, and conferences, or other meetings wherein the person does not provide training in connection with tangible personal property sold by the person or on its behalf. This provision does not apply to any board of director member or attendee engaging in business such as a member of a board of directors who attends a board meeting.

(d) Renting tangible or intangible property as a customer when the property is not used in the City.

(e) Attending, but not participating in a "trade show" or "multiple vendor events". Persons participating at a trade show shall review the City's trade show or multiple vendor event ordinances.

(f) Conducting advertising through the mail.

(g) Soliciting sales by phone from a location outside the City.

(5) A seller located outside the City merely delivering goods into the City by means of common carrier is not required to register and obtain a business license, provided that it engages in no other business activities in the City. Such activities do not include those in subsection (4).

The City expressly intends that engaging in business include any activity sufficient to establish

nexus for purposes of applying the license fee under the law and the constitutions of the United States and the State of Washington. Nexus is presumed to continue as long as the taxpayer benefits from the activity that constituted the original nexus generating contact or subsequent contacts.

**4-1-3 Exemptions:**

A. The following entities and activities shall be exempt from the provisions of this chapter:

1. All governmental entities including public and private elementary, secondary and high schools;
2. Deliverers of newspapers and periodicals;
3. Deliverers to and persons soliciting orders from retail establishments for the delivery and sale of goods, wares and merchandise to retailers for resale unless located within the city;
4. Any person or organization conducting a nonprofit enterprise when the enterprise is operated without private profit, for a public, charitable, educational, literary, fraternal or religious purpose;
5. Minors engaged in babysitting;
6. The casual sale of items of personal property where the person conducting such sale is not regularly engaged in the business of selling items of personal property (for example, garage sales, service agency bake sales)
7. Threshold exemption. For purposes of the license 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 \$2,000 and who does not maintain a place of business within the City, shall submit a business license registration to the City Clerk or designee. The fee for such business license registrations shall be \$0. This threshold exemption does not apply to regulatory license requirements or activities that require a specialized permit.

**Section 2** Severability. If any section, sentence, clause or phrase of this Ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this Ordinance.

**Section 3.** Effective Date. This Ordinance shall be in full force and effect five (5) days after publication of the Ordinance Summary.

PASSED by the City Council this 2<sup>nd</sup> day of October, 2018.



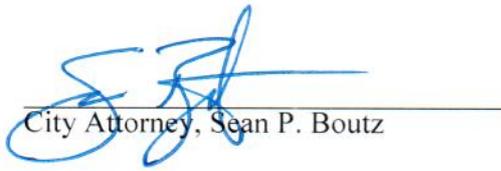
\_\_\_\_\_  
Mayor, Steve Peterson

ATTEST:



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City Clerk, Ann Swenson

APPROVED AS TO FORM:



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City Attorney, Sean P. Boutz

## CERTIFICATION

I, the undersigned City Clerk of the City of Liberty Lake, of Spokane County, Washington, HEREBY CERTIFY that the foregoing Ordinance is a full, true, and correct copy of Ordinance No. 67-B duly adopted at a regular meeting of the City Council of said City, duly and regularly held at the regular meeting place thereof on October 2, 2018 of which meeting all members of said City Council had due notice and at which a majority thereof were present; and that at said meeting said Ordinance was adopted by the following vote: 6-0, unanimous.

AYES, and in favor thereof: Mayor Pro Tem Brickner, Council Members Langford, Dunne, Moore, Severs, and Kennedy.

NAYS: None.

ABSENT: Council Member Kaminskas.

ABSTAINED: None.

CITY OF LIBERTY LAKE

  
CITY CLERK