



## BUSINESS OF THE CITY COUNCIL CITY OF MERCER ISLAND

AB 5586  
October 15, 2019  
Regular Business

### AGENDA BILL INFORMATION

<b>TITLE:</b>	AB 5586: Code Amendments Related to Business Licenses	<input type="checkbox"/> Discussion Only
<b>RECOMMENDED ACTION:</b>	Set Ordinance No. 19C-13, amending Chapter 5 MICC related to business licenses, for second reading and adoption on the November 4, 2019 Consent Calendar.	<input checked="" type="checkbox"/> Action Needed: <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution

<b>DEPARTMENT OF:</b>	City Manager	Deb Estrada, City Clerk
<b>COUNCIL LIAISON:</b>	n/a	
<b>EXHIBITS:</b>	1. Ordinance No. 19C-13 2. 2017 Business License Legislation Information from MRSC 3. City of Mercer Island Letter to Registered Business License Holders	
<b>CITY COUNCIL PRIORITY:</b>	n/a	

<b>AMOUNT OF EXPENDITURE</b>	\$ n/a
<b>AMOUNT BUDGETED</b>	\$ n/a
<b>APPROPRIATION REQUIRED</b>	\$ n/a

### SUMMARY

In 2017, the Washington state legislature passed Engrossed House Bill (EHB) 2005, which is intended to simplify the administration of municipal general business licenses for the applicants and improve the business climate. There are three required actions, including that all cities with business licenses administer business licensing through the state's business license system (BLS) by 2027 or through the FileLocal system by 2020. Staff researched each of the systems and recommended BLS as it is a free service to the City (see [AB 5461](#)).

The City of Mercer Island requires business licenses for most businesses, as provided by Chapter 5 of the Mercer Island City Code. There are approximately 4,000 current business license holders. In accordance with EHB 2005, the City worked with the State of Washington to move administration of the City's business licenses to the state business license system (BLS), which went live on October 10. Prior to the Go Live date, staff communicated the changes to business licensing in the MI Weekly, on the City website, and with a one-page mailer sent to each business license holder (see Exhibit 3).

The proposed ordinance (Exhibit 1) brings the MICC into alignment with BLS business practices and is part of the City's compliance with the required changes.

Working with BLS creates a simplified process for businesses with locations in more than one jurisdiction, as they can apply for all business licenses needed via one online location. Also, the change from a calendar year

license (Mercer Island current practice) to a rolling 12-month license (State of Washington practice) will allow businesses to reapply for their state and all local jurisdiction licenses at one time.

The City Council Rules of Procedure require a second reading of ordinances. Since the proposed code amendments are simple and straightforward, the City Council could suspend the Rules and adopt the Ordinance at Tuesday's meeting. Otherwise, it should be set for second reading and adoption on the November 4, 2019 Consent Calendar.

## **RECOMMENDATION**

Set Ordinance No. 19C-13, amending Chapter 5 MICC related to business licenses, for second reading and adoption on the November 4, 2019 Consent Calendar.

Or, alternatively:

1. Suspend the City Council Rules of Procedures Section 6.3 requiring a second reading of an ordinance.
2. Adopt Ordinance No. 19C-13, amending Chapter 5 of the Mercer Island City Code related to business licenses.