

**ORDINANCE NO. 19C-13
CITY OF MERCER ISLAND, WASHINGTON**

**AN ORDINANCE OF THE CITY OF MERCER ISLAND, WASHINGTON
RELATING TO BUSINESS LICENSES AND AMENDING CHAPTERS 5.01, 5.02,
5.08, 5.12, 5.16, 5.18, 5.20, AND 5.30 OF THE MERCER ISLAND CITY CODE
TITLE 5 TO UPDATE ITEMS IN ACCORDANCE WITH THE STATE OF
WASHINGTON BUSINESS LICENSES SYSTEM REQUIREMENTS.**

WHEREAS, the City of Mercer Island requires certain businesses to obtain business licenses;
and

WHEREAS, Engrossed House Bill (EHB) 2005 was passed by the Washington State
Legislature with an effective date of July 23, 2017; and

WHEREAS, EHB 2005 is intended to simplify the administration of municipal general business
licenses for the applicants and improve the business climate; and

WHEREAS, EHB 2005 requires 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; and

WHEREAS, the City of Mercer Island will administer its business licensing through BLS starting
in 2019; and

WHEREAS, the BLS has requested changes to the Mercer Island City Code to align with BLS
business practices.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MERCER ISLAND,
WASHINGTON, DOES HEREBY ORDAIN AS FOLLOWS:

Section 1. **Amend Chapter 5.01, Business Licenses Code of the Mercer Island City
Code.** Chapter 5.01, Business License Code of the Mercer Island City Code is
hereby amended as follows:

**Chapter 5.01
BUSINESS LICENSE CODE**

Sections:

| | |
|-------------------------------------|---|
| 5.01.010 | Short title. |
| 5.01.020 | Purpose. |
| 5.01.030 | Scope. |
| 5.01.035 | Definition of “engaging in business.” |
| 5.01.040 | Business license – Required. |
| 5.01.050 | Separate general business license required. |
| 5.01.060 | License fees – Payment. |
| 5.01.070 | Duration of license. |
| 5.01.080 | License renewal – Filing date, Late renewal penalty . |
| 5.01.090 | Late charge. |
| 5.01. 090 ¹⁰⁰ | Refund request. |

- ~~5.01.110 General business license – Application.~~
5.01.~~100~~~~120~~ License issuance and renewal – Appeal from denial.
5.01.~~110~~~~130~~ Denial, suspension, or revocation of licenses.
5.01.~~120~~~~140~~ Appeal.
5.01.~~130~~~~150~~ Display of licenses – Transferability.
~~5.01.160 Notice of right to suspend or revoke.~~
5.01.~~140~~~~170~~ Licenses subject to specific controls.
5.01.~~150~~~~180~~ Separate offenses.
5.01.~~160~~~~190~~ Penalty for violations – Principal offender.
5.01.~~170~~~~200~~ Effect on pending or past prosecutions.

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5.01.030 Scope.

All persons and businesses engaging in business within the city of Mercer Island shall be subject to the provisions of this chapter regardless of whether or not a place of business within the city is maintained, unless ~~a specific business license is required to be obtained under the provisions of another chapter of the city code or unless~~ specifically exempted from licensing herein.

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5.01.040 Business license – Required.

A. It is unlawful for any person or business, whether or not a place of business within the city is maintained, to engage in business in the city without having first obtained and being the holder of a valid and subsisting license to do so, to be known as a “business license,” and paying the fees, if any, prescribed herein; provided, that persons under the age of 18 years shall not be required to have a business license.

B. Application for the license is made through the Washington State Department of Revenue’s Business Licensing Service. The application must include all information required for all the licenses requested and all fees required for all licenses, as well as the handling fee required by RCW 19.02 075.

5.01.050 Separate general business license required.

A separate license shall be obtained for each branch, establishment or location at which the business ~~related activity~~ is carried on, and each license shall authorize the licensee to ~~carry on or pursue, or~~ conduct only that business, ~~or business-related activity~~ at that location.

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5.01.070 Duration of license.

All licenses issued pursuant to the provision of this chapter ~~shall expire on December 31 of the year for which they were issued~~ the date established by the Business Licensing Service, unless sooner suspended or revoked in the manner provided in this chapter.

5.01.080 License renewal – Filing date, Late renewal penalty.

Applications for renewal of a license ~~shall must~~ be made on or before the expiration date ~~provided for herein~~ established by the Business Licensing Service. The renewal application must be submitted to the Business Licensing Service and include all information required to renew all licenses requiring renewal, and all fees due for all licenses being renewed, as well as the handling fee required by RCW 19.02.075. Failure to renew the license by the expiration date will

incur the late renewal penalty required by RCW 19.02.085. Failure to renew within 120 days after the expiration date will result in cancellation of the license and will require submission of a new application for license in order to continue to conduct business in the city. ~~All licenses issued subsequent to the original license shall be deemed renewal licenses if there has been no discontinuance of the licensee's operations or activities.~~

5.01.090 — Late charge.

~~There shall be assessed by the clerk an additional charge on applications not filed on or before said expiration date as follows:~~

| Days Past Due | Percent of License Fee |
|--------------------------|-----------------------------------|
| 16 to 30 | 25 |
| 31 to 60 | 50 |
| 61 or more | 75 |

5.01.090100 Refund request.

If, pursuant to the provisions of this chapter, the applicant's request for a license is denied, either upon original application or renewal, 100 percent of the city's business license fee tendered only shall be refunded by the city to the applicant no later than 90 days following such denial; provided, that no refund shall be made where during the pendency of the original application the applicant has engaged in the business activity for which the license was intended, and in that case such amount shall be forfeited to the city.

5.01.110 — General business license — Application.

- ~~A. An application for a business license shall be made to the city clerk.~~
- ~~B. The application shall be on a form prescribed by the city clerk and shall include:~~
 - ~~1. The name of the applicant;~~
 - ~~2. His/her residence;~~
 - ~~3. The address of the principal place of business of the applicant;~~
 - ~~4. The nature and/or type of business to be conducted;~~
 - ~~5. The applicant's state employer number, if applicable;~~
 - ~~6. The applicant's state sales tax number, if applicable;~~
 - ~~7. The number of current employees;~~
 - ~~8. A statement, executed under the penalty of perjury, that the facts stated in the application are true and correct to the best of the applicant's knowledge.~~

5.01.100120 License issuance and renewal – Appeal from denial.

- A. The city clerk shall approve ~~issue~~ issuance of a business license to the applicant within 10 working days if the information supplied to the city clerk is complete and the required license fee is paid; otherwise, the license application shall be denied. Upon denial of the application, written notice shall be sent to the applicant as set forth in MICC 5.01.140.
- B. Any applicant whose application has been denied may file an appeal and request a hearing as set forth in MICC 5.01.140.

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5.01.130150 Display of licenses – Transferability.

- A. *Licenses – To Be Posted – Exception.* All licenses issued pursuant to this chapter authorizing the maintenance or conducting of any occupation, business, trade or entertainment

at a specified location, shall be posted in a conspicuous place at such location, and such license shall not be tampered with in any manner; provided, however, that when the licensee has no established place of business and goes from place to place or from house to house, then such license must be carried on the person of such licensee while actually engaged in the licensed occupation, business or trade.

B. License – Unlawful Use.

1. It is unlawful for any person to use, or permit to be used, any license except those ~~issued~~ approved by the city clerk in conformity with the provisions of this chapter.
2. It is unlawful for any person to make, or manufacture, any licenses except upon order of the city clerk.

C. Licenses – Not Transferable. No license issued under provisions of this chapter shall be transferable or assignable, ~~unless specifically provided otherwise. All licenses issued by the city clerk are and remain the property of the city and, if~~ If a license is found in the possession of any person other than the licensee or his servants, agents or employees, such license shall be forthwith confiscated by officials of the city.

~~**5.01.160 Notice of right to suspend or revoke.**~~

~~Every license issued pursuant to the provisions of this chapter shall state thereon in substance that such license is issued in consideration of the fee paid therefor and that the same is subject to suspension or revocation in the manner provided in this chapter.~~

Section 2. Amend Chapter 5.02, Amusement Centers and Amusement Devices of the Mercer Island City Code. Section 5.02.020, License Required of the Mercer Island City Code is hereby amended as follows:

5.02.020 Licenses required.

It shall be unlawful for any person, firm or corporation to conduct or operate an amusement center or to have amusement devices in a place of business in the city without having first obtained an applicable license from the city clerk and having paid the applicable license fee(s) pursuant to the requirements of this chapter. The licenses required under this chapter are in addition to the business license that may be required under chapter 5.01 MICC when applicable.

Amusement center licenses, operator's licenses, and amusement device licenses shall not be required for the play, use, or operation of amusement devices in the following places: private recreational areas, noncommercial recreational areas, public and private schools and governmental buildings.

Applications for licenses under the provisions of this chapter shall be made at the office of the city clerk. Licenses shall be issued for the calendar year and shall expire on December 31 of each year. The license fee for the first year of operation shall be prorated from the first of the month in which the license is obtained. During the year, licenses are subject to revocation for cause or for violation of any of the laws of the state or ordinances of the city.

Amusement center licenses and operator's licenses must be posted in a conspicuous place within the business. Each amusement device within the business must have an amusement device license affixed to the device.

Section 3. Amend Chapter 5.08, Massage Parlors and Bathhouses of the Mercer Island City Code. Section 5.08.030, License and Permits Required of the Mercer Island City Code is hereby amended as follows:

5.08.030 License and permits required.

A. *Business License Required.* No person shall conduct, operate or maintain an establishment unless that person has a valid business license issued by the city pursuant to the provisions of this chapter for each and every separate office or place of business conducted by such person.

B. *Permit Required.* No person shall act as a massagist unless a valid and subsisting permit has been issued to that person by the city pursuant to the provisions of this chapter.

[C. The license and permit required under this chapter are in addition to the business license that may be required under chapter 5.01 MICC when applicable.](#)

Section 4. Amend Chapter 5.12, Private Security Agencies of the Mercer Island City Code. Section 5.12.020, License – Required – Fee of the Mercer Island City Code is hereby amended as follows:

5.12.020 License – Required – Fee.

No contract investigative agency or contract guard or patrol agency shall furnish private security services, nor shall they advertise, solicit, nor in any way promise or inform anyone that they will perform such services in the city without receiving from the city clerk a license as provided in this chapter. The fee for the license required by this section is \$250 per year. The annual license fee will be waived for those years in which the licensee has obtained a valid private security license from another municipality or county; provided, that each employee who performs security services within the city must register under the provisions of this chapter and pay the annual registration fee. [The license required under this chapter is in addition to the business license that may be required under chapter 5.01 MICC when applicable.](#)

Section 5. Amend Chapter 5.16, Regulation and Licensing of Solicitors of the Mercer Island City Code. Section 5.16.030, License Required – Exemptions of the Mercer Island City Code is hereby amended as follows:

5.16.030 License required – Exemptions.

A. It is unlawful for any person to act as a solicitor unless that person first secures a license in the manner provided in this chapter. [The license required under this chapter is in addition to the business license that may be required under chapter 5.01 MICC when applicable.](#)

B. The following are exempt from the licensing and application requirements of this chapter, but must comply with MICC [5.16.020](#):

1. Newspaper carriers;
2. Not-for-profit solicitors;
3. Peddlers of fruit, vegetables, berries, eggs, or any farm produce edibles raised, gathered, produced or manufactured by such person;
4. A person who, after being specifically requested by another to do so, calls upon the requestor or his/her household for the purpose of displaying or delivering goods, literature, or giving information about any article, thing, product, or service; and

5. All persons under the age of 18 unless employed by another person or organization to conduct solicitation.

Section 6. **Amend Chapter 5.18, Adult Dances and Regulated Teen Dancing of the Mercer Island City Code.** Section 5.18.020, Adult Dance or Dance Hall and Regulated Teen Dancing – License Required of the Mercer Island City Code is hereby amended as follows:

5.18.020 Adult dance or dance hall and regulated teen dancing – License required.
No person shall conduct or operate an adult dance or dance hall or have regulated teen dancing on the premises unless the person who is conducting or operating such adult dance or dancehall or having regulated teen dancing on the premises has obtained a license in accordance with the provisions of this chapter. [The license required under this chapter is in addition to the business license that may be required under chapter 5.01 MICC when applicable.](#)

Section 7. **Amend Chapter 5.20, Tow Trucks of the Mercer Island City Code.** Section 5.20.020, License – Required – Application of the Mercer Island City Code is hereby amended as follows:

5.20.020 License – Required – Application.
It is unlawful for any person, firm or corporation engaged in the business of motor vehicle wrecker or towing operator as defined in MICC 5.20.010 to tow or otherwise remove motor vehicles from the scene of an accident, disability or impounding, without first obtaining a license pursuant of the provisions of this chapter, by making written application to the city clerk for such license. [The license required under this chapter is in addition to the business license that may be required under chapter 5.01 MICC when applicable.](#)

Section 8. **Amend Chapter 5.30, Adult Cabarets and Adult Entertainment of the Mercer Island City Code.** Section 5.30.020, License Required of the Mercer Island City Code is hereby amended as follows:

5.30.020 License required.

A. It is unlawful for any person to conduct, manage or operate an adult cabaret unless such person is the holder of a valid license from the city to do so, obtained in the manner provided in this chapter.

B. It is unlawful for any entertainer, employee or manager to knowingly work in or about, or to knowingly perform any service or entertainment directly related to the operation of an unlicensed adult cabaret.

C. It is unlawful for any entertainer to perform in an adult cabaret unless such person is the holder of a valid license from the city to do so.

D. It is unlawful for any manager to work in an adult cabaret unless such person is the holder of a valid license from the city to do so.

[E. The licenses required under this chapter are in addition to the business license that may be required under chapter 5.01 MICC when applicable.](#)

Section 9. **Severability.** If any section, sentence, clause, or phrase of this ordinance or any city code section amended hereby should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity of any other section, sentence, clause, or phrase of this ordinance or the amended code section.

Section 10. **Ratification.** Any act consistent with the authority and prior to the effective date of this ordinance is hereby ratified and affirmed.

Section 11. **Effective Date.** This Ordinance shall take effect and be in full force five days after its passage and publication.

PASSED by the City Council of the City of Mercer Island, Washington at its regular meeting on the ____ day of _____ 2019 and signed in authentication of its passage.

CITY OF MERCER ISLAND

Debbie Bertlin, Mayor

Approved as to Form:

ATTEST:

Bio Park, Interim City Attorney

Deborah A. Estrada, City Clerk

Date of Publication: _____