

ORDINANCE NO. 2025-19

AN ORDINANCE OF THE CITY OF RICHLAND, WASHINGTON, AMENDING RICHLAND MUNICIPAL CODE SECTION 5.04.245 RELATED TO BUSINESS LICENSE EXEMPTIONS.

WHEREAS, the City has need, from time to time, to amend the Richland Municipal Code (RMC) to align for compliance of state or federal law; and

WHEREAS, the City currently partners with the Department of Revenue's Business Licensing Service (BLS), and continues to maintain compliance with Chapter 35.90 RCW; and

WHEREAS, to ensure compliance with Washington law, the model ordinance language must be adopted.

NOW, THEREFORE, BE IT ORDAINED by the City of Richland as follows:

Section 1. Richland Municipal Code Section 5.04.245, entitled Exemptions, as first enacted by Ordinance No. 246, and last amended by Ordinance No. 50-19, is hereby amended as follows:

5.04.245 Exemptions.

The provisions of this chapter shall not apply to:

A. 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 be exempt from the general business license requirements in this chapter. The exemption does not apply to regulatory license requirements or activities that require a specialized permit.

Beginning January 1, 2026, the threshold amount is \$4,000. The threshold amount will be adjusted every forty-eight months on January 1, by an amount equal to the increase in the Consumer Price Index ("CPI") for "West Urban, All Urban Consumers" (CPI-U) for each 12-month period ending on June 30 as published by the United States Department of Labor Bureau of Labor Statistics or successor agency. To calculate this adjustment, the current rate will be multiplied by one plus the cumulative four-year (forty-eight months) CPI increase using each 12-month period ending on June 30 of each prior year, and rounded to the nearest \$100. However, if any of the annual CPI increases are more than five (5) percent, a five (5) percent increase will be used in computing the annual basis and if any of the annual CPI decreased during the forty-eight-month period, a zero (0) percent increase will be used in computing the annual basis.

B. Any person in respect to a business activity with respect to which tax liability is specifically imposed under the provisions of Chapter 5.20 RMC.

C. Any person in respect to insurance business upon which a tax based on gross premiums is paid to the state of Washington; provided, however, that the provisions of this subsection shall not exempt any person engaging in the business of representing any insurance company, whether as general or local agent or acting as broker for such companies; and provided further, that the provisions of this subsection shall not exempt any bonding company from tax with respect to the

completion of any contract as to which it is a surety, or as to any liability as successor to the liability of the defaulting contractor.

D. Any person in respect to his employment in the capacity of an employee or servant as distinguished from that of an independent contractor.

E. The lease, rental or sale of real estate; provided, however, that nothing herein shall be construed to exempt from payment of the license fee or tax any business wherein a mere license to use or enjoy real property is granted, or the income of which is derived from commissions on the sale or rental of real estate.

F. The business of manufacturing, selling, or distributing motor vehicle fuel, as that term is defined in Chapter 58, Laws of 1933, as amended. (Chapter 82.36 RCW).

Section 2. This Ordinance shall take effect the day following its publication in the official newspaper of the City of Richland.

Section 3. Should any section or provision of this Ordinance be declared by a court of competent jurisdiction to be invalid, that decision shall not affect the validity of the Ordinance as a whole or any part thereof, other than the part so declared to be invalid.


Section 4. 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 errors/clerical errors, section numbering, references, or similar mistakes of form.

PASSED by the City Council of the City of Richland, Washington, at a regular meeting on the 19th day of August, 2025.



Theresa Richardson, Mayor

Attest:


Jennifer Rogers, City Clerk

Approved as to Form:


Heather Kintzley, City Attorney

First Reading: August 6, 2025

Second Reading: August 19, 2025

Date Published: August 24, 2025