



FINANCE AND INFORMATION TECHNOLOGY COMMITTEE AGENDA

May 28, 2025

5:00 PM

Sedro-Woolley Municipal Building

Council Chambers

325 Metcalf Street

- a. Call to Order**
- b. Roll Call**
- c. New Business**
 - 1. Property Tax Levy Increase Limit 1%
 - 2. 2025 Budget Amendment No. 1
- d. Unfinished Business**
 - 1. Business License Endorsement - Municipal Code
 - 2. Schedule Next Committee Meeting
- e. Adjournment**

Next Meeting Finance and Information Technology Committee - TBD

The City of Sedro-Woolley complies with applicable Federal civil rights laws and does not discriminate on the basis of race, color, national origin, limited English proficiency, age, disability, or sex. The City of Sedro-Woolley doesn't exclude people or treat them differently because of race, color, national origin, limited English proficiency, age, disability, or sex.

The City of Sedro-Woolley also complies with applicable state laws and doesn't discriminate on the basis of creed, gender, gender expression or identity, sexual orientation, marital status, religion, honorably discharged veteran or military status, or the use of a trained dog guide or service animal by a person with a disability.



**Finance and Information Technology
Committee Agenda Item**

Agenda Item No.: c.1.

Date: May 28, 2025

From: Kelly Kohnken, Finance Director / City Clerk

Subject: Property Tax Levy Increase Limit 1%

RECOMMENDED ACTION:

Below are two potential motions. Staff recommend a version of one of these motions.

- Motion to recommend to the full City Council to rescind request for staff to write up an ordinance for the cap on property tax to remain at 1%, as House Bill 2049 passed without the property tax increase limit of 3% and state law already limits the property tax increase to 1%.
- Motion to recommend to the full City Council for staff to continue with an ordinance that the cap on city property tax will remain at 1%.

BACKGROUND/SUMMARY INFORMATION:

"In Washington, property tax increases are not based on the increasing value of properties but rather on the amount of the property taxes assessed in the previous year. Each year's levy may be increased by no more than 1% unless the public votes for a greater increase (commonly called a "levy lid lift") or the jurisdiction used banked capacity." - MRSC

House Bill 2049, "an act relating to investing in the state's paramount duty to fund K-12 education and build strong and safe communities by modifying the state and local property tax authority and adjusting the school funding formula..." Embedded in the original version of the bill was a proposal to modify the property tax increase limit from 1% to 3%. The bill was amended to remove this section.

Current state law limits property tax increases to 1%.

The following motion was made on April 9, 2025 before the modifications to HB 2049, "A motion made by Councilmember Henderson and seconded by Councilmember Lavacca to request the staff write up an ordinance that the cap on our tax will remain at 1%. Motion carried (7-0)."

2025 Property Tax Levy - Council approved without 1%.

| Description | Amount |
|-------------------------|-----------|
| Prior Year Regular Levy | 4,860,891 |
| Prior Year Exemptions | 25,426 |
| 1% | 48,863 |
| New Construction | 141,808 |
| Refund Levy | 17,880 |
| Total Budgeted Levy | 5,094,868 |

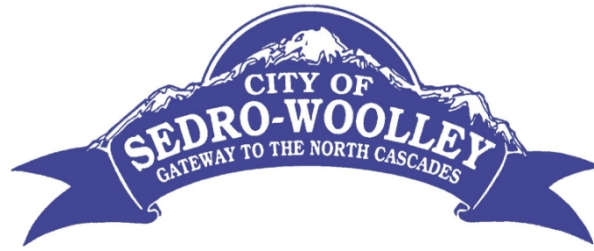
| | |
|------------|-----------|
| Without 1% | 5,046,005 |
|------------|-----------|

FISCAL IMPACT, IF APPROPRIATE:

No fiscal impact, current state law already limits property tax increases to 1%.

ATTACHMENTS:

None



**Finance and Information Technology
Committee Agenda Item**

Agenda Item No.: c.2.

Date: May 28, 2025

From: Kelly Kohnken, Finance Director / City Clerk, Woody Tovar Cano, IT Director

Subject: 2025 Budget Amendment No. 1

RECOMMENDED ACTION:

BACKGROUND/SUMMARY INFORMATION:

The City passed the 2025-2026 biennial budget in November 2024. This ordinance is a routine amendment for fiscal year 2025. The first read and public comment was held on May 14, 2025. A second read will be held at the regular council meeting the same night as this committee, May 28, 2025.

As no council motions were made, no changes have been made since the first reading of this ordinance.

We would like to discuss with the committee the IT Workstation Support Specialist (1.0 additional FTE) and the city's projected financial reserve.

- Attached is data from City of Marysville, Mount Vernon, Burlington, Arlington, Ferndale and Sedro-Woolley related to the amount of IT Staff per population size and total city employees. Surrounding cities have roughly one IT staff for every 30-40 employees. Currently the City of Sedro-Woolley is at one IT staff for every 53.50 employees. Adding an additional 1.0 FTE would reduce that amount to one IT staff for every 35.67 employees.
- Below outlines the General Fund 2024 financial reserve and projected 2025 reserve based on the proposed budget amendment.

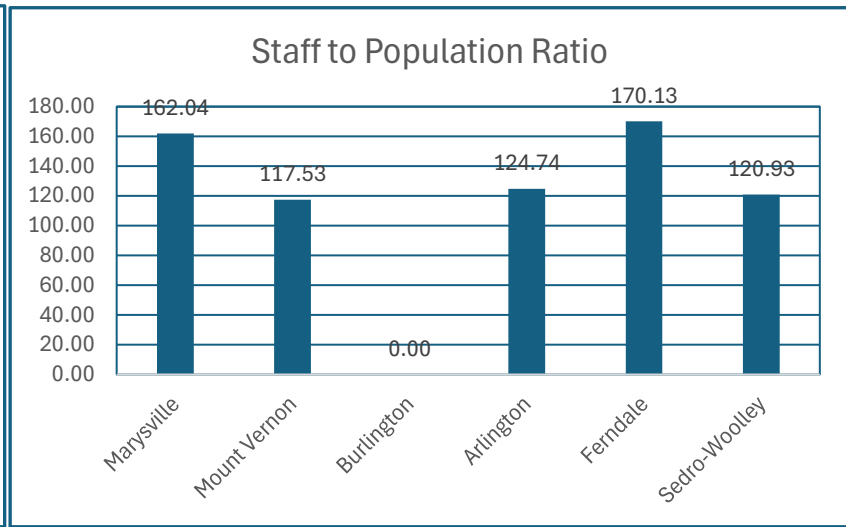
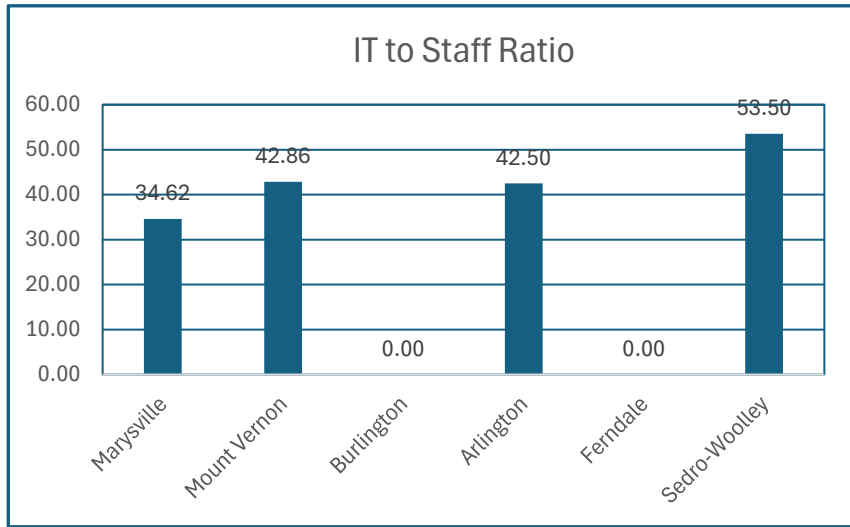
| Financial Reserve | | |
|--|-----------------------|---|
| Description | 2024 - Actuals | 2025 - Proposed Budget Amendment No. 1 |
| General Fund Expenditures | 14,065,319 | 14,730,720 |
| Ending Cashing and Investments | 4,731,292 | 5,012,416 |
| Ending Cash as Percent of Expenditures | 34% | 34% |
| Policy | 12% | 12% |

FISCAL IMPACT, IF APPROPRIATE:

ATTACHMENTS:

1. IT to Staff Ratio
2. 2025 Budget Amendment No. 1_Ordinance 2098-25
3. 2025_FTE Count_2025.05.08

| Municiple Name | Population size (as of 2023) | IT Staff Count | City employee Count | IT to Staff Ratio | Staff to Population |
|----------------|------------------------------|----------------|---------------------|-------------------|---------------------|
| Marysville | 72916.00 | 13.00 | 450.00 | 34.62 | 162.04 |
| Mount Vernon | 35259.00 | 7.00 | 300.00 | 42.86 | 117.53 |
| Burlington | 10358.00 | 0.00 | | #DIV/0! | #DIV/0! |
| Arlington | 21206.00 | 4.00 | 170.00 | 42.50 | 124.74 |
| Ferndale | 15992.00 | 0.00 | 94.00 | #DIV/0! | 170.13 |
| Sedro-Woolley | 12940.00 | 2.00 | 107.00 | 53.50 | 120.93 |



ORDINANCE NO. 2098-25

AN ORDINANCE AMENDING ORDINANCE 2028-24 AMENDING THE BUDGET FOR THE CITY OF SEDRO-WOOLLEY, WASHINGTON, FOR FISCAL YEAR 2025.

WHEREAS, the Sedro-Woolley City Council has determined that it is in the best interest of the City to amend the 2025 budget.

NOW, THEREFORE, the City Council of the City of Sedro-Woolley do ordain as follows:

Section 1. Year 2025 of the 2025-2026 Biennial Budget, adopted by Ordinance 2028-24, and passed by the City Council on November 26, 2024, is hereby amended as set forth in this Ordinance.

Section 2. Estimated revenues and expenditures, including fund balance for each separate fund of the City of Sedro-Woolley, and aggregated totals for all such funds combined, for the 2025 are set forth in summary form below, and are hereby appropriated at the fund level as set forth in Appendix A.

PASSED BY THE CITY COUNCIL AND APPROVED BY THE MAYOR THIS 28th DAY OF MAY 2025.

ATTEST:

Julia Johnson, Mayor

Kelly Kohnken, Finance Director

APPROVED AS TO FORM:

Nikki Thompson, City Attorney

APPENDIX A

| Fund | Description | 2025 | | |
|------|--|----------------------|-----------------------|-------------------|
| | | Budgeted Revenues | Budgeted Expenditures | Excess (Deficit) |
| 001 | Current Expense Fund | 15,011,844 | 14,730,720 | 281,124 |
| 002 | Fire Reserve Fund | 272,776 | - | 272,776 |
| 003 | Special Projects Fund | - | 801,913 | (801,913) |
| 101 | Parks & Facilities Fund | 4,632,550 | 4,592,301 | 40,249 |
| 102 | Cemetery Fund | 244,500 | 243,208 | 1,292 |
| 103 | Street Fund | 1,195,483 | 1,171,667 | 23,816 |
| 104 | Arterial Street Fund | 4,464,624 | 4,682,588 | (217,964) |
| 105 | Library Fund | 440,131 | 440,131 | 0 |
| 106 | Cemetery Endowment | 1,500 | 52,000 | (50,500) |
| 108 | Lodging Tax Fund | 35,000 | 55,500 | (20,500) |
| 109 | Special Investigation Fund | 1,000 | 1,000 | - |
| 112 | Code Enforcement Fund | - | - | - |
| 114 | Law Enforcement Sales | 746,461 | 746,461 | - |
| 115 | City Council Strategic Reserve | - | - | - |
| 116 | Affordable Housing | 14,000 | - | 14,000 |
| 117 | Housing and Related Services | 275,000 | - | 275,000 |
| 118 | National Opioid | 5,000 | 22,000 | (17,000) |
| 189 | American Rescue Plan | - | - | - |
| 205 | 2008 G/O Bond Fund | 148,000 | 147,321 | 679 |
| 206 | G/O Bond 2008 Reserve | - | - | - |
| 301 | 1st 1/4% Real Estate Excise Tax Fund | 305,000 | 638,235 | (333,235) |
| 302 | 2nd 1/4% Real Estate Excise Tax Fund | 305,000 | 638,235 | (333,235) |
| 303 | Building Maintenance Reserve | 2,200 | - | 2,200 |
| 304 | Transportation Benefit District | 225,000 | 122,824 | 102,176 |
| 310 | Police Mitigation Reserve Fund | 12,000 | - | 12,000 |
| 311 | Parks Impact Fee Reserve Fund | 215,000 | 501,000 | (286,000) |
| 312 | Fire Impact Fee Reserve Fund | 45,000 | - | 45,000 |
| 314 | Transportation Impact Fee Reserve Fund | 145,000 | 127,187 | 17,813 |
| 401 | Sewer Operations Fund | 5,823,400 | 5,721,758 | 101,642 |
| 410 | Sewer Capital Projects | 813,900 | 748,093 | 65,807 |
| 412 | Solid Waste Operations | 4,222,000 | 3,920,290 | 301,710 |
| 413 | Solid Waste Reserve Fund | 126,000 | - | 126,000 |
| 425 | Stormwater Operations | 1,116,160 | 1,047,990 | 68,170 |
| 426 | Stormwater Reserve Fund | - | - | - |
| 501 | Equipment Replacement Fund | 1,875,372 | 1,364,505 | 510,867 |
| 505 | Public Works Facility Fund | 255,030 | 253,250 | 1,780 |
| 635 | Municipal Court Trust | 203,500.00 | 203,500 | - |
| | Total | 43,177,431.17 | 42,973,677.00 | 203,754.17 |



FTE Count for the 2026 Budget

When fully staffed the City has an employee head count of 138 employees, including volunteer firefighter and excluding elected officials, and 109.5 FTE. Full-time equivalent, or FTE, measures the total amount of full-time employees working at the City. It is a way of adding up the hours of full-time, part-time and various other types of employees into measurable 'full-time' units.

Updated 5.08.2025

| Summary | |
|------------------------|---------------|
| ALL DEPARTMENTS | |
| Department | FTE |
| Judicial | 1.50 |
| Executive | 1.00 |
| Human Resources | 1.00 |
| Finance | 6.34 |
| Info Tech | 3.00 |
| Planning and Comm Dev | 2.64 |
| Engineering | 2.71 |
| Law Enforcement | 27.50 |
| Fire / EMS | 27.16 |
| Protective Inspections | 2.17 |
| Parks | 4.98 |
| Cemetery | 0.72 |
| Street | 3.07 |
| Sewer | 11.94 |
| Solid Waste | 8.36 |
| Storm | 3.31 |
| ERR | 1.10 |
| Park Caretakers | 1.00 |
| Total FTE | 109.50 |

Checkfigure

109.50

New Position(s)

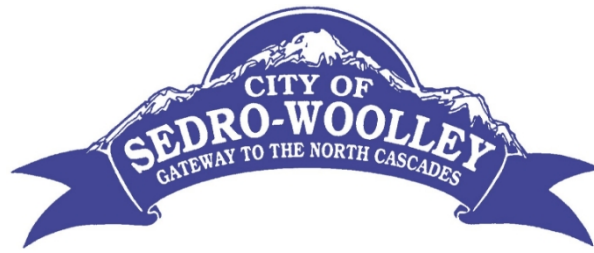
- 1.0 FTE IT Workstation Support Specialist
- 1.0 FTE Police Officer (portion of salary full with COPS grant for 3 years, likely hired in 2026)

Adjustment(s)

- 0.5 FTE Part-Time HR Analyst to 1.0 FTE Full-Time HR Manager

| |
|--------------|
| Full-Time |
| Part-Time |
| New Position |
| Adjustment |
| Vacant |

| ALL CITY DEPARTMENTS - EXCLUDING PUBLIC SAFETY | | | | PUBLIC SAFETY | | | |
|--|---|-----------------------|-----------|---------------|----------------------------|-------------------------|-----------|
| Department | Current Title | Name | Total FTE | Department | Current Title | Name | Total FTE |
| Non-Reps | Court Clerk | Struthers, Linda | 1.00 | Police | Police Chief | McIraith, Daniel | 1.00 |
| Non-Reps | PT: Court Clerk | Felix, Cleotilde | 0.50 | Police | Police Lieutenant | Sorsdal, Heather | 1.00 |
| Non-Reps | City Administrator | Bush, Charles | 1.00 | Police | Police Sergeant | Carrroll, Zachary | 1.00 |
| Finance | Accounting Technician (Payroll) | Goss, Jeanine K | 1.00 | Police | Police Sergeant | Eaton, Paul | 1.00 |
| Finance | Accounting Technician (Utility Billing) | Roth, Ami | 1.00 | Police | Police Sergeant | Lowe, Derick | 1.00 |
| Finance | Deputy City Clerk | Mynatt, Serena R | 1.00 | Police | Police Sergeant | McCombs, Austin | 1.00 |
| Finance | Accounting Technician | Wolf, Trina L | 1.00 | Police | Police Officer | Bass, Seth | 1.00 |
| Finance | EMS Billing Clerk | Messer, Rachel A | 1.00 | Police | Police Officer | Cook, Noah | 1.00 |
| Finance | PT: Public Records Officer | Capanna, Sarah | 0.50 | Police | Police Officer | Fortuna, Ruben | 1.00 |
| Finance | PT: Accounting Technician | Capanna, Sarah | 0.50 | Police | Police Officer - Detective | Foster-Lambright, Keira | 1.00 |
| Non-Reps | Finance Director | Kohnken, Kelly | 1.00 | Police | Police Officer | Baxin, Zihumara | 1.00 |
| Non-Reps | IT Director | Tovar Cano, Woody | 1.00 | Police | Police Officer | Humberg, Rachael | 1.00 |
| Non-Reps | IT System Integration Analyst | Saint, Thomas | 1.00 | Police | Police Officer | McGaughey, Harrison | 1.00 |
| Non-Reps | IT Workstation Support Specialist | PROPOSED | 1.00 | Police | Police Officer | Hilton, Hoster | 1.00 |
| Non-Reps | Community Development Director | Glover, Thomas | 1.00 | Police | Police Officer | VACANT | 1.00 |
| Non-Reps | Planner | McGowan, Nicole | 1.00 | Police | Police Officer | VanDam, Isaiah | 1.00 |
| Non-Reps | Assistant Planner | Sandoval Oaks, Ashton | 1.00 | Police | Police Officer | Velthuizen, Cody | 1.00 |
| Non-Reps | Human Resource Manager | VACANT | 1.00 | Police | Police Officer | Whitt, Deion | 1.00 |
| Non-Reps | City Engineer | Lane, Peter | 1.00 | Police | Police Officer - Detective | Wilson, Katherine | 1.00 |
| B+P | Permitting Technician | Pflugger, Nicole | 1.00 | Police | Police Officer | Eggert, Joseph | 1.00 |



**Finance and Information Technology
Committee Agenda Item**

Agenda Item No.: d.1.

Date: May 28, 2025

From: Kelly Kohnken, Finance Director / City Clerk

Subject: Business License Endorsement - Municipal Code

RECOMMENDED ACTION:

Motion to bring the proposed rewrite of the Sedro-Woolley Municipal Code Chapter 5.04 Business Licenses to the full council for further review and discussion.

BACKGROUND/SUMMARY INFORMATION:

The Finance and IT Committee began discussing a re-write to the Business License section of the municipal code in 2024. On February 26, 2025, it was further discussed with the current committee.

- Endorsement vs. Business License
 - We have made revisions throughout the proposed code to clarify that the city issues City of Sedro-Woolley endorsements on Washington State approved business licenses. The city endorsement authorizes the business to conduct business within city limits and regulates business activity to ensure public safety and code compliance. It also ensure the correct categorization with the state to appropriately capture sales tax revenue.
- How should the city define a mobile vendor?
 - Proposed Revision: "... a business that both solicits sales and provides the good(s) or services(s) in a transient mobile vehicle, including a motor vehicle, cart, trailer, or similar vehicle that can be moved from location to location. The following are considered mobile vending: (a) food truck, (b) ice truck, (c) coffee cart, (d) street vendor selling food, beverages, or other items, (e) mobile vendor or private property, (f) open air vending not attached to a business with a fixed location."
 - "...The below do not require mobile vendor endorsements... (c) Business with vehicles that pick-up items to be serviced elsewhere, such as laundering. (d) Businesses with sales solicited over the phone or internet, and the goods or services are delivered or provided from a mobile vehicle to a location within city limits. For example, a locksmith or two truck."
- Should businesses that solicit sales over the phone or internet, and deliver products into the city, but also solicit sales from the delivery truck be considered mobile vendors?
- Should businesses selling their product outside of the city and delivering their own product into the city, be required to have an endorsement? For example, an appliance store selling their product in Burlington and delivering it to a residence in Sedro-Woolley. Yes.

- The proposed code includes "A seller located outside the city merely delivering goods into the city by means of common carrier, for example USPS, UPS, Amazon, or FedEx, is not required to register and obtain a business license endorsement; provided, that it engages in no other business activities in the city."
- It also includes the following requires a business license endorsement "... Common carriers delivering goods within city limits, for example UPS, Amazon, and FedEx."
- A good example is a seller on Etsy from Idaho does not require a city business license endorsement but the company paid to delivery the item into city limits, for example FedEx, does require a city business license endorsement.
- In the original example, the appliance store is delivering the product into Sedro-Woolley, would be required to have a city business license endorsement.
- Should the city have an exception for individuals renting out a smaller number of residential properties? For example, an owner of a duplex living in one side of the duplex and renting out the other.
 - "Following activities conducted within city... constitutes engaging in business... (a) Owning, renting, leasing, maintaining, or having the right to use, tangible personal property, intangible personal property, or real permanent or temporarily located in the city. This includes but is not limited hotels, motels, storage facilities, bed and breakfasts, equipment rental, renting apartments, mobile home parks, and renting residence."

FISCAL IMPACT, IF APPROPRIATE:

ATTACHMENTS:

1. Proposed Re-Write
2. Current Code

PROPOSED RE-WRITE

5.02.010 Applicability.

This chapter applies to:

- (1) Persons engaging in business within the city of Sedro-Woolley; and
- (2) Business license endorsements issued by the city of Sedro-Woolley through the state Master License Service.

5.02.020 Definitions – Generally.

“Clerk” means the city clerk or such city employee or agent as the city administrator may designate to administer this title.

“Engaging in business” has the meaning found in SWMC [5.02.030](#).

“Person” includes the terms “company,” “corporation,” “individual,” “owner,” “partnership,” “proprietorship” and “sole proprietorship” and shall mean any individual, receiver, administrator, executor, assignee, trustee in bankruptcy, trust, estate, firm, joint venture, club, business trust, association, society, or group of individuals acting as a unit, whether mutual, cooperative, fraternal, religious, profit, nonprofit, or otherwise.

5.02.021 Purposes

A. To provide revenue for municipal planning, policing, and regulatory purpose and to provide revenue to pay for the necessary expense required to issue the endorsement for and to regulate the businesses endorsed.

B. The endorsement fees levied by this chapter shall be independent and separate from any permit fees now or hereafter required of any person to engage in any business by any ordinance of the city, regulating any business herein required to be licensed, and all such businesses shall remain subject to the regulatory provisions of any such ordinance or ordinances now or hereafter in effect, and the person engaged in all such businesses shall be liable for the payment of any endorsement fees for which provision has been made herein.

C. The levy or collection of an endorsement fee upon any business shall not be construed to be a license or permit of the city to the person engaged therein, in the event such business shall be unlawful, illegal, or prohibited by the ordinances of the city or the laws of the state or the United States.

5.02.030 Definition – “Engaging in 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 minimis 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) of this section. If an activity is not listed,

PROPOSED RE-WRITE

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 another acting on its behalf constitutes engaging in business and requires a person to register and obtain a business license endorsement.

- (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. This includes but not limited to hotels, motels, storage facilities, bed and breakfast, equipment rental, renting apartments, mobile home parks, and renting residence.
- (b) Owning, renting, leasing, using, or maintaining, an office, place of business, or other establishment in the city.
- (c) Soliciting sales, including door-to-door 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) 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.
- (m) Investigating, resolving, or otherwise assisting in resolving customer complaints.

PROPOSED RE-WRITE

- (n) 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.
 - (o) Delivering goods in vehicles owned, rented, leased, used, or maintained by the person selling the goods, or another acting on its behalf. For example, a furniture business delivering a piece of furniture in the business truck, to a residence in city limits.
 - (p) Common carriers delivering goods within city limits, for example UPS, Amazon, and FedEx.
- (4) If a person, or its employee, agent, representative, independent contractor, broker or another 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 endorsement:
- (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 function;
 - (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;
 - (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;
 - (f) Conducting advertising through the mail;
 - (g) Soliciting sales by phone from a location outside the city;
 - (h) Soliciting service sales by phone or internet, from a location outside the city, and solely providing the service remotely. For example virtual therapy.
- (5) A seller located outside the city merely delivering goods into the city by means of common carrier, for example USPS, UPS, Amazon, or FedEx, is not required to register and obtain a business license endorsement; provided, that it engages in no other business activities in the city. Such activities do not include those in subsection (4) of this section.
- (6) Government agencies operating or providing services within city limits do not require a city of Sedro-Woolley business license.
- (7) 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.

5.02.040 Business License Endorsement – When Required

PROPOSED RE-WRITE

(1) All entities “engaging in business” as defined in SWMC [5.02.030](#) within the city of Sedro-Woolley require a city business license.

(a) A subcontractor engaging in business within the city of Sedro-Woolley must obtain a city business license endorsement. The endorsement of a general contractor does not satisfy the endorsement requirements for a subcontractor.

(b) If business is transacted by one person at two or more separate locations within the city, each business location requires a separate endorsement.

(c) If more than one business is conducted or operated on a single premises, a separate endorsement is required for each business.

(2) *Exemption for Businesses Located Outside the City.*

(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 is exempt from the general business license endorsement requirements and fees in this chapter.

(b) Such a business is not exempt from the regulatory special permits requirements of this title.

(3) The following are exempt from the requirement to obtain a city business license endorsement:

(a) Garage sales, lawn sales, rummage sales, or any other similar casual sale of tangible personal property conducted on an infrequent basis not to exceed three times per each calendar year and not to exceed two consecutive days at one time;

(b) Running an estate sale (estate sales by a professional company would be considered engaging in business);

(c) Persons selling personal property or providing a service pursuant to an order or process of a court of competent jurisdiction;

(d) Persons acting in accordance with their powers and duties as public officials;

(e) A farmer or gardener selling their own produce, livestock products or flowers;

(f) Working from home as a remote employee;

(g) Conducting advertising through social media;

(h) Minor engaged in babysitting, newspaper delivery, lemonade stands, lawn mowing, and similar activities;

(i) Vendors in a temporary bazaar or community fair, including mobile vendors, for which a master endorsement has been given to the sponsor thereof, provided the necessary fire inspection and health/food safety inspections have occurred.

(4) A business license is not transferable.

PROPOSED RE-WRITE

- (a) No licensee may allow another person to operate a business under or display the license issued to their business, nor may another person operate under or display the license issued to another business.
 - (b) A person who acquires an existing business must apply for a city business license before commencing business within the city with that business.
 - (c) A licensee must report a change of location of the business to the state Master License Service, in coordination with the city clerk.
 - (d) A change of the location of a business requires approval by the city before business may commence at the new location, and may require submitting a new master application and payment of fees.
- (5) A city business license endorsement does not convey the city's permission to conduct a prohibited activity or other violation. The city may not be held liable for the actions of any endorsed business by virtue of having issued an endorsement to conduct business.
- (6) An applicant or licensee must permit reasonable inspections of the business premises by governmental authorities for the purpose of enforcing the provisions of this chapter.

5.02.041 Mobile Vendor

- (1) "Mobile vending" or "mobile vendor" means a business that both solicits sales and provides the good(s) or service(s) in a transient mobile vehicle, including a motor vehicle, cart, trailer, or similar vehicle that can be moved from location to location

The following are considered mobile vending:

- (a) Food truck
 - (b) Ice cream truck
 - (c) Coffee cart
 - (d) Street vendor selling food, beverages, or other items
 - (e) Mobile vendors on private property
 - (f) Open air vending not attached to a business with a fixed location
- (2) The below do not require mobile vendor licenses.
- (a) Vendors in a temporary bazaar, community fair that have been approved through the special events process, including mobile vendors, for which a master business license has been given to the sponsor thereof, provided the necessary fire inspection and health/food safety inspections have occurred;
 - (b) Delivery businesses, such as Amazon, UPS, FedEx, and delivery vehicles restocking food and drink to other businesses.
 - (c) Businesses with vehicles that pick-up items to be serviced elsewhere, such as laundering.

PROPOSED RE-WRITE

(d) Businesses with sales solicited over the phone or internet, and the goods or service are delivered or provided from a mobile vehicle to a location within city limits. For example, a locksmith or tow truck.

(3) Mobile vendors on public streets must meet the following conditions (i) the vehicle must be legally parked and cannot use more than a single designated parking space; (ii) the vehicle or cart may not obstruct any street or sidewalk for the passage of other vehicles or pedestrian or result in noncompliance with the Americans with Disabilities Act as Amended (ADAAA); (iii) the vehicle must not operate in a single location for more than ten minutes at a time. For the purposes of this section, one location is defined as one city block (for example, the ice cream truck selling ice cream and frozen novelties from block to block).

(4) 5.02.41(3) (i) and (iii) does not apply to mobile vendors as part of a temporary bazaar or community fair as approved through the special events process. It also does not apply to the Sedro-Woolley Farmers Market.

(5) Mobile vending is allowed on private property when invited by the property owner. If the mobile vendor serves food, it must not be located within one hundred feet of an existing restaurant without the restaurant owner's consent.

(6) Nothing in this section shall relieve any person who is operating as a mobile vendor from compliance with all other requirements of the Sedro-Woolley Municipal Code, including, but not limited to, for example, zoning, sewer, and mandatory solid waste service requirements.

5.02.042 Pawnbroker

(1) No person shall be issued an endorsement to operate as a pawnbroker unless they possess the following qualifications:

(a). Is at least twenty-one years of age;

(b). Is a resident of the state of Washington for at least six months prior to filing application;

(c). Has not been convicted of any offense involving moral turpitude or intent to defraud or any property crime, within three years prior to the time of application;

(i). When an application for an endorsement to operate as a pawnbroker, duly signed and notarized, and accompanied by required information, has been received by the police chief, they shall investigate the statement contained therein and may obtain such other information concerning the applicant's character, integrity, personal habits, past conduct and general suitability to maintain a pawnshop within the city.

(ii). Each application for a pawnbroker's license shall be accompanied by a complete set of fingerprints of the applicant, utilizing a fingerprint form provided by the city police department.

(iii). All applications shall become null and void after sixty days from the date of filing if the application for any reason is denied or is not obtained by the applicant.

5.02.043. Taxicab

(1) No taxicab endorsement or driver's permit shall be issued to any person who:

- (a). Has been convicted of an offense of such a nature to indicate that he or she is unfit to hold a license or a permit;
- (b). Is guilty of committing two or more offenses for which mandatory revocation of driver's license is provided by law;
- (c). Has been convicted of manslaughter resulting from the operation of a motor vehicle or convicted of negligent homicide;
- (d). Is intemperate or addicted to the use of narcotics.

(2). Any endorsement or permit issued may be revoked if the holder is found guilty of the above-mentioned disabilities or physically or mentally unfit upon complaint of the police chief or a committee of the city council designated for that purpose by the council as a whole, at which hearing the holder or licensee may appear and be heard on his own behalf.

(3). No person may be issued a taxicab endorsement or driver's permit within one year after his conviction in any local, state, or federal court or authority, of the violation of any ordinance or law pertaining to the sale or possession of alcoholic beverages, and any endorsement or permit issued shall be revoked for one year upon the conviction of the holder of a violation of local, state, or federal ordinances, laws, or regulations pertaining to the sale or possession of alcoholic beverages.

(4). The payment of such endorsement fee shall permit the owner or operator to operate as many taxicabs under one endorsement as he may desire.

(5). Nothing herein contained shall prevent the operator of a taxicab endorsed to operate in another city or town or within this or other county, from entering and leaving the city for picking up or depositing passengers in the usual course of business.

5.02.044. Nonprofits

(1). Nonprofit Business License Endorsement. Businesses and organizations which have IRS 501(c)(3) nonprofit tax status, for activities within the scope of their IRS 501(c)(3) purpose, are exempted from any fees in this chapter; however, they are not exempted from registering with the city of Sedro-Woolley; provided, that:

- (a). The organization shall provide proof of IRS 501(c)(3) status;
- (b). The activity shall not include the sale of food, beverages, cigarettes or gambling; and
- (c). The owner of property used for this exempt purpose shall obtain a fire inspection certificate if required by this chapter.

(2). The endorsement required by this chapter shall have a term as established by the state of Washington BLS, in cooperation with the city.

PROPOSED RE-WRITE

(3). Each branch establishment or separate location of a business conducted by any person shall, for the purpose thereof, be a separate business and subject to the endorsement therefor provided for herein.

(4). If any person be engaged in operating or carrying on in the city more than one business, then such person shall pay the endorsement herein prescribed for as many of said businesses as are carried on by such person.

(5). A change of physical location of a business inside the city will require approval by the city before business may commence at the new location, and may require the filing of a new master business application.

5.02.050 Application and renewal.

(1) An application for a city business license endorsement or renewal must be filed via a master application through the State Department of Revenue's Master License Service.

(a) An application may only be for a single city business license. Each license requires a separate application.

(b) The applicant must pay the filing fee described in the city's consolidated fee schedule and any State Master License Service's handling fees.

5.02.060 Endorsement fees.

(1) General Business License Endorsement. All persons engaged in business in the city shall pay an annual basic endorsement fee as listed in the master fee schedule adopted by resolution of the city council.

(2) Regulatory Business License Endorsement. Each person engaged in the following businesses in the city shall pay an additional annual endorsement fee, as listed in the master fee schedule adopted by resolution of the city council, as indicated below:

(a). Businesses, clubs or societies selling or serving beer, wine and/or spirits, or selling cannabis, operating under license or authority of the Washington State Liquor and Cannabis Board;

(b). Mobile vendors;

(c). Pawnbrokers;

(d). Taxicabs;

(e). Nonprofits.

(3) For purposes of the endorsement 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 thousand (\$2,000.00) and who does not maintain a place of business within the city, is exempt from city business licensing endorsement fees. The exemption does not apply to regulatory licenses or activities that require a specialized permit.

5.02.070 Review of application – Approval or denial.

- (1) The clerk must, when appropriate, refer applications to the community development department, the police department, fire department or other governmental agencies for their review.
- (2) The clerk must approve an application for a business license endorsement that complies with this chapter and other provisions of the Sedro-Woolley Municipal Code.
- (3) If the clerk denies an application, the clerk must notice to the applicant of the denial of their license.

5.02.080 License expiration.

Each city business license endorsement must include an expiration date as determined by the Master License Service in coordination with the city.

5.02.090 Penalty for late application or renewal.

- (1) License Endorsements must be renewed annually on or before the expiration date, or expiration of any prorated period. Failure to renew a business license endorsement by the endorsement expiration date may result in the assessment of a late renewal penalty (outlined in the city’s master fee schedule), and may lead to the revocation of the city license.
- (2) Revocation of an endorsement due to nonrenewal requires reapplication for the city license, and approval by the city before the revoked business may continue operation within the city.

5.02.100 License suspension or revocation.

(1) The clerk may suspend or revoke a business license endorsement when the licensee or any of its officers, directors, agents, owners, or employees fails or have failed to:

- (a) Maintain the licensed premises or business activity in compliance with applicable health, building, fire, zoning (including legal nonconforming uses) or safety laws, ordinances, or regulations;
- (b) Comply with the requirements of this chapter. Any suspension shall remain in effect until the conditions causing the suspension are cured and reasonable measures are taken to ensure that those conditions will not recur; or
- (c) Renew a business license within 120 days after the expiration date of the license.

(2) The clerk must give notice to the license-holder of the suspension or revocation of their license.

5.02.110 Appeals.

- (1) The applicant or license-holder may appeal the clerk’s decision to the city hearing examiner by:
 - (a) Filing written notice of appeal to the clerk within seven calendar days; and
 - (b) Paying the appropriate fee.

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(2) The hearing examiner may overturn or modify the clerk's decision if it is clearly erroneous, and must issue its decision within 30 days of the date the appeal is received. The hearing examiner's review of the appeal is not subject to a hearings proceeding.

5.02.120 Penalty for violation.

Violation of any requirement of this chapter not otherwise specified is a class 1 civil infraction and may also be enforced pursuant to SWMC Title 18.

5.04.130 Examinations of business premises.

City officials shall have the authority to investigate and examine all places of business licensed or subject to license under this chapter at any reasonable time for the purpose of determining whether such place of business is complying with the provisions of this chapter.

5.04.140 Fire inspection certificates.

1. The owner of nonresidential, commercial, industrial, or multifamily residential structures on real property shall obtain a fire inspection certificate for each property from the Sedro-Woolley fire department.
2. For purposes of this chapter, multifamily residential rental property shall be defined as a building containing three or more dwelling units or a single dwelling unit in a building used primarily for nonresidential purposes. Hotel, motel, and "bed and breakfast" facilities shall be considered commercial facilities.
3. The owner of the real property shall be primarily responsible for obtaining the fire inspection certificate; however, the tenant or lessee may obtain the fire inspection certificate for the owner, as the owner's agent.

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Chapter 5.04 BUSINESS LICENSES*

Sections:

5.04.010 Definitions.

5.04.020 Purposes.

5.04.030 License fees.

5.04.035 Fee exemption.

5.04.040 Procedure for obtaining license.

5.04.050 Examinations of business premises.

5.04.055 Fire inspection certificates.

5.04.060 Penalties.

5.04.070 Additional remedies.

5.04.080 License—Compliance—Revocation.

5.04.090 License—Needed for defense.

5.04.100 Home occupation business.

5.04.320 Repealed.

5.04.330 Unpaid license fee.

5.04.360 Exemptions.

5.04.380 Publishers.

5.04.420 Duties of the city clerk.

* Prior ordinance history: 373, 376, 391, 403, 509, 595, 598, 605, 865, 880, 948, 949, 950, 960, 966, 972 and 978.

5.04.010 Definitions.

The following terms when used in this chapter shall have the meanings designated below:

A. “Person” means all individuals, partnerships, domestic and foreign corporations, associations, syndicates, joint ventures, and societies transacting and carrying on any business in the city of Sedro-Woolley, Washington.

B. Engaging in Business.

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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 minimis 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 (B)(1) of this section. 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 another 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

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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 another acting on its behalf.

4. If a person, or its employee, agent, representative, independent contractor, broker or another 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.

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- 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 (B)(4) of this section.

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.

- 6. Engaging in business does not include:
 - a. Vendors in a temporary bazaar or community fair, including mobile vendors, for which a master license has been given to the sponsor thereof.
 - b. Rental or lease of real property by an owner; provided, that the owner of any structure on real property shall obtain a fire inspection certificate for each property from the Sedro-Woolley fire department if required by this chapter; and provided, that any business on the property shall, if otherwise required by Section [5.40.030](#), obtain a business license. Rentals with added services, including but not limited to hotels, motels, storage facilities, and bed and breakfasts, shall obtain a business license.
 - c. Minors engaged in babysitting, newspaper delivery, lemonade stands, lawn mowing, and similar activities.
 - d. Farmers selling their own produce.

C. “Mobile vending” or “mobile vendors” means sales of services and/or merchandise including food that occurs at or in a mobile vehicle, cart, trailer or similar vehicle that can be moved from location to location, but not including, however, the following:

- 1. Mobile vending that occurs during and as a part of community events, which include Founders’ Day, Blast from the Past, Loggerodeo, 4th of July, Thanksgiving, City of Lights Festival, and such other events as the city council may from time to time designate.
- 2. Mobile vending on private property when invited by the property owner for the limited purpose of serving the business and employees of the business on private property (for example, the mobile food vendor being invited to serve a manufacturing company’s employees).
- 3. Mobile vending on public streets provided the following conditions are met: (a) the vehicle must be legally parked and cannot use more than a single designated parking space; (b) the vehicle or cart may not obstruct any street or sidewalk for the passage of other vehicles or pedestrians or result in noncompliance with the Americans with Disabilities Act as Amended

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(ADAAA); (c) the vehicle must not operate in a single location for more than ten minutes at a time. For purposes of this section, one location is defined as one city block (for example, the ice cream truck selling ice cream and frozen novelties from block to block).

4. “Open air vending,” which means the sales of services and/or merchandise including food that occurs at a table or other temporary location that is an integral extension of an already existing permanently sheltered business. Open air vending does not include garage sales.

5. Mobile vending which occurs as part of a special event as defined in Chapter [12.44](#).

D. The agent or agents of a nonresident proprietor engaged in a business for which a license is required by this chapter shall be liable for the payment of the fee thereon as herein provided and for the penalties for failure to pay the same or to comply with the provisions of this chapter to the extent and with like effect as if such agent or agents were themselves proprietors.

E. “Extension vending” means sales of services and/or merchandise including food that occurs at or in a mobile vehicle, cart, trailer or similar vehicle that can be moved from location to location but is licensed to vend in a single, fixed location that provides access for employees and customers to plumbed restroom facilities and tables and chairs.

F. “Director” means the finance director of the city of Sedro-Woolley. (Ord. [1904-18](#) §§ 1, 2, 2018; Ord. [1882-17](#) § 1, 2017; Ord. [1726-11](#) § 1, 2011; Ord. [1721-11](#) § 1 (part), 2011; Ord. [1422-02](#) § 1, 2002; Ord. [1192](#) § 1 (part), 1993)

5.04.020 Purposes.

A. To provide revenue for municipal planning, policing, and regulatory purposes and to provide revenue to pay for the necessary expense required to issue the license for and to regulate the businesses licensed.

B. The license fees levied by this chapter shall be independent and separate from any permit fees now or hereafter required of any person to engage in any business by any ordinance of the city, regulating any business herein required to be licensed, and all such businesses shall remain subject to the regulatory provisions of any such ordinances or ordinances now or hereinafter in effect, and the persons engaged in all such businesses shall be liable for the payment of any license fees for which provision has been made herein.

C. The levy or collection of a license fee upon any business shall not be construed to be a license or permit of the city to the person engaged therein to engage therein, in the event such business shall be unlawful, illegal, or prohibited by the ordinances of the city or the laws of the state or the United States. (Ord. [1721-11](#) § 1 (part), 2011; Ord. [1192](#) § 1 (part), 1993)

5.04.030 License fees.

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A. No person shall engage in business in the city without first having applied for, paid for and obtained the license therefor for the current year, as provided herein, and without having first complied with any and all applicable provisions of this chapter.

B. Regulatory Business License. Each person engaged in the following businesses in the city shall pay an annual basic license fee as indicated below:

1. Businesses, clubs or societies selling or serving beer, wine and/or spirits, operating under license or authority of the Washington State Liquor and Cannabis Board, an annual license fee as listed in the master fee schedule adopted by resolution of the city council.

2. Pawnbrokers. An annual license fee as listed in the master fee schedule adopted by resolution of the city council and no person shall be issued a license to operate as a pawnbroker unless he or she possesses the following qualifications:

a. Is at least twenty-one years of age;

b. Is a resident of the state of Washington for at least six months prior to filing application;

c. Has not been convicted of any offense involving moral turpitude or intent to defraud or any property crime, within three years prior to the time of application.

i. When an application for a license to operate as a pawnbroker, duly signed and notarized, and accompanied by required information, has been received by the police chief, he shall investigate the statements contained therein and may obtain such other information concerning the applicant's character, integrity, personal habits, past conduct and general suitability to maintain a pawnshop within the city.

ii. Each application for a pawnbroker's license shall be accompanied by a complete set of fingerprints of the applicant, utilizing a fingerprint form provided by the city police department.

iii. All applications shall become null and void after sixty days from the date of filing if the application for any reason is denied or is not obtained by the applicant.

3. Mobile Vendors. An annual license fee as listed in the master fee schedule adopted by resolution of the city council and compliance with the following requirements:

a. Mobile vending is allowed on private property when invited by the property owner. If the mobile vendor serves food, it must not be located within one hundred feet of an existing restaurant without the restaurant owner's consent; and

b. Mobile vending is allowed on public streets provided the following conditions are met: (i) the vehicle must be legally parked and cannot use more than a single designated parking space; (ii) the vehicle or cart may not obstruct any street or sidewalk for the passage of other vehicles or pedestrians or result in noncompliance with the Americans with Disabilities Act, as amended

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(ADA); (iii) the vehicle must not operate in a single location for more than ten minutes at a time. For purposes of this section, one location is defined as one city block; and

c. Nothing in this section shall relieve any person who is operating as a mobile vendor from compliance with all other requirements of the Sedro-Woolley Municipal Code, including, but not limited to, for example, zoning, sewer, and mandatory solid waste service requirements.

4. Taxicabs.

a. An annual license fee as listed in the master fee schedule adopted by resolution of the city council and no taxicab license or driver's permit shall be issued to any person who:

i. Has been convicted of an offense of such a nature to indicate that he or she is unfit to hold a license or a permit;

ii. Is guilty of committing two or more offenses for which mandatory revocation of driver's license is provided by law;

iii. Has been convicted of manslaughter resulting from the operation of a motor vehicle or convicted of negligent homicide;

iv. Is intemperate or addicted to the use of narcotics.

b. Any license or permit issued may be revoked if the holder is found guilty of the above-mentioned disabilities or physically or mentally unfit upon complaint of the police chief or a committee of the city council designated for that purpose by the council as a whole, at which hearing the holder or licensee may appear and be heard on his own behalf.

c. No person may be issued a taxicab license or driver's permit within one year after his conviction in any local, state, or federal court or authority, of the violation of any ordinance or law pertaining to the sale or possession of alcoholic beverages, and any license or permit issued shall be revoked for one year upon the conviction of the holder of a violation of local, state, or federal ordinances, laws, or regulations pertaining to the sale or possession of alcoholic beverages.

d. The payment of such license fee shall permit the owner or operator to operate as many taxicabs under one license as he may desire.

e. Nothing herein contained shall prevent the operator of a taxicab licensed to operate in another city or town or within this or other county, from entering and leaving the city for picking up or depositing passengers in the usual course of business.

5. Extension Vendors. An annual license fee as listed in the master fee schedule adopted by resolution of the city council per location and compliance with the following requirements:

a. Extension vending is allowed only on private property when invited by the property owner; and

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b. Nothing in this section shall relieve any person who is operating as an extension vendor from compliance with all other requirements of this code, including, but not limited to, for example, zoning, sewer, and mandatory solid waste service requirements.

6. Businesses growing, processing or selling marijuana operating under license or authority of the Washington State Liquor and Cannabis Board, an annual license fee as listed in the master fee schedule adopted by resolution of the city council.

C. General Business License. All persons engaged in business in the city not included in regulatory or nonprofit business license sections shall pay an annual basic license fee as listed in the master fee schedule adopted by resolution of the city council.

D. Nonprofit Business License. Businesses and organizations which have IRS 501(c)(3) nonprofit tax status, for activities within the scope of their IRS 501(c)(3) purpose, are exempted from any fees in this chapter; however, they are not exempted from registering with the city of Sedro-Woolley; provided, that:

1. The organization shall provide proof of IRS 501(c)(3) status;
2. The activity shall not include the sale of food, beverages, cigarettes or gambling; and
3. The owner of property used for this exempt purpose shall obtain a fire inspection certificate if required by this chapter.

E. The license required by this chapter shall have a term as established by the state of Washington BLS, in cooperation with the city.

F. Each branch establishment or separate location of a business conducted by any person shall, for the purpose thereof, be a separate business and subject to the license therefor provided for herein.

G. If any person be engaged in operating or carrying on in the city more than one business, then such person shall pay the license herein prescribed for as many of said businesses as are carried on by such person.

H. A change of physical location of a business inside the city will require approval by the city before business may commence at the new location, and may require the filing of a new master business application. (Ord. [2023-22](#) § 1, 2022; Ord. [2013-22](#) § 10, 2022; Ord. [1904-18](#) § 4, 2018; Ord. [1882-17](#) § 2, 2017; Ord. [1721-11](#) § 1 (part), 2011; Ord. [1422-02](#) § 2, 2002; Ord. [1408-01](#) § 1, 2001; Ord. [1192](#) § 1 (part), 1993)

5.04.035 Fee 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 two thousand dollars and who does not maintain a place of business within the city, shall

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submit a business license registration to the director or designee. The threshold does not apply to regulatory license requirements or activities that require a specialized permit. (Ord. [1904-18](#) § 3, 2018)

5.04.040 Procedure for obtaining license.

A. All licenses shall be issued and renewed by the State of Washington Department of Revenue Business Licensing Service (BLS). Building and fire inspections and approvals must be issued before an initial business license is issued. All licenses and permits are subject to revocation at any time by the council for cause.

B. Application for the business license shall be made by submitting a completed master business application, and any appropriate addenda forms to the BLS, in cooperation with the city. Said application shall be accompanied by payment of all respective license fees due for that application and the BLS application handling fee.

C. No license issued to do business within the limits of the city shall be transferable. Only the individuals to whom the license is issued shall be eligible to operate on that license.

D. All persons operating on or doing business under license issued by the Business Licensing Service shall, at all times, keep such license either on their person or properly displayed while so operating within the city limits.

E. Issuance of a business license shall not relieve the applicant from the need to comply with all other applicable city ordinances. (Ord. [1721-11](#) § 1 (part), 2011; Ord. [1192](#) § 1 (part), 1993)

5.04.050 Examinations of business premises.

City officials shall have the authority to investigate and examine all places of business licensed or subject to license under this chapter at any reasonable time for the purpose of determining whether such place of business is complying with the provisions of this chapter. (Ord. [1721-11](#) § 1 (part), 2011; Ord. [1192](#) § 1 (part), 1993)

5.04.055 Fire inspection certificates.

A. The owner of nonresidential, commercial, industrial, or multifamily residential structures on real property shall obtain a fire inspection certificate for each property from the Sedro-Woolley fire department.

B. For purposes of this chapter, multifamily residential rental property shall be defined as a building containing three or more dwelling units or a single dwelling unit in a building used primarily for nonresidential purposes. Hotel, motel, and “bed and breakfast” facilities shall be considered commercial facilities.

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C. The owner of the real property shall be primarily responsible for obtaining the fire inspection certificate; however, the tenant or lessee may obtain the fire inspection certificate for the owner, as the owner's agent. (Ord. [1721-11](#) § 1 (part), 2011: Ord. [1422-02](#) § 3, 2002)

5.04.060 Penalties.

A. Failure to renew the license on or before the expiration date established by the Business Licensing Service may result in the charge of a delinquent renewal penalty or the cancellation of the license. If a license is cancelled, filing of a new master business application, payment of all appropriate fees and reapproval by the city may be required in order to continue conducting business in the city.

B. Nothing herein contained shall be taken or construed as vesting any right in any license as a contract obligation on the part of the city as to the amount of the fee hereunder. Other or additional taxes or fees and the fees herein provided for may be increased or decreased and additional or other fees provided for and levied in any and all instances at any time by the city.

C. The conviction of any person for violation of any of the provisions of this chapter shall not operate to relieve such person from paying any fee or penalty thereupon for which such person shall be liable, nor shall the payment of any such fee be a bar to or prevent prosecution in the city court of any complaint for the violation of any of the provisions of this chapter.

D. All persons, firms and corporations who perform labor, services and construction within the city (as provided in Rule II, WAC [458-20-145](#)), shall report the city "Location Code Number 2908" on their sales/excise tax returns to the state of Washington Department of Revenue. On any violation hereof, the amount of local sales and use taxes due the city shall be paid to the city by the violator, together with a penalty of one hundred percent in addition to all other penalties, fines and remedies provided in this chapter. (Ord. [1721-11](#) § 1 (part), 2011: Ord. [1670-10](#) § 2, 2010; Ord. [1192](#) § 1 (part), 1993)

5.04.070 Additional remedies.

A. In addition to the penalties provided in this chapter and as separate and distinct remedies, the city may sue in any court of competent jurisdiction to obtain a judgment and enforce collection thereof by execution for any license fee or tax due under this chapter.

B. The city may seek an injunction prohibiting a person from engaging in any unlicensed business.

C. In any action or suit authorized by this section, the city, if it prevails, shall recover a reasonable attorney's fee to be set by the court, in addition to its costs and disbursements. (Ord. [1721-11](#) § 1 (part), 2011: Ord. [1192](#) § 1 (part), 1993)

5.04.080 License—Compliance—Revocation.

CURRENT CODE

Every license shall be taken and held subject to all of the ordinances and police regulations of the city existing at the time of the issuance thereof, and also subject to revocation by the city council at their discretion at any time upon refunding the price paid, proportionately for the unexpired term of such license; and upon conviction of any license for the violation of any ordinance regulating the licensed business, the city council shall have power to revoke the license without notice and without repayment of the unearned portion of the license fee, whereupon the license shall be forfeited. The conditions contained in this section shall constitute a part of each license issued by the city. (Ord. [1721-11](#) § 1 (part), 2011; Ord. [1192](#) § 1 (part), 1993)

5.04.090 License—Needed for defense.

Upon the trial of any action brought for the violation of any license ordinance of the city, the defendant shall be deemed not to have procured or have in force the required license unless he produces such license in court and proves that the same has been properly issued and the fee therefor paid, and in any such action the fact that the defendant has represented himself as engaging in any business or calling for which a license is required shall be conclusive evidence of the liability of the defendant to pay for such license and procure the issuance thereof. (Ord. [1721-11](#) § 1 (part), 2011; Ord. [1192](#) § 1 (part), 1993)

5.04.100 Home occupation business.

A business owner intending to conduct business from a residence located within the city must provide proof of residency within the city and obtain approval per Chapter [17.68](#). The proof of residency and home occupation permit application must be filed directly with the city separate from the master business application submitted to the Business Licensing Service, and must be received and approved by the city before the business license application can be approved. (Ord. [1721-11](#) § 1 (part), 2011)

5.04.320 Public utilities.

Repealed by Ord. [1721-11](#). (Ord. [1192](#) § 1 (part), 1993)

5.04.330 Unpaid license fee.

Any license fee or tax which shall become due and owing to the city, whether imposed by this chapter or any other license ordinance, shall constitute and remain an indebtedness due and owing to the city until paid and the same may be collected in any civil action. (Ord. [1192](#) § 1 (part), 1993)

5.04.360 Exemptions.

Any person paying a business and occupation tax to the city under the terms of Ordinance No. 382, or under the terms of future ordinances of the city shall be exempt from the payment of any license or tax under this chapter during the year or years covered by such other ordinances. (Ord. [1192](#) § 1 (part), 1993)

CURRENT CODE

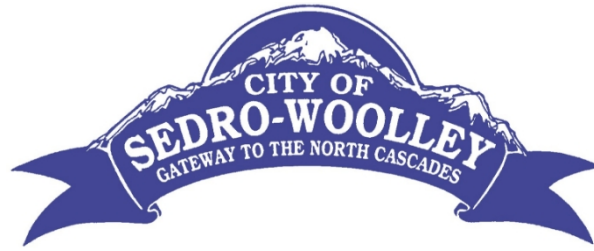
5.04.380 Publishers.

Publishers of newspapers, periodicals or any other publications, may, in lieu of procuring any license provided for in this chapter, pay to the city a sum of money equal in amount of the appropriate license fee set forth in Section [5.04.030](#), and upon payment thereof, shall be exempt from the requirements of this chapter, such exemption to apply for one calendar year, and to be renewable from year to year upon additional payment of the sum. (Ord. [1367-00](#) § 1, 2000; Ord. [1192](#) § 1 (part), 1993)

5.04.420 Duties of the city clerk.

The city clerk shall keep full and accurate records of all funds received under the provisions of this chapter. Upon receipt of any license fee or penalties collected under the provisions of this chapter, he shall deposit the same with the city treasurer to the credit of the current expense fund.

It shall be the duty of the city clerk to require all parties engaging in any business activity to procure such license, and should there be any license fee not paid by any person, it shall be the duty of the city clerk to enforce collection thereof in the manner provided in this chapter. (Ord. [1192](#) § 1 (part), 1993)



**Finance and Information Technology
Committee Agenda Item**

Agenda Item No.: d.2.

Date: May 28, 2025

From: Kelly Kohnken, Finance Director / City Clerk

Subject: Schedule Next Committee Meeting

RECOMMENDED ACTION:

Motion to reschedule the September 24, 2025 Finance and IT Committee meeting to _____.

BACKGROUND/SUMMARY INFORMATION:

The next Finance and IT Committee meeting is scheduled for September 24, 2025. Finance Director Kelly Kohnken will be at the Washington Finance Officer's Association Conference during this time. We recommend the committee reschedule the meeting, one potential date is October 1, 2025, before a council study session.

FISCAL IMPACT, IF APPROPRIATE:

None

ATTACHMENTS:

None