



City of Yakima

News Release

Subject: Changes to Business License Regulations

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State-Mandated Changes to Business License Regulations Taking Effect

Changes made recently by the Washington State Legislature require cities to adopt new business license regulation language and for the new language to take effect January 2019.

In the fall of this year, the Yakima City Council followed the new state law and approved revisions to the City's business license regulations. As a result, people renewing their existing business licenses now for next year are being affected by the revisions. Additionally, a likely consequence of the state-mandated changes will be that some people will now need to get a business license even though they may not have had to before.

During the 2017 state legislative session, lawmakers passed a bill changing the definition of "engaging in business" and requiring cities to establish a minimum annual income threshold for businesses doing business in the city but located outside of the city that are exempt from needing a business license.

In October, the Yakima City Council approved the language changes and set a minimum annual income threshold of \$12,000, below which both businesses located within the City and businesses which do business within the city but are located elsewhere are exempt from needing to pay the business license fee, but still need a City-issued license.

"The state mandated cities expand the definition of 'engaging in business' which now includes, as an example, renting or leasing office buildings, apartments, duplexes, housesõ", said Communications & Public Affairs Director Randy Beehler. "So, someone who rents or leases property and makes more than \$12,000 a year from rent or lease income now needs to get a business license while they may never have had to before. That's probably going to result in some confusion," said Beehler. "But the City is making every effort to ensure that the transition to the new regulations goes as smoothly as possible."

The new business license language can be seen by clicking on the following link and navigating to Title 5 and then to Chapter 5.52.020 - <https://www.codepublishing.com/WA/Yakima/>. Questions about the business license regulation changes can be answered by calling the City's Code Administration office at 575-6126 or by sending an e-mail to codes@yakimawa.gov.