

ORDINANCE O-4554

AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO THE REVENUE GENERATING REGULATORY LICENSE FEE.

1 The City Council of the City of Kirkland do ordain as follows:
2

3 Section 1. Section 7.02.160 of the Kirkland Municipal Code is
4 amended to read as follows:
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6 **7.02.160 Revenue generating regulatory license fee (RGRL).**

7 (a) General. In addition to the basic license fee, the highest applicable
8 RGRL in this section shall be paid for the annual license issued under
9 this chapter.

10 (1) A business with less than twelve thousand dollars of average
11 annual gross receipts shall be exempt from any RGRL.

12 (2) A business located within the city limits of Kirkland with ten or
13 fewer employees or FTEs shall be exempt from the RGRL for the first
14 year of business operation only. Businesses exempt from the RGRL
15 under this subsection shall still be required to pay the basic license fee
16 under Section 7.02.120 and register the number of employees and FTEs
17 under this chapter.

18 (3) For the purposes of this section and in determining the applicable
19 RGRL, the term "employee" means and includes each of the following
20 persons who are not required by the city to have his/her/its own
21 separate city of Kirkland business license:

22 (A) Any person who is on the business's payroll, and includes all full-
23 time, part-time, and temporary employees or workers; and

24 (B) Self-employed persons, sole proprietors, owners, managers, and
25 partners; and

26 (C) Any other person who performs work, services or labor at the
27 business, including an independent contractor who is not required to
28 have a separate city of Kirkland business license.

29 (4) An entity that is entirely exempt from paying the basic license fee
30 shall be exempt from any RGRL.

31 (5) An entity with some activities or functions that are exempt from
32 the basic license fee and some that are not exempt shall pay an RGRL
33 based on the number of its employees that are involved in the functions
34 or activities that are not exempt.

35 (b) Amount of RGRL.

36 (1) Revenue Generating Regulatory License (RGRL) Fee Method.
37 Except as otherwise provided by this chapter, every person engaging in
38 business within the city shall pay an RGRL based upon the number of
39 employee hours worked in Kirkland during the previous year. Annual
40 employee hours are calculated based on the sum of the four quarterly
41 reports submitted to the Washington State Department of Labor and
42 Industries for the previous year. It will be the responsibility of the
43 employer to determine the number of hours worked within the city from
44 these reports. Businesses that did not file quarterly reports with the
45 Washington State Department of Labor and Industries shall determine
46 the number of hours worked within the city and demonstrate, if

47 required, to the satisfaction of the finance and administration director
48 or his/her authorized agent, that the number of employee hours worked
49 is correct.

50 (2) The annual license fee (base fee and RGRL) shall be calculated by
51 adding the base fee of one hundred dollars per business license to the
52 full-time-equivalent employees that worked in Kirkland multiplied by one
53 hundred and five dollars. The approved tax rate per full-time employee
54 is ~~\$0.052084~~ 0.054688 (which represents a RGRL multiplier of
55 ~~\$0.052084~~ 0.054688 per employee hour worked), as may be adjusted
56 herein. Employers without a full year history would need to estimate the
57 number of employee hours that will be worked in the current calendar
58 year.

59 (3) If a business has more than one location in Kirkland, the annual
60 business license fee calculation must include a base fee for each location
61 and the RGRL for annual employee hours at all locations.

62 (c) Alternative FTE Method. A business may choose to calculate its
63 annual license fee by adding the one-hundred-dollar base fee to the
64 RGRL based on multiplying one hundred and five dollars by the number
65 of its employees. The number of employees shall be based on the sum
66 of the employees in the four quarterly reports submitted to the
67 Washington State Department of Labor and Industries for the previous
68 year divided by four. It will be the responsibility of the employer to
69 determine the number of employees working within the city from these
70 reports. Businesses that did not file quarterly reports with the
71 Washington State Department of Labor and Industries shall determine
72 the number of employees working in the city and demonstrate, if
73 required, to the satisfaction of the finance and administration director
74 or his/her authorized agent, that the number of employees is correct.
75 Employers without a full year history would need to estimate the number
76 of employees that will work in the city for the current calendar year.

77 (1) Once the FTE methodology has been selected, it must be used for
78 future renewals.

79 (2) Businesses with more than one location must use the same
80 method of calculation for all locations.

81 (3) For businesses with employees who work less than one thousand,
82 nine hundred twenty hours per year (the work hour figure used by the
83 Washington Department of Labor and Industries) the total number of
84 hours worked by all such employees during the four quarters of the
85 previous year shall be added together and divided by one thousand,
86 nine hundred twenty to determine the FTE equivalency.

87 (4) It will be the responsibility of the business to determine the total
88 number of FTEs (or equivalency) and demonstrate, if required, to the
89 satisfaction of the finance and administration director or his/her
90 authorized agent that the calculation is accurate.

91 (d) The license fee for a business required to be licensed under this
92 chapter and not located within the city's corporate limits shall be
93 calculated by adding the one-hundred-dollar base fee and the RGRL
94 based upon the number of employee hours worked within the city, but
95 in no event shall the license fee be less than the minimum fee set forth
96 in this chapter. If the number of employee hours worked is not known
97 at the time of renewal, the business shall estimate the maximum
98 number of employee hours they anticipate using in Kirkland during the
99 year.

100 (e) Businesses doing business in the city that have no employees
101 physically working within the city shall pay the minimum license fee
102 required under this chapter.

103 (f) The minimum fee for any license issued under this chapter shall
104 be two hundred and five dollars (a base fee of one hundred dollars and
105 an RGRL of one hundred and five dollars), as may be adjusted herein.

106 (g) Payment made by draft or check shall not be deemed a payment
107 of the fee unless and until the same has been honored in the usual
108 course of business, nor shall acceptance of any such check or draft
109 operate as a quittance or discharge of the fee unless and until the check
110 or draft is honored. Any person who submits a business license fee
111 payment by check to the city pursuant to the provisions of this chapter
112 shall be assessed an NSF fee set by the finance and administration
113 director if the check is returned unpaid by a bank or other financial
114 institution for insufficient funds in the account or for any other reason.

115 (h) If any person required by the terms and provisions of this chapter
116 to pay a license fee for any period fails or refuses to do so, he or she
117 shall not be granted a license for the current period until the delinquent
118 license fee, together with penalties, has been paid in full. Any license
119 fee due and unpaid under this chapter and any penalties thereon shall
120 constitute a debt to the city and may be collected in court proceedings
121 in the same manner as any other debt in like amount, which remedy
122 shall be in addition to all other existing remedies.

123 (i) If no higher RGRL applies under this section, then the minimum
124 RGRL shall be one hundred and five dollars.

125
126 Section 2. This ordinance shall be in force and effect five days
127 from and after its passage by the Kirkland City Council and publication
128 pursuant to Section 1.08.017, Kirkland Municipal Code in the summary
129 form attached to the original of this ordinance and by this reference
130 approved by the City Council.

131
132 Passed by majority vote of the Kirkland City Council in open
133 meeting this 3rd day of January, 2017.

134
135 Signed in authentication thereof this 3rd day of January, 2017.


MAYOR

Attest:

Publication Date: January 9, 2017


City Clerk

Approved as to Form:


City Attorney

PUBLICATION SUMMARY
OF ORDINANCE O-4554

AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO THE REVENUE GENERATING REGULATORY LICENSE FEE.

SECTION 1. Amends the revenue generating regulatory license fee to one hundred and five dollars.

SECTION 2. Authorizes publication of the ordinance by summary, which summary is approved by the City Council pursuant to Section 1.08.017 Kirkland Municipal Code and establishes the effective date as five days after publication of summary.

The full text of this Ordinance will be mailed without charge to any person upon request made to the City Clerk for the City of Kirkland. The Ordinance was passed by the Kirkland City Council at its meeting on the 3rd day of January, 2017.

I certify that the foregoing is a summary of Ordinance O-4554 approved by the Kirkland City Council for summary publication.



City Clerk