

ORDINANCE O-4821

AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO AMENDING CHAPTER 7.02 OF THE KIRKLAND MUNICIPAL CODE REGARDING BUSINESS LICENSES AND REGULATIONS.

1           WHEREAS, City staff have reviewed chapter 7.02 regarding  
2 business licenses and have proposed edits to the chapter to  
3 improve general clarity and readability, to streamline and clarify  
4 administrative assessments of penalties, as well as to be  
5 responsive to feedback from City Council, City staff and  
6 businesses subject to the language of the chapter; and  
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8           WHEREAS, to promote long-term residential leases and  
9 support the City Council's missing middle housing efforts and  
10 further to encourage compliance with business licensing  
11 requirements, the City Council desires to simplify business license  
12 requirements for businesses that exclusively rent out single-family  
13 and other missing middle housing residences as long-term rentals.  
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15           NOW, THEREFORE, the City Council of the City of Kirkland  
16 do ordain as follows:  
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18           Section 1. Section 7.02.030 of the Kirkland Municipal Code,  
19 and the corresponding portions of Ordinance O-4680 (2019), is  
20 amended to read as follows, with new text shown in underline and  
21 deleted text shown in ~~strikethrough~~:  
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23           **7.02.030   Definitions.**  
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25           Where used in this chapter, the following words and terms shall  
26 have the meanings as defined in this section, unless, from the  
27 context, a more limited or different meaning is clearly defined or  
28 apparent:  
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- 30           (a) "Business" includes all activities, occupations, pursuits, or  
31 professions located and/or engaged within the city, with the object  
32 of gain, benefit or advantage to the person engaging in the same,  
33 or to any other person or class, directly or indirectly, and includes  
34 nonprofit enterprises.  
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36           (b) "Business license" means that document issued by the city licensing  
37 the transaction of the indicated business by the person whose name  
38 appears thereon for the stated period. A City of Kirkland

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endorsement from the Washington State Department of Revenue is equivalent to a business license.

(c) "Business Licensing Service" or "BLS" means the program within the Washington State Department of Revenue providing business licensing services to the city.

(d) "Engaging in Business."

(1) The term "engaging in business" means commencing, conducting, or continuing in any business within the city, whether or not an office or physical location for the business lies within the city, 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 (d)(1) of this section. If an activity is not listed, whether it constitutes engaging in business in the city shall be determined by the director 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 including both short-term and long-term rentals.

(B) Owning, renting, leasing, using, or maintaining an office, place of business, or other establishment in the city.

(C) Soliciting sales.

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- (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, 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.

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(P) Delivering goods in vehicles owned, rented, leased, used, or maintained by the person or another acting on its behalf.

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.

- (e) "Finance and administration director" or "director" means the city of Kirkland director of finance and administration or his/her designee.
- (f) "Gross receipts" shall have its ordinary meaning and also means the value accruing from the business activity within the city or conducted from the city including compensation for the rendition of services (without any deduction for labor costs or the cost of materials used), sale of personal property (without any deduction for the cost of property sold), gains or dividends realized, rents, royalties, contributions, fees and commissions, all without any deduction for any expense, taxes, or losses.
- (g) "Person" includes individual natural persons, any firm, corporation, association, sole proprietor, club, partnership, trust, receiver, administrator, executor, estate, company, independent contractor, society, any officer, agent, personal representative, any group of individuals acting as a unit, the United States or the state of Washington or any instrumentality thereof, and includes the singular and the plural.
- (h) "City" means the city of Kirkland, Washington.
- (i) "Year" means a calendar year, except where otherwise specified or when permission is obtained from the director to use a different fiscal year.
- (j) "L&I" means the Washington State Department of Labor and Industries.
- (k) "Place of business" or "office" includes, but is not limited to, the following: maintaining, occupying, or using a permanent building or facility, premises or other fixed location as an office or location

178 for conducting business; residential units used for short-term or  
179 long-term rentals or leases, or a location where the regular  
180 business of the person is conducted and which is either owned by  
181 the person or over which the person exercises legal dominion and  
182 control; or a location which includes a business sign, mailing  
183 address, and permanent phone. A vehicle such as a pickup, van,  
184 truck, boat or other motor vehicle will not be considered a place of  
185 business for purposes of this chapter.

186  
187 (l) "Casual or isolated sale" means a sale made by a person who is not  
188 engaged in the business of selling the type of property involved.  
189 Persons who hold themselves out to the public as making sales at  
190 retail or wholesale are deemed to be engaged in business, and sales  
191 made by them of the type of property which they hold themselves  
192 out as selling are not casual or isolated sales even though such  
193 sales are not made frequently.

194  
195 (m) "Employee" means and includes each of the following persons who  
196 are not required by the city to have his/her/its own separate city of  
197 Kirkland business license:

198  
199 (1) Any person who is on the business's payroll, and includes all  
200 full-time, part-time, and temporary employees or workers; and

201  
202 (2) Self-employed persons, sole proprietors, owners, managers,  
203 and partners; and

204  
205 (3) Any other person who performs work, services or labor at the  
206 business, including an independent contractor who is not  
207 required to have a separate city of Kirkland business license.

208  
209 (n) "Contractor" means any person who, in the capacity of an  
210 independent contractor, contracts with any business, property  
211 owner or person to perform a particular job or jobs, whether the  
212 remuneration received for performing the job or jobs is on a cost-  
213 plus basis, a flat sum basis or a salary computed at so much per  
214 hour.

215  
216 (o) "Subcontractor" means any person who, in the capacity of an  
217 independent contractor, contracts with any contractor to perform a  
218 particular trade or job, whether the remuneration received for  
219 performing the job or jobs is on a cost-plus basis, a flat sum basis,  
220 or a salary basis computed at so much per hour.

221  
222 (p) "Residential unit" means either a detached dwelling unit or an  
223 attached or stacked dwelling unit, as those terms are defined in the  
224 city's Zoning Code.

- 225 (q) "Short-term rental" means the rental of a residential unit for less  
 226 than thirty days. A short-term rental is not a bed and breakfast  
 227 house or home occupation as defined in the Zoning Code for  
 228 purposes of this chapter.  
 229
- 230 (r) "Long-term rental" means the rental or lease of a residential unit  
 231 for a period of thirty days or more. A long-term rental is not a bed  
 232 and breakfast house or home occupation as defined in the Zoning  
 233 Code.  
 234
- 235 (s) "Single-family residence," only for purposes of this chapter, means  
 236 a dwelling unit considered to be Single-Family (including Cottages  
 237 and Carriage Units), Accessory Dwelling Units (both attached and  
 238 detached), and Two/Three-Unit Homes, as those are defined in  
 239 the Kirkland Zoning Code.  
 240

241 Section 2. Section 7.02.040 of the Kirkland Municipal Code,  
 242 and the corresponding portions of Ordinance O-4416 (2013), is  
 243 amended to read as follows, with new text shown in underline and  
 244 deleted text shown in ~~strikethrough~~:  
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246 **7.02.040 Business license required.**  
 247

- 248 (a) It is unlawful to engage in any business within the city without first  
 249 having obtained a business license ("license") from the city and  
 250 being the holder of a currently valid license to engage in such  
 251 business or activity.  
 252
- 253 (b) If a business is conducted from more than one premises in the city,  
 254 a separate registration and license shall be required for each  
 255 premises within the city.  
 256
- 257 (c) If more than one business, as indicated with a separate UBI  
 258 number, is conducted upon or from a single premises a separate  
 259 registration and license shall be required for each separate business  
 260 conducted, operated, engaged in or practiced.  
 261
- 262 (d) Persons or companies doing business in Kirkland must comply with  
 263 this chapter regardless of the physical location of the business (i.e.,  
 264 whether inside or outside Kirkland city limits).  
 265
- 266 (e) Limited Exemption from Multiple License Requirements.  
 267
- 268 (1) A business which holds a currently valid city of Kirkland general  
 269 business license need not obtain an additional business license  
 270 to conduct business at a second location so long as the second  
 271 location is not rented, leased, subleased or owned by such  
 272 business.

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(2) Government organizations are exempt from the requirement to obtain a business license for each location.

(3) A Long-Term Rental business that has a place of business in a single-family residence and that holds a valid city of Kirkland general business license need not obtain additional business license(s) to conduct a Long-Term Rental business at additional single-family residence locations within the city of Kirkland so long as the businesses are not performed under separate UBI numbers.

Section 3. Section 7.02.080 of the Kirkland Municipal Code, and the corresponding portions of Ordinance O-4416 (2013), is amended to read as follows, with new text shown in underline and deleted text shown in ~~strikethrough~~:

**7.02.080 Finance and administration director as license officer.**

(a) The administration of this chapter shall be accomplished under the direction of the director. The director may make and publish rules of procedure and regulations for the administration of this chapter. It is unlawful to violate or knowingly fail to comply with any such rule or regulation.

(b) The finance and administration director shall collect all license fees and shall issue licenses in the name of the city to all persons qualified under the provisions of this chapter and shall have the authority to:

(1) Adopt Forms. Adopt application, license, renewal, annual return, and all other necessary or convenient forms and prescribe the information to be provided. Such required information shall include, but not be limited to, the information required in KMC 7.02.100(b) and other information as may be requested by the director or required by the Business Licensing Service to complete processing of the application ~~the name of the applicant, his or her residence address, place of business, the nature of the business, the form of ownership, the names of all officers of the business and the number of employees.~~

(2) Obtain Endorsement. Submit applications, when deemed appropriate, to other city officials for their endorsements thereon as to compliance by the applicant with all city regulations which the officials have the duty of enforcing.

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- (3) Investigate. Investigate and determine the eligibility of any applicant for a license, the amount of fees or other amounts due as prescribed herein, and the correctness of data submitted to the city.
- (4) Examine Records. Examine and audit the books and records of any applicant, licensee, or business when reasonably necessary to the administration of this chapter. The records of a business, including federal and state tax returns and invoices, shall be open for examination by the director or authorized agent at any time to the extent authorized by law. The director may require the attendance of any person at a time and place fixed by the director or authorized agent in accordance with and to the extent authorized by applicable law.
- (5) Give Notice. Notify any applicant of the acceptance or rejection of the application.
- (6) Regulate Form of Licenses. Ensure that each license is numbered, and shows the name of the licensee, and business address.

Section 4. Section 7.02.100 of the Kirkland Municipal Code, and the corresponding portions of Ordinance O-4658 (2018), is amended to read as follows, with new text shown in underline:

**7.02.100 Application for license.**

- (a) Formal Application Required. Every person required to have a license must submit a business license application to the Business Licensing Service. The application must include all information required for each license requested and full fees due, including the handling fee required by RCW 19.02.075. The Business Licensing Service will ensure the application is complete before transmitting the information and appropriate fees to the city for review prior to issuance of a license.
- (b) The application must include the address of the business; an email address for the business; a phone number for the business; the name and address of the owner; an email address for the owner; a phone number for the owner an emergency notification name, email address and phone number; the nature of business conducted; the form of ownership; the number of employees; and other information as may be requested by the



363 director or required by the Business Licensing Service to complete  
 364 processing of the application.

365

366 (c) Commencement of Business Activities. No person shall be  
 367 entitled or authorized to engage in business within the city until  
 368 such time as the director has approved the issuance of a business  
 369 license pursuant to the terms of this chapter. The issuance of a  
 370 receipt for the amount deposited with the application and/or the  
 371 acceptance of a business license application by the city shall not  
 372 be deemed to grant any right or privilege under this chapter,  
 373 except as otherwise provided by law.

374

375 Section 5. Section 7.02.120 of the Kirkland Municipal Code,  
 376 and the corresponding portions of Ordinance O-4680 (2019), is  
 377 amended to read as follows, with new text shown in underline and  
 378 deleted text shown in ~~strikethrough~~:

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380 **7.02.120 Basic license fee.**

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382 The basic license fee for the annual license issued under this  
 383 chapter shall be as follows:

384

385 (a) Basic License Fee.

386

387 (1) Each business with ~~twelve~~ twenty thousand dollars or more in  
 388 average annual gross receipts shall pay a basic ~~business~~  
 389 license fee of one hundred dollars per year.

390

391 (2) ~~(b) — Registration Fee.~~ Any business with less than ~~twelve~~  
 392 twenty thousand dollars average annual gross receipts shall  
 393 pay a ~~registration-basic license~~ fee of fifty dollars per year.

394

395 (3) Businesses without a full year history must estimate the gross  
 396 receipts expected in the next 12 months.

397

398 (b) Exemptions. The following entities may claim an exemption  
 399 from the basic license fee ~~or registration fee~~, but if exempt  
 400 under this subsection such entities shall still register and  
 401 obtain a business license under this chapter:

402

403 (1) Organizations approved to be nonprofit by the state of  
 404 Washington, which include the following: a tax-exempt  
 405 nonprofit corporation described by Section 501(c)(3), (4), or  
 406 (10) of the IRC; or a nonprofit organization that would qualify  
 for tax exemption under these codes except that it is not

- 407 organized as a nonprofit corporation; or a nonprofit  
408 organization that does not pay its members, stockholders,  
409 officers, directors, or trustees any amounts from its gross  
410 income, except as compensation to any person for services  
411 rendered, and does not engage in a substantial amount of  
412 political activity (RCW 82.04.3651).  
413
- 414 (2) A governmental entity that engages solely in the exercise of  
415 governmental functions. Activities which are not exclusively  
416 governmental, such as some of the activities of a hospital or  
417 medical clinic, are not exempt under this chapter.  
418
- 419 (3) A nonprofit business operated exclusively for a religious  
420 purpose, upon furnishing proof to the finance and  
421 administration department of its nonprofit status. For the  
422 purposes of this chapter, the activities that are not part of the  
423 core religious functions are not exempt.  
424
- 425 (4) Civic groups, service clubs, and social organizations that are  
426 not engaged in any profession, trade, calling, or occupation,  
427 but are organized to provide civic, service, or social activities  
428 in the city. Examples of such organizations may include, but  
429 are not limited to: Soroptomists; Kiwanis; Lions; Rotary;  
430 American Legion; children's and adults' athletic organizations;  
431 and similar types of groups, clubs or organizations.  
432
- 433 (5) Homeowners associations that engage solely in the exercise of  
434 functions which are not taxable. Revenues from activities  
435 which are subject to tax and are in excess of ~~twelve~~ twenty  
436 thousand dollars are not exempt under this chapter.  
437
- 438 (6) Political campaigns.  
439
- 440 (7) For purposes of the license required by this chapter, any  
441 person or business whose annual value of products, gross  
442 proceeds of sales, or gross income of business conducted in  
443 the city is equal to or less than two thousand dollars and who  
444 does not maintain a place of business within the city. The  
445 threshold does not apply to regulatory license requirements or  
446 activities that require a specialized permit.  
447
- 448 (8) For purposes of the license required by this chapter, any  
449 person or business whose annual value of products, gross  
450 proceeds of sales, or gross income of the business is less than  
451 ~~twelve~~ twenty thousand dollars and who maintains a place of

452 business within the city. The threshold does not apply to  
453 regulatory license requirements or activities that require a  
454 specialized permit.

455  
456 (9) A business that can demonstrate to the satisfaction of the  
457 director that it is exempt due to preemption by state or federal  
458 law.

459  
460 Section 6. Section 7.02.170 of the Kirkland Municipal Code,  
461 and the corresponding portions of Ordinance O-4161 (2008), is  
462 amended to read as follows, with deleted text shown in  
463 ~~strikethrough~~:

464  
465 **7.02.170 Determination of number of employees for**  
466 **RGRL.**

467  
468 For the purposes of this section, "employee" shall be defined as  
469 in Section 7.02.160.

470  
471 (a) Standard Rule. In determining the amount of RGRL to be  
472 paid for the upcoming license year, the number of employees shall  
473 be the current number of employees or the number of employees  
474 on the last regular working day of each of the last twelve months  
475 divided by twelve, whichever is higher. Each person who comes  
476 under the definition of "employee" shall be counted as one  
477 employee, even if the person works part-time.

478  
479 (b) Alternative Method ("FTE"). A business may choose to  
480 calculate the number of employees for the purpose of the RGRL  
481 according to the following alternative method based on the  
482 number of employee hours worked for the business during the  
483 previous year:

484  
485 (1) The business must notify the city of its choice to use the FTE  
486 method. It will be the responsibility of the business to  
487 determine the number of hours worked for the business, taking  
488 into account the information submitted to L&I in the last four  
489 quarterly reports. The business must demonstrate, to the  
490 satisfaction of the director, that the alternative calculation is  
491 accurate. The director may require the business to submit  
492 copies of its L&I reports.

493  
494 (2) Each employee who worked more than one thousand, nine  
495 hundred twenty hours during the previous year (including paid  
496 time off) shall be counted as one employee. If a person such

497 as an owner or partner devotes more than one thousand, nine  
498 hundred twenty hours per year to the business, then that  
499 person must be counted as one employee for RGRL purposes.  
500

501 (3) Where there are employees who work less than one thousand,  
502 nine hundred twenty hours per year, the total number of hours  
503 worked by all such employees during the previous year shall  
504 be added together and divided by one thousand, nine hundred  
505 twenty. A fraction of one-half or over shall be rounded up.  
506 Hours worked by persons who are defined as employees for  
507 RGRL purposes must be included in the calculation even if the  
508 business is not required to report to L&I concerning such  
509 persons.  
510

511 (4) The results from subsection (b)(2) of this section plus  
512 subsection (b)(3) of this section shall be the total number of  
513 employees used to determine the amount of the RGRL.

514 (c) New Businesses. The RGRL for a business that did not  
515 submit reports for each of the last four quarters to L&I shall be  
516 based on the estimated number of employees of that business.  
517 The business shall provide its estimate of the average number of  
518 employees for the upcoming year. The city will determine the  
519 number of employees that will be used in calculating the amount  
520 of the RGRL. If, during the license year, the city determines that  
521 the actual number of employees is significantly different than  
522 estimated, then the amount of the RGRL will be recalculated for  
523 the new business. If the revised RGRL is higher, the business must  
524 pay the difference within thirty days after notification.  
525

526 (d) Over-Reporting Number of Employees. A licensee may  
527 request that the city refund RGRL overpaid on the basis that the  
528 business miscounted the number of employees by an error factor  
529 of more than fifteen percent. The request must be in writing and  
530 the city must receive the request and all supporting  
531 documentation no later than sixty days after the end of the  
532 licensee's fiscal year in which the error was made. If the city is  
533 satisfied that the licensee paid an excess RGRL, then the city will  
534 refund the excess RGRL paid by the licensee.  
535

536 ~~(e) Under-Reporting of Employees. If the city determines that~~  
537 ~~the number of employees was under reported at the time of~~  
538 ~~application or renewal by an error factor of more than fifteen~~  
539 ~~percent, the business shall pay the balance of the applicable RGRL~~  
540 ~~together with a penalty of twenty percent of such balance due.~~

541 ~~The business shall also reimburse the city for any accounting,~~  
 542 ~~legal, or administrative expenses incurred by the city in~~  
 543 ~~determining the under reporting or in collecting the additional~~  
 544 ~~amounts. The director shall mail written notice of the amount to~~  
 545 ~~be paid and the business shall pay said amount to the city within~~  
 546 ~~thirty days. If the city does not receive timely payment, an~~  
 547 ~~additional penalty shall be added, applying the schedule for late~~  
 548 ~~payments in this chapter.~~

549

550 Section 7. Section 7.02.190 of the Kirkland Municipal Code,  
 551 and the corresponding portions of Ordinance O-4658 (2018), is  
 552 amended to read as follows, with new text shown in underline and  
 553 deleted text shown in ~~strikethrough~~:

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555 **7.02.190 Penalties. Penalty for late payment.**

556

557 (a) Late Renewal. A business that fails to renew its license by  
 558 the expiration date will be assessed the state's late renewal  
 559 penalty ~~authorized~~ required by RCW 19.02.085 and will be  
 560 assessed the city's late renewal penalty as follows:

561

562 (1) Up to twenty-nine days late, a penalty of twenty-five dollars or  
 563 ten percent of the amount for the license, whichever is greater;

564

565 (2) Between thirty and fifty-nine days late, a penalty of fifty  
 566 dollars or fifty percent of the amount for the license, whichever  
 567 is greater;

568

569 (3) Sixty or more days late, a penalty of one hundred dollars or  
 570 one hundred percent of the amount for the license, whichever  
 571 is greater;

572 (b) A business license that remains delinquent for at least one  
 573 hundred twenty days after the expiration date will be canceled.  
 574 After cancellation, a business must reapply for a business license  
 575 as provided in this chapter in order to continue business in the  
 576 city.

577

578 (c) Late Application. A business that fails to obtain a license  
 579 before first commencing business in Kirkland shall pay a penalty  
 580 directly to the city according to the schedule in this subsection.  
 581 The penalty is in addition to the amount charged for the annual  
 582 license for all years the business has been in operation or to the  
 583 greatest extent allowed by law; provided, that the number of days

584 late shall mean the number of days between the commencement  
585 of business and the date the city receives a complete application.  
586

- 587 (1) Up to twenty-nine days late, a penalty of twenty-five dollars or  
588 ten percent of the amount for the license, whichever is greater;  
589  
590 (2) Between thirty and fifty-nine days late, a penalty of fifty dollars  
591 or fifty percent of the amount for the license, whichever is  
592 greater;  
593  
594 (3) Sixty or more days late, a penalty of one hundred dollars or  
595 one hundred percent of the amount for the license, whichever  
596 is greater;  
597  
598 ~~(4) The director is authorized, but not obligated, to waive all or a~~  
599 ~~portion of the penalties provided herein in the event that the~~  
600 ~~director determines that the late payment was the result of~~  
601 ~~excusable neglect or extreme hardship.~~

602 (d) Under-Reporting of annual gross receipts. If the city  
603 determines that the annual gross receipts were under-reported at  
604 the time of application or renewal, and such underreporting  
605 caused the incorrect basic license fee to be paid, the business shall  
606 pay the balance of the basic license fee together with a penalty of  
607 twenty percent of such due balance. The business shall also  
608 reimburse the city for any accounting, legal, or administrative  
609 expenses incurred by the city in determining the under-reporting  
610 or in collecting the additional amounts. The director shall mail  
611 written notice of the amount to be paid and the business shall pay  
612 said amount to the city within thirty days. If the city does not  
613 receive timely payment, an additional penalty shall be added,  
614 applying the schedule for late payments in this chapter.  
615

616 (e) Under-Reporting of Employees. If the city determines that  
617 the number of employees required to be reported or calculated  
618 under KMC 7.02.160 or KMC 7.02.170 was under-reported at the  
619 time of application or renewal by an error factor of more than  
620 fifteen percent, the business shall pay the balance of the  
621 applicable RGRL together with a penalty of twenty percent of such  
622 balance due. The business shall also reimburse the city for any  
623 accounting, legal, or administrative expenses incurred by the city  
624 in determining the under-reporting or in collecting the additional  
625 amounts. The director shall mail written notice of the amount to  
626 be paid and the business shall pay said amount to the city within  
627 thirty days. If the city does not receive timely payment, an

628 additional penalty shall be added, applying the schedule for late  
629 payments in this chapter.

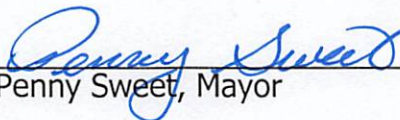
630  
631 (f) The director is authorized, but not obligated, to waive all or a  
632 portion of the penalties provided herein in the event that the  
633 director determines that the late payment or under-reporting was  
634 the result of excusable neglect or extreme hardship.

635  
636 Section 8. If any provision of this ordinance or its  
637 application to any person or circumstance is held invalid, the  
638 remainder of the ordinance or the application of the provision to  
639 other persons or circumstances is not affected.

640  
641 Section 9. This ordinance shall be in force and effect on  
642 January 1, 2023, after its passage by the Kirkland City Council and  
643 publication pursuant to Section 1.08.017, Kirkland Municipal Code  
644 in the summary form attached to the original of this ordinance and  
645 by this reference approved by the City Council.

646  
647 Passed by majority vote of the Kirkland City Council in open  
648 meeting this 1 day of November, 2022.

649  
650 Signed in authentication thereof this 1 day of November,  
651 2022.

  
Penny Sweet, Mayor

Attest:

  
Kathi Anderson, City Clerk

Approved as to Form:

  
Kevin Raymond, City Attorney

Publication Date: 11/07/2022

PUBLICATION SUMMARY  
OF ORDINANCE NO. O-4821

AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO AMENDING CHAPTER 7.02 OF THE KIRKLAND MUNICIPAL CODE REGARDING BUSINESS LICENSES AND REGULATIONS.

SECTION 1. Amends KMC 7.02.030 to modify and add definitions related to business licenses and regulations.

SECTION 2. Amends KMC 7.02.040 to modify requirements related to multiple long-term rentals.

SECTION 3. Amends KMC 7.02.080 to modify the type of information to be collected in various business license forms.

SECTION 4. Amends KMC 7.02.100 to modify the information required on business license applications.

SECTION 5. Amends the exceptions to and requirements for the basic license fee in KMC 7.02.120.

SECTION 6. Amends KMC 7.02.170 to move rules related to underreporting employees for RGRL.


SECTION 7. Amends KMC 7.02.190 to consolidate all business license related penalties into one section, to include a city-imposed late renewal penalty, and to provide the director authority to waive or modify penalties.

SECTION 8. Provides a severability clause for the ordinance.

SECTION 9. Authorizes publication of the ordinance by summary and establishes the effective date as January 1, 2023.

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 1 day of November, 2022.

I certify that the foregoing is a summary of Ordinance O-4821 approved by the Kirkland City Council for summary publication.

  
\_\_\_\_\_  
Kathi Anderson, City Clerk