

ORDINANCE NO. 4972

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ELLENSBURG, WASHINGTON, RELATING TO CHAPTER 6.54 BUSINESS AND OCCUPATION TAX AND AMENDING SECTIONS 6.54.120, 6.54.200, 6.54.260, and 6.54.720 OF THE ELLENSBURG CITY CODE

WHEREAS, EHB 2005 required cities with business licenses to administer their business licenses through the State's Business Licensing System (BLS) or FileLocal; and

WHEREAS, EHB 2005 required cities to adopt a model ordinance developed by the Association of Washington Cities (AWC) with a definition of "engaging in business" and a minimum threshold exemption to establish when out-of-town or transient businesses are required to be licensed; and

WHEREAS, Council approved an agreement with BLS in 2017 and the City transferred business license functions to BLS in November 2017 as required by state law; and

WHEREAS, AWC has updated the business license model threshold to increase the current threshold of \$2,000 to \$4,000 for out-of-city businesses, which will take effect January 1, 2026; and

WHEREAS, solicitor licensing is no longer utilized or issued by city staff and compliance will be by requiring the business to obtain a general city business license; and

WHEREAS, staff also recommends updating the section addressing penalty for violations concerning business licensing, to allow for additional enforcement options to gain compliance with business licensing requirements.

NOW, THEREFORE, the City Council of the City of Ellensburg, Washington do hereby ordain as follows:

Section 1. Chapter 6.54 of the Ellensburg City Code, as last amended by Section 1 of Ordinance 4809, is hereby amended to read as follows:

6.54.120 Persons subject to license fee—Amount.

On and after the effective date of the ordinance codified in this chapter, there is hereby levied upon and shall be collected from every person engaging in business in the city an annual license fee or tax for the privilege of engaging in business activities at each location. The license fee shall be measured by the number of employees of each business employed during the 12-month period immediately preceding the year for which the license fee is payable as follows:

- A. For every person employing zero to five employees: \$30.00 per year.
- B. For every person employing six to 12 employees: \$65.00 per year.

- C. For every person employing 13 to 25 employees: \$120.00 per year.
- D. For every person employing 26 to 50 employees: \$150.00 per year.
- E. For every person employing 51 or more employees: \$200.00 per year.
- F. A home occupation, as defined in the zoning ordinance: a fee of \$10.00 per year.
- G. A temporary business license not to exceed 90 days within any 12-month period: a fee of \$25.00 for each 30-day period.
- H. A solicitor shall be required to complete a Solicitor License Application Form and obtain a general business license before soliciting in the Ellensburg city limits.
- I. A temporary Kittitas County Fair business license not to exceed six days immediately preceding and including Labor Day each year: a fee of \$10.00. This fee is to be collected by the Kittitas County Fair acting as agent for the city of Ellensburg. The Kittitas County Fair will remit fees collected to the city of Ellensburg by warrant, accompanied by a listing of temporary Kittitas County Fair businesses and their addresses.
- J. Employees working more than 1,600 hours, including legal holidays and vacation time, during the 12-month period immediately preceding the year for which the license fee is payable shall be considered permanent. Employees working 1,600 hours or less, including legal holidays and vacation time, shall be considered temporary employees.
- K. In determining the license fee to be paid hereunder by each business, the total number of employees shall be computed by adding together the number of permanent employees and the number of temporary employees, the latter figure to be computed by dividing total man-hours, including legal holidays and vacation time, worked by all temporary employees by 1,600.

(Ord. 4809 § 1, 2018; Ord. 4774 § 3, 2017; Ord. 3425 § 2, 1984; Ord. 3239 § 2, 1979; Ord. 2751 § 1, 1968; Ord. 2372 § 3, 1958)

6.54.200 - Exemptions.

Notwithstanding any other section of this chapter, the requirements to obtain a business license under this chapter shall not apply to:

- A. Any person or business whose annual value of products, gross proceeds for sales, or gross income of the business in the city is equal to or less than ~~\$2,000~~ \$4,000 and who does not maintain a place of business within the city.
- B. Telephone and television cable businesses for which a license is required by special ordinance.
- C. Fraternal benefit societies, as defined in RCW 48.36A.010, and fraternal mutual property insurers, as defined in RCW 48.36A.390.

D. Any religious society, association or corporation, through the operation of any hospital, clinic, resort or other institution devoted exclusively to the care or healing of human beings; provided, that no exemption is granted where the income therefrom inures to the benefit of any physician, surgeon, stockholder, or individual by virtue of ownership or control of such hospital, clinic, resort or other institution.

E. Any instrumentality of the United States, state of Washington, or political subdivision thereof.

F. Any farmer, gardener or other person who shall sell, deliver or peddle any fruits, vegetables, berries, butter, eggs, milk, poultry, meats, or any farm produce or edibles raised, caught, produced or manufactured by such person within the state of Washington.

G. Any person or business that has obtained a special events permit under [chapter 6.64](#) ECC.

H. Lessors of rental property. As used in this chapter, "lessor" means the owner, landlord or sublessor of rental housing or rental property, and a person designated as a representative of the landlord; or a person or business entity such as a corporation, limited liability corporation, partnership, or agency that owns, operates, or manages rental housing or rental property; or a person, designated by the landlord, who has authority to sign a lease or rental agreement.

(Ord. 4809 § 1, 2018; Ord. 4774 § 3, 2017; Ord. 3239 § 3, 1979; Ord. 3027 § 5, 1974; Ord. 2971 § 1, 1973; Ord. 2372 § 5, 1958)

6.54.260 Application review.

With the exception of temporary business licenses, all city business licenses are processed and issued through the state of Washington Business Licensing Service (BLS). All city application reviews will be completed within ten working days from the day the city clerk receives the applicant's information from BLS. Prior to BLS issuance of a business license authorized by this chapter, application review shall be conducted by the city as follows:

- A. *Permanent and temporary business licenses.* All permanent and temporary business licenses shall be referred for zoning ordinance compliance, location approval and compliance with other city ordinances to the building official, community development department, and fire marshal.
- B. *Renewals of permanent licenses.* No review shall be required for zoning, building or fire unless a location change has been made, in which case the application will be referred for review as outlined in subsection (A) of this section.
- C. *Home occupation licenses.* All new home occupation license applications shall be referred for compliance with zoning ordinance requirements, location approval and review as outlined in subsection (A) of this section.
- D. Solicitor licenses. All solicitor licenses shall be issued by the city clerk.

(Ord. 4809 § 1, 2018; Ord. 4774 § 3, 2017; Ord. 4566 § 24, 2010; Ord. 3425 § 4, 1984)

6.54.720 - Penalty for violations.

A. It shall be unlawful:

1. For any person to engage in business without having obtained a required business license or for a person to engage in business after denial of a business license application or renewal or after revocation of a business license.

2. For any person to violate any provision of this chapter.

B. The city finance director shall have the power to enforce the requirements of this chapter, and to pursue and/or impose the following penalties for violations of this chapter:

1. Nonpayment Penalty: Failure to pay the City license fee prior to engaging in business in the City, or otherwise within ninety (90) days after such payment is due, pursuant to subsection (A) of this section, may subject the licensee to a monetary penalty imposed directly to the City in the amount of fifty dollars (\$50), in addition to the required license fee.

2. License Cancellation: A license will be cancelled if the license renewal fee, or any part thereof, remains delinquent for 120 or more days. Cancellation of a license requires reapplication for a business license; payment of the business license fee; and payment of any late renewal penalty fees in order to conduct business within the City.

3. Civil Penalties: Any violation of subsection (A) of this section constitutes a civil violation under chapter 1.80 ECC, for which a monetary penalty, in a sum not to exceed one thousand dollars, may be assessed and enforcement may be required as provided therein. Each day of noncompliance with any of the provisions of this chapter shall constitute a separate violation.

4. Criminal Penalties. In addition to the foregoing penalties, violations of subsection (A) of this section constitutes a misdemeanor. Every person convicted of a misdemeanor shall, unless otherwise specified, be punished by a fine not to exceed \$1,000, or by confinement in jail for a term not to exceed ninety (90) days or by both such fine and confinement. Each day of noncompliance with any of the provisions of this chapter shall constitute a separate offense.

~~A. Businesses must renew their license on or before the expiration date. Any business which fails to renew by the expiration date may be assessed a late penalty authorized in RCW 19.02.085. This additional penalty will be assessed by and is payable directly to the city. A license that remains delinquent for 120 or more days after the expiration date will be cancelled. Cancellation of a license requires reapplication for a business license in order to conduct business within the City, in addition to paying any late renewal penalty fees.~~

~~B. Any person violating or failing to comply with any of the provisions of this business license ordinance shall be subject to criminal prosecution and upon conviction of a subsequent violation, shall be fined a sum not exceeding one thousand dollars or by imprisonment for a period not to exceed ninety days. Each day of noncompliance with any of the provisions of this chapter shall constitute a separate offense.~~

(Ord. 4809 § 1, 2018; Ord. 4774 § 3, 2017; Ord. 2372 § 17, 1958)

Section 2. Severability. If any portion of this ordinance is declared invalid or unconstitutional by any court of competent jurisdiction, such holding shall not affect the validity of the remaining portion(s) of this ordinance.

Section 3. Corrections. Upon the approval of the City Attorney, the City Clerk and the codifiers of this ordinance are authorized to make necessary corrections to this ordinance including, but not limited to, the correction of scrivener's/clerical errors, references, ordinance numbering, section/subsection numbers and any references thereto.

Section 4. Effective Date. This ordinance shall take effect and be in force on January 1, 2026.

The foregoing ordinance was passed and adopted at a regular meeting of the City Council on the 6th day of October, 2025.

ATTEST:


MAYOR


CITY CLERK

Approved as to form:


CITY ATTORNEY

Publish: 10-9-2025

I, Beth Leader, City Clerk of said City, do hereby certify that Ordinance No. 4972 is a true and correct copy of said Ordinance of like number as the same was passed by said Council, and that Ordinance No. 4972 was published as required by law.


BETH LEADER