

#### STATE OF WASHINGTON

#### DEPARTMENT OF REVENUE

OFFICE OF THE DIRECTOR

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December 31, 2018

TO: Brad Hendrickson, Secretary Washington State Senate

> Bernard Dean, Chief Clerk Washington State House of Representatives

Keith Phillips, Director of Policy Office of the Governor

**FROM:** Vikki Smith, Director Washington State Department of Revenue

SUBJECT: 2018 State Agency Business Licensing Information Report

The Department of Revenue (Department) is submitting this report to the Legislature and Governor as required by RCW 19.02.055(3). This law directs 24 state agencies to provide the Department's Business Licensing Service with essential information about each agency's business licensing requirements and to update that information each year. The agencies are directed to provide detailed information, including:

- A listing of all business licenses issued by the agency;
- A description of the persons and activities for which the license is required; and
- The duration of the license and any issuance or renewal requirements.

Each agency must certify annually to the Department that the licensing information the agency has provided is complete and current or submit a progress report and explanation. The Department must compile the information and submit an aggregate report to the Legislature's economic development committees and the Governor by January 1 of each year. Included with

Brad Hendrickson Bernard Dean Keith Phillips

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the attached report is an appendix in a spreadsheet format, which includes information provided by the responding agencies.

If you have any questions or need the report or appendix in an alternate format, please contact David Duvall, Legislative and External Affairs Liaison, Executive Division, at (360) 534-1545.

Attachments

 cc: The Honorable Maralyn Chase, Chair, Senate Economic Development & International Trade Committee
 The Honorable Jeff Morris, Chair, House Technology & Economic Development Committee
 Members, Senate Economic Development & International Trade Committee
 Members, House Technology & Economic Development Committee
 Drew Shirk, Executive Director, Legislative Affairs, Office of the Governor
 David Schumacher, Director, Office of Financial Management
 Roselyn Marcus, Assistant Director, Office of Financial Management
 Dean Carlson, Senior Budget Assistant, Office of Financial Management



### 2018 State Agency Business Licensing Information

December 2018 Washington State Department of Revenue

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## Summary

The Department of Revenue (Department) is submitting this report to the Legislature and Governor in response to RCW 19.02.055, enacted in 2013.

This law is intended to promote economic development by providing licensing information to businesses. With that goal, the law directs 24 state agencies to provide the Department's Business Licensing Service with updated information about each agency's business licensing requirements annually.

Each agency is directed to provide detailed information including:

- A listing of all business licenses issued by the agency,
- A description of the persons and activities subject to licensing and the duration of each license,
- Requirements for issuing and renewing these licenses and any additional information that may be available,
- The average time between the license application submittal and license issuance,
- If the license is subject to renewal, and if so, how often.

Each agency must certify annually to the Department that the licensing information the agency has provided is complete and up to date or submit a progress report and explanation. The Department must compile the information and submit an aggregate report to the Legislature and Governor by January 1 of each year.

# Background

### **Business Licensing Service**

The state's Business Licensing Service (BLS), part of the Department of Revenue, is the state's primary business licensing portal. First established in the 1970s as the Master License Service at the Department of Licensing, the Legislature transferred the program to the Department of Revenue in 2011. As originally envisioned, BLS was intended to provide a convenient, accessible, and timely one-stop service for the business community to acquire and maintain the necessary licenses to conduct business.

BLS is a one-stop business licensing and renewal service for many businesses. For example, a sole proprietor grocery store opening in Richland that registers through BLS can comply with multiple agencies' requirements at once. Using BLS, it can:

- Register with the Department of Revenue, Department of Labor & Industries, and the Employment Security Department,
- Register as a lottery retailer with the State Lottery,
- Obtain retail liquor licenses and cigarette and vapor permits from the Liquor and Cannabis Board,
- Register scales with the Department of Agriculture, and
- Obtain a business license from the city of Richland.

As state and city partnerships continue to grow, BLS becomes a one-stop destination for many more businesses. Currently, BLS offers more than 200 licenses from 9 state agencies and over 80 cities using a single, combined application process. The licensing model has been a national and world leader for years—garnering visits from officials from other states and countries. BLS is one of the very few systems in the country that allows a business to register with state agencies and get city licenses using the same system.

# Collecting the Information

In 2018, the Department contacted the participating state agencies and asked them to certify that the licensing information submitted in 2017 was still correct, or to provide updates. All 24 agencies provided the Department with this information.

#### Questions to Participating Agencies

The participating state agencies answered these questions:

- What is the license name and category?
- What is the purpose of the license?
- Where is the application available?
- What are the fees associated with this license?
- What is the process for submitting the application?
- Are there inspections, background checks, or other additional requirements involved?
- What is the average time between application and license issuance?
- Does this license need to be renewed? How often?
- What are the penalties for late renewal?
- What RCWs and WACs govern this license?
- Is this license available through the Business Licensing Service (BLS)?
- Is the license listed on the Office for Regulatory Innovation and Assistance website?

# Participating Agencies

All 24 agencies responded to the Department with the required information in 2018. They are:

- Board of Accountancy
- Department of Agriculture
- Department of Archaeology and Historic Preservation
- Department of Children, Youth, and Families
- Department of Ecology
- Department of Financial Institutions
- Department of Fish and Wildlife
- Department of Health
- Department of Labor & Industries
- Department of Licensing
- Department of Revenue
- Department of Social and Health Services
- Department of Transportation
- Employment Security Department
- Gambling Commission
- Horse Racing Commission
- Liquor and Cannabis Board
- Office of the Insurance Commissioner
- Secretary of State
- State Lottery
- Student Achievement Council
- Utilities and Transportation Commission
- Washington State Patrol
- Workforce Training and Education Coordinating Board

# **Online Integration**

The Department integrated the information provided by the state agencies into its online Business Licensing Wizard, now available on the Business Licensing website: *business.wa.gov/bls*.

The Business Licensing Wizard is an interactive online resource that takes the user through a series of questions to determine the various business licenses needed. The Wizard currently includes information and contacts for hundreds of business activities, extending to most cities and every county in Washington.

By consolidating the information gathered into the Wizard, the Department has created a more comprehensive online resource for businesses to determine the licenses they need in the state of Washington. After a business steps through the questions in the interactive Wizard, they are presented with a guide sheet that includes detailed information and instructions about the licenses they need, along with contact information for non-partner licenses, to help them get set up correctly. After completing the Wizard, the business can use the reference code provided to pre-populate parts of its online Business License Application.

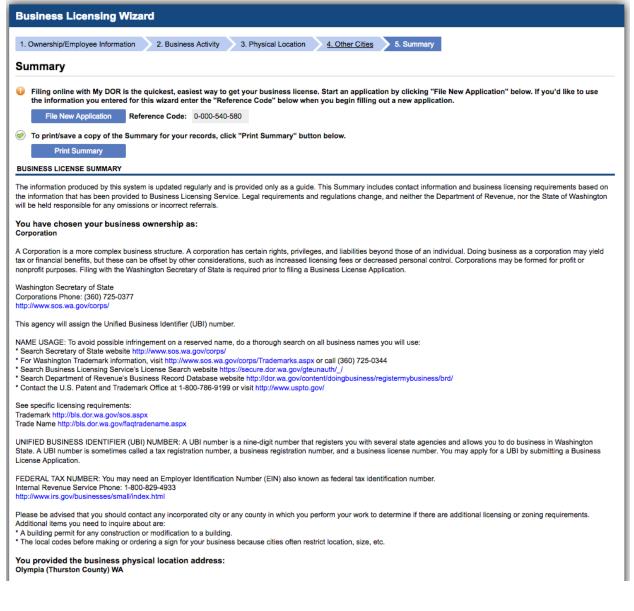
For an example of a Business Licensing Wizard-guide sheet, see Pages 8-10. The sheet includes a link to the appropriate webpage with more licensing information. An example of an Informational Web Page is shown beginning on Page 11.

Combining the Business Licensing Wizard with the Business License Application guides the customer through the process of getting all required business licenses, permits, and registrations. This "wizard-type" tool for state and city licensing gives Washington businesses the peace of mind that they have met all of their requirements and are ready to successfully start business.

## Conclusion

RCW 19.02.055's ongoing requirements will ensure that up-to-date business licensing information for all participating agencies continues to be made available in one place to better serve business needs.

### Business Licensing Wizard (Example 1)



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#### Business Licensing Wizard - Guide Sheet (cont.)

Phone: 1-800-829-1040 to get information on electronic filing.

OLYMPIA partnered with the Business Licensing Service to issue city endorsements. You may apply for the endorsements on the Business License Application.

Olympia (Thurston County) WA Business Licensing Inquiries Phone: (360) 753-8327 http://www.olympiawa.gov/businesses.asp BUSINESS AND OCCUPATION TAXES: Washington cities tax private businesses, municipal, and private utility companies within their boundaries. Contact each city in which businesses will be conducted. County Information: THURSTON COUNTY, WASHINGTON Business License in unincorporated Phone: (360) 786-5406 http://www.co.thurston.wa.us/auditor/ COUNTY ZONING: If your business is located outside city limits, contact the Thurston County's Permit Assistance Center at (360) 786-5490 for zoning information. http://www.co.thursto va.us/permitting PROPERTY AND PERSONAL PROPERTY TAX: You must report your business property, furniture, equipment, supplies, etc., to the assessor of the county in which your business is located Thurston County Assessor Phone: (360) 786-5410 The business activity you selected is: Child Care SALES TAX INFORMATION: If your business provides a service to customers, you may be required to collect sales tax for that service. Contact the Washington State Department of Revenue for further information regarding sales tax. Washington State Department of Reven Phone: (360) 705-6676 -or- 1-800-647-7706 http://dor.wa.gov/ Reseller Permit http://dor.wa.gov/content/findtaxesandrates/retailsalestax/resellerpermit/ See specific licensing requirements: http://bls.dor.wa.gov/dor.aspx You will need to contact these regulators directly to determine licensing requirements: CHILD CARE LICENSING AND REGULATIONS: Department of Early Learning Phone: (360) 407-1992 -or- 1-877-487-4866 http://www.del.wa.gov/requirements/new/ See specific licensing requirements: http://bls.dor.wa.gov/d AFFORDABLE CARE ACT : For information or to apply online for medical health care coverage for business owners and employees visit https://www.healthcare.gov/businesses/ U.S. COPYRIGHT LAWS: If you use or intend to use live or recorded music at your place of business, be aware that all music used in this way is protected by U.S. copyright laws. For information contact: Business Licensing Service Use of Music http://bls.dor.wa.gov/music\_use.aspx American Society of Composers, Authors and Publishers (ASCAP) Phone: 1-800-505-4052 -or-Broadcast Music Incorporated (BMI) Phone: 1-800-925-8451 -or-Sesac Incorporated Phone: 1-800-826-9996. FEDERAL FORMS: Internal Revenue Service Phone: 1-800-829-3676 to order Publication 583 - Starting a Business and Keeping Records Federal taxes may be paid by electronic transfer. In some cases, payment through electronic transfer is mandatory. Phone: 1-800-555-4477 -or- 1-800-945-8400 for enrollment forms You may also file some of your federal tax returns electronically.

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#### Business Licensing Wizard - Guide Sheet (cont.)

You indicated the employee type is: Adults		
DEPARTMENT OF LABOR AND INDUSTRIES: Phone: (360) 902-5800 -or- 1-800-547-8367 http://www.lni.wa.gov/		
EMPLOYMENT SECURITY DEPARTMENT: Phone: (360) 902-9360 https://esd.wa.gov/employer-taxes		
See specific licensing requirements: http://bls.dor.wa.gov/ems.aspx		
INEMPLOYMENT INSURANCE AND INDUSTRIAL INSURANC pply for these licenses by submitting a Business License Applica		t Insurance and Industrial Insurance prior to the actual hiring of employees. You may
Additional requirements: IIRING EMPLOYEES: All employers are required to report all ne Department of Social and Health Services Child Support Enforcement Phone: 1-800-562-0479 New Hire Reporting - https://www.dshs.wa.gov/esa/division-child-	-support/new-hire-reporting	to the Division of Child Support (DCS):
You must also retain a completed Federal I-9 form for every empl J.S. Citizenship and Immigration Services Phone: 1-800-870-367 http://www.uscis.gov/files/form/i-9.pdf		
http://www.oria.wa.gov/site/alias_oria/345/our_business_service		
You will be provided with step-by-step instructions for planning, si Based on the information you have provided, this is a list of e	endorsements you may need that	t are available thru the Business License Application. You may apply for these
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#### Informational Web Page (Example 2)

State of Washington Contact us   Forms   About us Business Licensing Service										
	Home	Start your busi	ness   Chan	ge or update you	r business informa	tion   How to	renew your lice	ense		
edistrations	/Filings Reg	wired for Busi	nesses in Wa	shington State						
				anington otate						
Depart	ment	of Reve	enue							
Choose another aç										
howing 1 to 1 o	f 1 entries								Search:	
how 10 •	- entries									
	_								Previou	s 1 Next
What is the license name & category?	What is the purpose of the license?	Where is the application available?	What are the fees associated with this license?	What is the process for submitting the application?	Are there inspections, background checks, or other additional requirements involved?	What is the average time between application and license issuance?	Does this license need to be renewed? How often?	What are the penalties for late renewal? It	What RCWs and WACs govern this license?	Is this license available through Business Licensing Service (BLS)
Washington State Reseller Permit	To allow businesses to make qualifying purchases for resale without paying sales tax.	An electronic application can be filed via My Account at dor.wa.gov. Businesses can request a paper application be mailed to them by calling 1-800-647-7706.	No fee	The application is a brief questionnaire concerning the business activities. It can be filed electronically or a paper application can be faxed or mailed in.	Yes, the Department reviews the type of activity the business is engaged in and whether the business actively reports gross income. Not all businesses need to apply. The Department automatically issues reseller permits (including renewal permits) to businesses it deems to be eligible.	During FY 2015, more than 90% of applications were worked within 8 business days.	Yes. Valid for 2 or 4 years depending on how long the business has been open and whether it actively reports gross income. Permits for all contractors are valid for 2 years. Valid for 2 years.	No penalties. The permit is optional and is not required.	RCW 82.32.291 RCW 82.32.780 RCW 82.32.783 RCW 82.32.784 RCW 82.32.785 RCW 82.32.787 WAC 458-20-1020 WAC 458-20-10201 WAC 458-20-10202	No.

#### RCW 19.02.055: Agency Reporting Requirements



standards; or (ii) educational standards and an examination, may alternatively comply with this chapter by providing the department with a link to its licensing web site, summary information about the licensing requirements or standards in a format or formats designated by the department, and a designated agency contact.

(2) In addition to the requirements in subsection (1) of this section, each agency, by November 1st of each year, beginning November 1, 2013, must provide the department with certification on a form designated by the department that all business licensing information submitted by the agency is complete and up-to-date. If an agency has not submitted all the business licensing information required under this section, the agency must instead submit a progress report and explanation to the department.

(3) The department must compile the information submitted by each agency, and submit an aggregate report to the governor and the economic development committees of the legislature by January 1st of each year, beginning January 1, 2014.

[2013 c 111 § 2.]