December 12, 2017

| TO: | The Honorable Hunter Goodman, Secretary |
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|  | Washington State Senate |
|  |  |
|  | The Honorable Bernard Dean, Chief Clerk |
|  | Washington State House of Representatives |
|  | Keith Phillips, Policy Director |
|  | Office of the Governor |
| FROM: $\quad$ | Vikki Smith, Director $/ ג$ |
|  | Washington State Department of Revenue |

SUBJECT: 2017 State Agency Business Licensing Information Report

The Department of Revenue (Department) is submitting this report to the Legislature and Governor as required under RCW 19.02.055, a law intended to promote economic development by providing information to businesses. 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/or 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.

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 $1^{\text {st }}$ of each year. Included with the attached report is an appendix in a spreadsheet format that includes complete answers for all 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.

The Honorable Hunter Goodman, Secretary of the Senate
The Honorable Bernard Dean, Chief Clerk
Keith Phillips, Policy Director
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## Attachments

cc: Judy Warnick, Chair, Senate Agriculture, Water, Trade and Economic Development Committee
Jeff Morris, Chair, House Technology and Economic Development Committee Members, Senate Agriculture, Water, Trade and Economic Development Committee Members, House Technology and Economic Development Committee Drew Shirk, Executive Director, Legislative Affairs, Office of the Governor Roselyn Marcus, Assistant Director of Legal and Legislative Affairs, Office of Financial Management
David Schumacher, Director, Office of Financial Management
Dean Carlson, Senior Budget Assistant, Office of Financial Management

Washington State

2017 State Agency Business Licensing Information

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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 $1^{\text {st }}$ 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, that business can:

- Register with the Department of Revenue, Labor \& Industries, and Employment Security.
- Register as a lottery retailer with the State Lottery.
- Obtain retail liquor licenses, cigarette, and vapor permits from the Liquor and Cannabis Board.
- Register scales with the Department of Agriculture.
- 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 10 state agencies and over 70 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 2017, the Department contacted the participating state agencies and asked them to certify that the licensing information submitted in 2016 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 of Regulatory Innovation and Assistance website?


## Participating Agencies

All 24 agencies responded to the Department with the required information in 2017. They are:

- Board of Accountancy
- Department of Agriculture
- Department of Archaeology and

Historic Preservation

- Department of Early Learning
- Department of Ecology
- Department of Financial Institutions
- Department of Fish and Wildlife
- Department of Health
- Department of Labor and 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, the business is presented with a guide sheet that includes detailed information and instructions about the licenses it needs, along with contact information for non-partner licenses, to help the business 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 6-8. 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 9.

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" 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

The ongoing requirements of RCW 19.02.055 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)

## Business Licensing Wizard

| 1. Ownership/Employee Information | 2. Business Activity | 3. Physical Location | 4. Other Cities |
| :--- | :--- | :--- | :--- | 5. Summary

## Summary

(ㄱ) Filing online with My DOR is the quickest, easiest way to get your business license. Start an application by clicking "File New Application" below. If you'd like to use the information you entered for this wizard enter the "Reference Code" below when you begin filling out a new application.

File New Application Reference Code: 0-000-540-580
(0) To print/save a copy of the Summary for your records, click "Print Summary" button below.

## Print Summary

## BUSINESS LICENSE SUMMARY

The information produced by this system is updated regularly and is provided only as a guide. This Summary includes contact information and business licensing requirements based on the information that has been provided to Business Licensing Service. Legal requirements and regulations change, and neither the Department of Revenue, nor the State of Washington will be held responsible for any omissions or incorrect referrals.

## You have chosen your business ownership as:

Corporation
A Corporation is a more complex business structure. A corporation has certain rights, privileges, and liabilities beyond those of an individual. Doing business as a corporation may yield tax or financial benefits, but these can be offset by other considerations, such as increased licensing fees or decreased personal control. Corporations may be formed for profit or nonprofit purposes. Filing with the Washington Secretary of State is required prior to filing a Business License Application.
Washington Secretary of State
Corporations Phone: (360) 725-0377
http://www.sos.wa.gov/corps
This agency will assign the Unified Business Identifier (UBI) number.
NAME USAGE: To avoid possible infringement on a reserved name, do a thorough search on all business names you will use
*Search Secretary of State website http://www.sos.wa.gov/corps/

* For Washington Trademark information, visit http://www.sos.wa.gov/corps/Trademarks.aspx or call (360) 725-0344
* Search Business Licensing Service's License Search website https://secure.dor.wa.gov/gteunauth/_/
* Search Department of Revenue's Business Record Database website http://dor.wa.gov/content/doingbusiness/registermybusiness/brd/
* Contact the U.S. Patent and Trademark Office at 1-800-786-9199 or visit http://www.uspto.gov/

See specific licensing requirements:
Trademark http://bls.dor.wa.gov/sos.aspx
Trade Name http://bls.dor.wa.gov/faqtradename.aspx
UNIFIED BUSINESS IDENTIFIER (UBI) NUMBER: A UBI number is a nine-digit number that registers you with several state agencies and allows you to do business in Washington State. A UBI number is sometimes called a tax registration number, a business registration number, and a business license number. You may apply for a UBI by submitting a Business License Application.

FEDERAL TAX NUMBER: You may need an Employer Identification Number (EIN) also known as federal tax identification number Internal Revenue Service Phone: 1-800-829-4933
http://www.irs.gov/businesses/small/index.html
Please be advised that you should contact any incorporated city or any county in which you perform your work to determine if there are additional licensing or zoning requirements. Additional items you need to inquire about are:

* A building permit for any construction or modification to a building.
* The local codes before making or ordering a sign for your business because cities often restrict location, size, etc.

You provided the business physical location address:
Olympia (Thurston County) WA

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

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.aspx
BUSINESS AND OCCUPATION TAXES: Washington cities tax private businesses, municipal, and private utility companies within their boundaries. Contact each city in which business 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.thurston.wa.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
http://www.co.thurston.wa.us/assessor/

## 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 Revenue
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/del.aspx
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.
Phone: 1-800-829-1040 to get information on electronic filing.

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

## You indicated the employee type is: <br> Adults

DEPARTMENT OF LABOR AND INDUSTRIES:
Phone: (360) 902-5800 -or- 1-800-547-8367
http://www.Ini.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
UNEMPLOYMENT INSURANCE AND INDUSTRIAL INSURANCE: You must have Unemployment Insurance and Industrial Insurance prior to the actual hiring of employees. You may apply for these licenses by submitting a Business License Application.

Additional requirements:
HIRING EMPLOYEES: All employers are required to report all newly hired and rehired employees to the Division of Child Support (DCS):
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
You must also retain a completed Federal I-9 form for every employee:
U.S. Citizenship and Immigration Services Phone: 1-800-870-3676
http://www.uscis.gov/files/form/i-9.pdf
STILL NEED ASSISTANCE? : Go to the Small Business Guide at:
http://www.oria.wa.gov/site/alias_oria/345/our_business_services.aspx
You will be provided with step-by-step instructions for planning, starting, operating, running or growing your business in Washington State.
Based on the information you have provided, this is a list of endorsements you may need that are available thru the Business License Application. You may apply for these ondinreamente nnlina

| Name | Fee | Information |
| :--- | :--- | :--- |
| Unemployment Insurance | $\$ 0.00$ | Average approval time from the date a completed application is received: Up to 21 <br> days. |
| Industrial Insurance | $\$ 0.00$ | Average approval time from the date a completed application is received: $2-3$ <br> business days. |
| Tax Registration | Tax Registration - No fee; <br> Trade Name $-\$ 5$ per trade <br> name; Processing Fee - <br> $\$ 19$ | Average approval time from the date a completed application is received: $2-3$ <br> business days. |
| Olympia General Business | General Business <br> endorsement $\$ 30 ;$ <br> Nonprofit Business <br> endorsement - No fee | Average approval time from the date a completed application is received: 3-5 <br> business days. |

4 Rows

We recommend you to file online but if you choose to apply via mail you may download and print the following forms. Mail completed forms to
the address listed on each form. Additional forms may be required by regulatory agencies and jurisdictions previously listed on this Summary.
Contact those agencies directly for the forms you may need.

| Form Name | Form Cc | Form URL |
| :--- | :--- | :--- |
| Business License Application and Endorsement Fee Sheet | 1 | http://bls.dor.wa.gov/file.aspx |
| City Addendum | 1 | http://bls.dor.wa.gov/forms/700060.pdf |
| City Fee Sheet | 1 | http://bls.dor.wa.gov/forms/700032.pdf |
| 3 Rows |  |  |

## Informational Web Page (Example 2)



## RCW 19.02.055: Agency Reporting Requirements

## Washington State Legislature

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RCWs $>$ Title $19>$ Chapter $19.02>$ Section 19.02.055
Print Version I [No disponible en español]
19.02.050 << 19.02.055>> 19.02.070

RCW 19.02.055
Agency duties - Information - Certification.
(1)(a) Each agency required to fully participate in the implementation of this chapter under RCW 19.02 .050 must provide the department with the name of the agency's coordinator for the purposes of implementing the requirements of this section. Using a format designated by the department, each agency must provide the department with the following information:
(i) A listing of each business license issued by the agency;
(ii) A description of the persons and specific activities for which the license is required;
(iii) The time period for which the license is issued and any issuance, renewal, or reissuance requirements; and
(iv) Other information the department determines necessary to implement this section, including links to the licensing information, application, and instructions on the agency's web site, if available.
(b) An agency that issues licenses in accordance with (i) national or federal mandates, requirements, or 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.]

