

Chapter 5.02

BUSINESS LICENSES

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5.02.010 Definitions. Except as otherwise expressly declared or clearly apparent from the context in which used, the following definitions shall be applied in construing the provisions of this chapter:

- A. “Person” means one or more natural persons of either sex, corporations, partnerships, associations, or other entities capable of having an action at law brought against such entity, but shall not include employees of persons licensed pursuant to this chapter.
- B. “Business” means all services, activities, occupations, pursuits, or professions located and/or performed within the City with the object of pecuniary gain, benefit, or advantage to the person, or to another person or class, directly or indirectly, whether part-time or full-time. This definition includes, without limitation, home occupations, peddlers, hawkers, and the rental of commercial and residential real property.

It also includes the activities of businesses that are located outside the City where sales or services are performed by the physical presence of business representatives inside the City. Businesses which are exempt from this chapter are specified in section 5.02.030. (Ord. 1681, 1989; Ord. 2027, 2003)

- C. “Employee” means a person who owns a business and/or a person who is paid a salary, commission, or hourly wage for service rendered on behalf of or for the benefit of a business.
- D. “Full Time Employee” means any employee who engages in business within the City for 30 or more hours per week with the expectation of such employment for 25 or more weeks per year.
- E. “Part Time Employee” means any employee who engages in business within the City for fewer than 30 hours per week or with the expectation of employment for fewer than 25 weeks per year.
- F. “Full Time Self-Employed” means any full time employee or employees who owns the business in which he and/or she is employed and the business has no other employees.
- G. “Part Time Self-Employed” means any part time employee or employees who owns the business in which he and/or she is employed and the business has no other employees.
- H. “Consignor” means a person whose only business in the City is the consignment of goods for sale, i.e. the consignor is paid only when and if the consigned goods are sold and the goods remain the property of the consignor.

- I. "Start Up Business" means a person who is engaging in a business for the first time. Said status shall commence on the date the start up business first transacts business and shall continue for the remainder of that calendar year.
- J. "Second-Year Business" means the calendar year following the calendar year during which a business was a start up business.
- K. Rental of four (4) or more rooms or apartments for residential use shall be considered a business activity. (Ord. 2027, 2003)

5.02.020 Business License Required. It is unlawful for any person to conduct, operate, engage in, or practice any business in the City without having first obtained a business license from the City; provided that only one business license shall be required per business owner for each Washington State Department of Revenue number issued to that owner. (Ord. 1660, 1988; Ord. 1800, 1996)

5.02.030 Exempt Businesses. The following businesses shall be exempt from the licensing provisions of this chapter:

- A. Non-profit activities carried on by religious, charitable, benevolent, fraternal, or social organizations.
- B. Public utility companies.
- C. Any instrumentality of the United States, State of Washington, or political subdivision thereof with respect to the exercise of governmental functions.
- D. Garage sales conducted on residential premises in compliance with the City zoning code.
- E. Businesses which are specifically licensed pursuant to other chapters in the

Snohomish Municipal Code.

- F. Businesses where the sale or contract for goods occurred on business premises outside of the City, and the only event occurring within the City was the mere delivery of the goods to the customer or client.
- G. Consignors when sales taxes are collected and remitted to the State by the consignee. (Ord. 1681, 1989)
- H. Persons or organizations that provide three (3) or less rooms or apartments for residential use. (Ord. 2027, 2003)

5.02.040 Application Procedure.

- A. No business license shall be issued except upon written application made to the City Clerk. Each application shall be signed by the person who intends to conduct, operate, or engage in the business for which the license is to be issued, and shall state the nature of the business, its proposed address and telephone number, the names and addresses of all owners of the business (or their registered agent), and such other information as may be required by the City Clerk. A non-refundable application fee, in an amount equal to the annual license fee, shall accompany the application. In the event that the license is granted, the application fee shall be credited toward payment of the annual license fee. (Ord. 1660, 1988)
- B. If the applicant is a partnership, the application must be made and signed by one of the partners; if a corporation, by one of the officers thereof; if a foreign corporation, partnership or non-resident individual, by the resident agent or local manager of the corporation, partnership, or individual.
- C. The City Clerk shall forward copies of all applications to appropriate City

officials for their endorsements thereon as to compliance by the applicant with all City regulations under their jurisdiction. Based upon such endorsements, and based upon the City Clerk's investigation into all matters deemed necessary and appropriate, the City Clerk shall approve or deny the license application within thirty (30) days of the same being submitted.

- D. If an application is denied, the reason for denial shall be stated in writing. The applicant shall have a period of ten (10) days after a license denial to appeal the same to the City Manager. Upon receiving such an appeal, the City Manager shall hold a public hearing to consider whether or not the license should be issued. The applicant shall be given not less than seven (7) days advance notice of the hearing. The decision of the City Manager shall be final, subject only to an appeal filed with the Snohomish County Superior Court within fourteen (14) days following the date of such decision. (Ord. 2027, 2003)
- E. Neither the filing of an application for a license or the renewal thereof, nor any payment of any application or renewal fee, shall authorize a person to engage in or conduct a business until such license has been granted or renewed.

5.02.050 Term of License. All business licenses issued pursuant to the provisions of this chapter shall be valid for one year from the date of issuance of the license, except as otherwise provided in SMC 5.10.070. (Ord. 1800, 1996; Ord. 1823, 1997)

5.02.060 Procedure for Renewing Licenses. All business licenses issued pursuant to the provisions of this chapter shall be renewed by following the same procedure as required for the original applications.

5.02.070 Fees – Transfer Fee – Late Payment Fee.

- A. The fee for each business license required by this chapter, and each renewal thereof, shall be established by Resolution.
- B. Any business relocating to another address in the City shall pay an administrative transfer fee which shall be established by resolution.
- C. A late payment fee shall be established by resolution.

5.02.080 Ineligible Activities.

Notwithstanding any other provisions of this chapter, a license hereunder may not be issued to or held by any person who uses or occupies or proposes to use or occupy any real property or otherwise conducts or proposes to conduct any business in violation of the provisions of any ordinance of the City or the statutes of the State of Washington or any other applicable law or regulation. The granting of a business license shall not authorize any person to engage in any activity prohibited by a federal, state, or local law or regulation.

5.02.090 Standards of Conduct. Every licensee under this chapter shall:

- A. Permit reasonable inspections of the business premises by governmental authorities for the purpose of enforcing the provisions of this chapter.
- B. Comply with all federal, state and City statutes, laws, regulations, and ordinances relating to the business premises and the conduct of the business thereon.
- C. Refrain from unfair or deceptive acts or practices, or consumer fraud, in the conduct of the business, and avoid maintaining a public nuisance on the business premises.

- D. Refrain from operating the business after expiration of a license or during the period that the license may be suspended or revoked.

5.02.100 New Location. A licensee shall have the right to change the location of the licensed business. Prior to such a change, the licensee shall notify the City Clerk, in writing, and shall pay an administrative transfer fee.

5.02.110 Revocation or Suspension of License – Grounds. The City Manager may, at any time, suspend or revoke any license issued under the provisions of this chapter whenever the licensee, or any manager, officer, director, agent, or employee of the licensee has caused, permitted, or knowingly done any of the following: (Ord. 2027, 2003)

- A. Violated any federal, state, or City statute, law, regulation, or ordinance upon the business premises, or in connection with the business operation, whether or not any party has been convicted in any court of competent jurisdiction of such violation; or
- B. Conducted, engaged in, or operated the business on the premises in the City which does not conform to the ordinance of the City; or
- C. Engaged in unfair or deceptive acts or practices in conduct of the business, or operated the business in such a manner as to constitute a public nuisance; or
- D. Made any false statement or representation, or failed to disclose any material information to the City in connection with obtaining the business license or any renewal thereof; or
- E. Failed to pay within 90 days of the date due any tax imposed by the City and payable to the City by the licensee.

(Ord. 1807, 1996)

5.02.120 Hearing Required. Whenever the City Manager determines that there may be cause for suspending or revoking any license issued pursuant to this chapter, the Manager shall notify the person holding said license by registered or certified mail, return receipt requested, of his determination. Notice mailed to the address on the license shall be deemed received three (3) days after mailing. The notice shall specify the grounds for suspension or revocation. The notice shall also specify that a hearing shall be conducted by the Hearing Examiner at a time and date denominated in the notice to determine whether or not the license should be suspended or revoked. The notice shall be mailed to the licensee at least seven (7) days prior to the date set for the hearing. The licensee may appear at the hearing and be heard in opposition to such suspension or revocation. The decision of the Hearing Examiner shall be final, subject only to an appeal filed with the Snohomish County Superior Court within fourteen (14) days following the date of such decision.

(Ord. 2027, 2003)

5.02.130 Sale or Transfer of Business – New License Required. Upon the sale or transfer of any business which is licensed pursuant to this chapter, the license issued to the prior owner shall automatically expire on the date of such sale or transfer and the new owner shall apply for and obtain a new business license prior to engaging in, conducting, or operating the business.

5.02.140 Penalties for Violation. Violation of this Chapter shall be considered a civil violation pursuant to SMC 1.01.080 and Chapter 1.14 SMC, except as otherwise provided therein. (Ord. 1927, 1999; Ord. 2155, 2008)