

ORDINANCE NO. 790

AN ORDINANCE OF THE CITY OF UNIVERSITY PLACE, WASHINGTON, AMENDING SECTION 5.05.060 OF THE UNIVERSITY PLACE MUNICIPAL CODE; RELATIVE TO BUSINESS LICENSING EXEMPTIONS

WHEREAS, the State of Washington has adopted a one-time change to increase to a higher threshold for out-of-city businesses obtaining City of University Place business licenses from the current \$2,000 threshold to a higher threshold of \$4,000, effective January 1, 2026; and

WHEREAS, the Legislature also added that every four years this threshold will have an automatic period increase based on cumulative inflation; and

WHEREAS, cities with a business license must adopt the model by January 1, 2026; and

WHEREAS, the University Place Municipal Code Section 5.05.060 must be amended to reflect the new State requirements.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF UNIVERSITY PLACE, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Section 5.05.060 of the University Place Municipal Code entitled "Exemptions," is amended to read as follows:

5.05.060 Exemptions.

The following shall be exempt from the registration, license, and/or license fee provisions of this chapter:

A. Casual or isolated sales made by persons who are not engaged in the ongoing business of selling the type of property involved, providing that not more than four such sales events are made during any tax year.

B. All businesses with gross annual revenues of less than \$12,000.

C. All businesses which are exempt from tax registration endorsement under WAC 458-20-101(2)(a).

D. Minors engaged in babysitting, delivery of newspapers, lawn mowing, car washing, and similar activities.

E. Any instrumentality of the United States, state of Washington, or any political subdivision thereof, with respect to the exercise of governmental functions.

F. All special events sponsored by the City, but not to include participating commercial vendors.

G. Nonprofit organizations, including but not limited to religious, civic, charitable, benevolent, nonprofit, cultural or youth organizations.

H. Any person or business whose annual value of products, gross proceeds of 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 shall be exempt from the general business license requirements in this chapter. The exemption does not apply to regulatory license requirements or activities that require a specialized permit.

The threshold amount in the preceding paragraph (H) will be adjusted every forty-eight months beginning on January 1, 2030 by an amount equal to the increase in the Consumer Price Index ("CPI") for "West

Urban, All Urban Consumers" (CPI-U) for each 12-month period ending on June 30 as published by the United States Department of Labor Bureau of Labor Statistics or successor agency. To calculate this adjustment, the current rate will be multiplied by one plus the cumulative four-year (forty-eight months) CPI increase using each 12-month period ending on June 30 of each prior year and rounded to the nearest \$100. However, if any of the annual CPI increases are more than five (5) percent, a five (5) percent increase will be used in computing the annual basis and if any of the annual CPI decreased during the forty-eight month period, a zero (0) percent increase will be used in computing the annual basis.

I. Any broker, managing broker or designated broker licensed under Chapter 18.85 RCW; provided, however, that a real estate firm as defined by Chapter 18.85 RCW with gross income exceeding the amount in subsection (H) of this section from activities within the City of University Place shall be required to obtain a business license under this chapter.

Section 2. Severability. If any portion of this Ordinance or its application to any person or circumstances is held invalid, the remainder of the Ordinance or the application of the provision to other persons or circumstances shall not be affected.

Section 3. Corrections by City Clerk or Code Reviser. Upon approval of the city attorney, the city clerk or the code reviser are authorized to make necessary corrections to this ordinance, including the correction of clerical errors; references to other local, state, or federal laws, codes, rules, or regulations; or ordinance numbering and section/subsection numbering.

Section 4. Effective Date. This Ordinance shall be in full force and effect on January 1, 2026, and after publication of the Ordinance summary.

PASSED BY THE CITY COUNCIL ON OCTOBER 6, 2025.

Javier H. Figueroa, Mayor

ATTEST:

Emelita J. Genetia, City Clerk

APPROVED AS TO FORM:

Matthew S. Kaser, City Attorney

Publication Date: 10/07/25
Effective Date: 01/01/26