

CITY OF SPOKANE DEPARTMENT FINANCE PUBLIC RULE AND REGULATION	RULE 0860-24-01 LGL 2024-0027 RES 2024-0017
TITLE: FINANCE – <b>BUSINESS REGISTRATION RULES</b> EFFECTIVE DATE: February 5, 2024 REVISION EFFECTIVE DATE: N/A	

1.0 GENERAL

1.1 This Public Rule is promulgated and published pursuant to SMC 8.01.250 and is necessary to carry out the provisions of Chapter 8.01 SMC. Appendix A, City of Spokane Business Registration Rules is incorporated herein sets out the Spokane City Business Registration Rules.

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2.0 DEPARTMENTS/DIVISIONS AFFECTED

This public rule shall apply to all Business Licenses and Registrations, the Taxes and Licenses Department, the Office of Finance, Treasury for the City of Spokane.

3.0 REFERENCES

Chapter 8.01 SMC  
SMC 8.01.250  
RCW 36.71.090

4.0 DEFINITIONS

Not Applicable

5.0 POLICY

The Chief Financial Officer hereby adopts rules to administer and enforce the City's Business Licenses and Registrations and carry out the provisions of Chapter 8.01 SMC, as contained in Attachment A.

6.0 PROCEDURES

6.1 See Appendices

7.0 RESPONSIBILITIES

The Taxes and Licenses Department through the City's Office of Finance, Treasury and Administration Department shall administer this Public Rule and Policy.

8.0 APPENDICES

8.1 Appendix A – City of Spokane Business Registration Rules

APPROVED BY:

Garrett Jones  
City Administrator (Interim)

2/8/2024  
Date

Matt Boston  
Chief Financial Officer

2/12/2024  
Date

Elizabeth Schoedel  
Assistant City Attorney

2/12/2024  
Date

**APPENDIX A  
CITY OF SPOKANE BUSINESS REGISTRATION RULES**

- RULE 1: Lost or Replaced Registrations or Licenses.
- RULE 2: Interpreter of the Ordinance.
- RULE 3: Insurance Business.
- RULE 4: Real Estate Brokers and Salesman.
- RULE 5: Occasional Sales From a Temporary Location.
- RULE 6: Sellers.
- RULE 7: Persons engaging in Business. Employees
- RULE 8: Building Trades.
- RULE 9: Engaging in Business with the City – Exemption.
- RULE 10: Exemption for Farmers & Gardeners Peddling Own Produce

The following rules are applicable to the Spokane City Business Registrations ordinances. They have been promulgated and published by the City of Spokane's Chief Financial Officer, pursuant to SMC § 8.01.250.

(Licensing/Registration is conducted by DOR).

**RULE 1: Lost or Replaced Registrations or Licenses.**

The City of Spokane no longer provides replacement licenses. Licenses can be reprinted from DOR.

**RULE 2: Interpreter of the Ordinance.**

The Department of Taxes and Licenses of the City of Spokane shall be the official interpreter of the business tax and registration code. All questions concerning the tax shall be submitted to it in writing and the opinion of the Department shall be binding upon the taxpayer.

**RULE 3: Insurance Business.**

Under the provisions of RCW 48.14.020, the State of Washington has pre-empted the field of imposing excise or privilege taxes upon insurers and insurance agents, other than title insurers.

In conformity with this statute, licensed insurers, and licensed insurance agents, other than title insurers, are not subject to the City license fee under the terms of Spokane Municipal Code Ch. 8.01. Licensed insurers and agents exempted by ordinance may, at their option, pay a sum equal to the tax.

Licensed insurers and licensed insurance agents who offer for sale mutual funds or other non-exempt products or services shall be subject to the City license fee.

The words, "adjuster," "broker," and "solicitor," as used herein, mean respectively, a person licensed as such under the provisions of Ch. 48.17 RCW.

Every person acting in the capacity of insurance adjuster, broker, or solicitor is presumed to be engaging in business and is taxable under Ordinance No. C-26861, unless such person is a bona fide employee. The burden is upon such person to establish the fact of his status as an employee. (See Rule 7 Employees)

The fact that a person is registered with the State of Washington Department of Revenue, and thereby is subject to the State B & O Tax, is conclusive evidence of the independent conduct of business requiring the payment of a license fee hereunder. (RCW 82.04.060 (14))

#### **RULE 4: Real Estate Brokers and Salesmen**

As used herein:

The terms "real estate broker" and "real estate salesman" mean, respectively, a person licensed as such under the provisions of Chapter 18.85 RCW.

A real estate broker is engaged in business as an independent contractor and is taxable under Ch. 8.01 SMC.

#### **GENERAL LICENSE CODE**

#### **RULE 5: Occasional Sales From A Temporary Location.**

Any school group conducting an occasional sale from a temporary location shall be exempt from both the Business Registration and Itinerant vendor Registration when the proceeds from such sale are used for school related activities.

#### **RULE 6: Sellers.**

Sellers on commission shall be subject to the business tax as independent agents unless their company pays them a salary and withholds federal income tax.

#### **RULE 7: Persons engaging in business. Employees.**

SMC Ch. 8.01 imposes registration fees upon persons engaged in business but not upon persons acting solely in the capacity of employees.

The question of whether a person is engaged in business or is acting in the capacity of an employee is not always readily determinable. The following rules may, however, be accepted as a guide but are not necessarily controlling in individual cases.

In cases of doubt, all the facts should be submitted to the Department of Taxes and license for a specific ruling.

### **A. Persons Engaging in Business**

A person engaging in business is generally one who holds their self out to the public as engaging in business either in respect to dealing in real or personal property or in respect to the rendition of services; one to whom gross income of the business inures; one upon whom liability for losses lies or who bears the expense of conducting a business; one, generally, acting in an independent capacity, whether or not subject to immediate control and supervision by a superior, or one who acts as an employer and has employees subject to his control and supervision.

Persons employed by retailers or wholesalers and selling on their own account tangible personal property of a type sold by their employers, are deemed to be engaging in business and must purchase a business license.

### **B. Employees**

An employee is an individual whose entire compensation is fixed at a certain percentage of the business obtained by such employee, payable in all events; one who has no direct interest in the income or profits of the business other than a wage or commission; one who has no liability for the expenses of maintaining an office or place of business, for other overhead or for compensation of employees; one who has no liability for losses or indebtedness incurred in conducting the business; one whose conduct with respect to services rendered, obtaining of, or transacting business, is supervised or controlled by the employer. A corporation, joint venture, or any group of individuals acting as a unit, is not an employee.

Persons who furnish equipment on a rental basis and furnish operators thereof, are presumed to be engaging in business and not to be employees. Likewise, persons who furnish materials and the labor necessary in the placing or fabricating thereof are also presumed to be engaging in business and not to be employees. The burden of proof will be upon such persons to show otherwise.

The fact that a person is construed to be an employee under the provisions of the State Unemployment Compensation Act or the Federal Social Security Act, does not conclusively establish such person as an employee.

### **RULE 8: Building Trades.**

Persons regularly performing odd job carpentry, painting or paperhanging, plumbing, bricklaying, electrical work, etc., for the public generally are presumed to be engaging in business. The burden of proof is upon such persons to show otherwise. Here it is immaterial whether the working person is paid by the job, by the day, or by the

hour it is likewise immaterial that the working person may supply labor only, any materials used being supplied by the property owner.

**RULE 9: Engaging in Business with the City—Exemption.**

SMC 8.01.070 states that no person may engage in business in the City or “with the City” without first having obtained a business license. Businesses shall not be deemed to engage in business with the City”, for purposes of SMC 8.01.070 if:

1. the business dealing arises solely as a result of a contract or service agreement with the City of Spokane, initiated by the City, and the business does not otherwise engage in business in or with the City, and
2. the business does not have contracts with the City in any calendar year with an accumulated value exceeding \$12,000.

To qualify as exempted under this rule, a business must certify to the City’s Department of Taxes and Licenses that it neither solicits nor conducts any other business activities within the City and that the business contact with the City was initiated by the City.

The Chief Financial Officer, or designee, may rely upon a copy of the City’s contract with any person or entity to determine if the person or entity does not qualify for the exemption under this rule.

**RULE 10: Exemption for Farmers & Gardeners Peddling Own Produce**

Pursuant to RCW 36.71.090, there is an exemption from the City’s business registration requirements for any farmer, gardener, or other person, to sell, deliver, or peddle any fruits, vegetables, berries, eggs or any farm produce or edibles raised, gathered, produced, or manufactured by such person. However, nothing in this section authorizes any person to sell, deliver, or peddle, without license, any dairy product, meat, poultry, eel, fish, mollusk, or shellfish where a license is required to engage legally in such activity.

//

Business Registration Rules are hereby ADOPTED this 5<sup>th</sup> day of Februar<sub>y</sub>, 2024.

Matt Boston  
Chief Financial Officer

Approved as to form:

Elizabeth Schoedel  
Assistant City Attorney

**Certificate Of Completion**

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 808 W. Spokane Falls Blvd.  
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 Acting City Clerk  
 City of Spokane  
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*Laurie Farnsworth*  
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 Assistant City Attorney - approved as to form only  
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 City of Spokane Parks  
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*Garrett Jones*  
 Signature Adoption: Pre-selected Style  
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Matt Boston  
 mboston@spokanecity.org  
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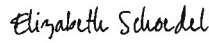
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 Assistant City Attorney - approved as to form only  
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 (None)

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 ID: c6b827e1-c22a-4f07-9a0b-a0e14d6b3ab8

Laurie Farnsworth  
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 Acting City Clerk  
 City of Spokane  
 Security Level: Email, Account Authentication  
 (None)




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**Required hardware and software**

Operating Systems:	Windows® 2000, Windows® XP, Windows Vista®; Mac OS® X
Browsers:	Final release versions of Internet Explorer® 6.0 or above (Windows only); Mozilla Firefox 2.0 or above (Windows and Mac); Safari™ 3.0 or above (Mac only)
PDF Reader:	Acrobat® or similar software may be required to view and print PDF files
Screen Resolution:	800 x 600 minimum
Enabled Security Settings:	Allow per session cookies

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