ORDINANCE NO. 1592

 $\mathbf{A}\mathbf{N}$ **ORDINANCE OF OF** THE CITY RUSTON, WASHINGTON, AMENDING SECTION 5.05.040 OF THE RUSTON MUNICIPAL CODE TO REFLECT UPDATED MINIMUM BUSINESS THRESHOLD FOR OUT-OF-CITY BUSINESS LICENSES IN COMPLIANCE WITH STATE LAW; PROVIDING FOR SEVERABILITY AND CORRECTIONS: AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City of Ruston maintains its Business License Code at Chapter 5.05 of the Ruston Municipal Code ("RMC"); and

WHEREAS, pursuant to the Revised Code of Washington ("RCW") 35.90.080, the cities of Washington State, collaborating through the Association of Washington Cities ("AWC") and a model ordinance development committee, adopted a model ordinance of general business license requirements, which the cities were required to adopt by January 1, 2019 (the "Model Ordinance"); and

WHEREAS, the Model Ordinance includes mandatory provisions that all cities must impose as general business license requirements, including a uniform minimum licensing threshold under which a business is relieved of the requirement to obtain a general business license (the "Minimum Threshold"); and

WHEREAS, the City incorporated the mandated provisions of the Model Ordinance in Ordinance 1507, effective January 1, 2019; and

WHEREAS, AWC and a workgroup of cities reviewed and updated the Minimum Threshold in 2024, which update must be implemented by Washington cities which have adopted the Model Ordinance by January 1, 2026; and

WHEREAS on August 19, 2025, the City Council held the first reading of this Ordinance; and

WHEREAS, on September 2, 2025, the City Council adopted this Ordinance at Second Reading during its regular meeting; and

WHEREAS, the City Council deems it in the public interest to adopt this Ordinance and update its code as set forth herein; NOW, THEREFORE,

THE CITY COUNCIL OF THE CITY OF RUSTON HEREBY ORDAINS AS FOLLOWS:

<u>Section 1.</u> Findings. The findings and recitals set forth above are hereby adopted and incorporated herein by this reference.

<u>Section 2.</u> <u>Amendment.</u> Section 5.05.040 of the Ruston Municipal Code is hereby amended to read as follows:

5.05.040 – License required.

- (a) No person shall maintain or operate any device, vehicle, or thing, or engage in any business, calling, profession, trade, occupation, or activity specified in this subtitle without first procuring a license therefor from the City and paying the fees prescribed herein, unless the City requirement for a license is preempted by state or federal law.
- (b) Persons applying for a city business license shall maintain all local, state, and federal licenses required for the operation of the business and shall remain in compliance with such licenses while the business remains in operation.
- (c) One-Day Business Licenses for Special Events. When the City issues a permit under Chapter 14.04 of the Ruston Municipal Code, or when the City Council by resolution recognizes a community event as a special event for the purposes of this section, then any person, corporation, partnership or other organization seeking to conduct business in the City of Ruston as part of that special event shall, before commencing such business, obtain from the City Clerk a one-day special event business license and pay the applicable fee therefor which is established by resolution of the City Council.
- (d) For purposes of the license by this chapter, 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 \$2,000.00 the amount set forth below and who does not maintain a place of business within the city, shall submit a business license registration to the Clerk or designee, however, no license fee shall be charged. The threshold does not apply to regulatory license requirements or activities that require a specialized permit.

- (1) Exemption Amount. The gross proceeds or gross income of a business for the purposes of this subsection (d) shall be no greater than \$2,000 through December 31, 2025. Beginning January 1, 2026, gross proceeds or gross income of a business for the purposes of this subsection (d) shall be no greater than \$4,000. This exemption amount shall be adjusted periodically as follows:
 - i. This threshold amount will be adjusted every forty-eight (48) months, on January 1, 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.
 - ii. To calculate this adjustment, the current rate will be multiplied by one plus the cumulative four-year (forty-eight (48) month) 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 percent (5%), a five percent (5%) increase will be used in computing the annual basis and if any of the annual CPI decreased during the forty-eight (48) month period, a zero percent (0%) increase will be used in computing the annual basis.

Section 3. Severability. If any section, sentence, clause, or phrase of this Ordinance should be held to be unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this Ordinance.

<u>Section 4.</u> <u>Publication.</u> This Ordinance shall be published by an approved summary consisting of the title.

<u>Section 5.</u> Corrections. Upon the approval of the city attorney, the city clerk, and/or the code publisher is authorized to make any necessary technical corrections to this ordinance,

including but not limited to the correction of scrivener's/clerical errors, references, ordinance numbering, section/subsection numbers, and any reference thereto.

Section 6. Effective Date. This Ordinance shall be effective five days after publication as provided by law. The rates adopted herein shall be effective as stated in Section 1 of this Ordinance.

<u>Section 7. Clerk's Action.</u> The City Clerk shall promptly transmit a copy of this Ordinance to the State Department of Revenue following passage.

ADOPTED by the City Council of the City of Ruston and attested by the City Clerk in authentication of such passage on this 2nd day of September, 2025.

APPROVED by the Mayor this 200 day of September, 2025.

Bruce Hopkins Mayor

ATTEST/AUTHENTICATED:

Mario Ortega, City Cle

APPROVED AS TO FORM:

Jennifer S. Robertson

City Attorney

FILED WITH THE CITY CLERK:

PASSED BY THE CITY COUNCIL:

PUBLISHED: 19-05-2025

EFFECTIVE DATE: 09-10-2025

ORDINANCE NO: 1592