



City Council

Approval of Proposed Ordinance Eliminating Certain Business Licensing Fees and Amending Olympia Municipal Code (OMC) Section 5.02.015

Agenda Date: 4/19/2016
Agenda Item Number: 4.G
File Number: 16-0437

Type: ordinance **Version:** 2 **Status:** Passed

Title

Approval of Proposed Ordinance Eliminating Certain Business Licensing Fees and Amending Olympia Municipal Code (OMC) Section 5.02.015

Recommended Action

Finance Committee Recommendation:

Move to approve the proposed ordinance eliminating certain business licensing fees and amending Olympia Municipal Code (OMC) Section 5.02.015.

City Manager Recommendation:

Move to approve the proposed ordinance eliminating certain business licensing fees and amending OMC Section 5.02.015 on second reading.

Report

Issue:

Whether to eliminate the \$25 Business License Tax Registration Fee and the \$25 New Business Registration fee.

Staff Contact:

Bill Sampson, Fiscal Services Accounting Manager, Administrative Services, 360.753.8473

Presenter(s):

Dean Walz, Fiscal Services Manager, Administrative Services, 360.753.8465

Background and Analysis:

The background and analysis have not changed from first to second reading.

Currently, in order to open a new business inside the City of Olympia, it costs \$80. The City imposes three different fees; a \$25 B&O Tax registration fee, a \$25 new business registration fee, and \$30 for a business license. The fee for annual renewals is \$30. In order to make it less costly for businesses (especially small businesses) to begin doing business in Olympia, the Finance Committee

recommends the fee be reduced to a flat \$30.

The City began using the online State system for license applications and renewals in 2010. This has been more efficient for the City, reducing our costs. By lowering our fee we are also more competitive with Lacey and Tumwater. Lacey currently charges \$25 for both the new license as well as the renewal. Tumwater charges \$50 for the first year and \$20 for a renewal.

The Finance Committee considered this issue at its March 2, 2016 meeting, directed staff to prepare an ordinance and recommended the Council approve the ordinance.

Neighborhood/Community Interests (if known):

None known.

Options:

1. Move to approve the proposed ordinance.
2. Direct staff to make changes to the proposed ordinance.
3. Do not approve the proposed ordinance.

Financial Impact:

The change will reduce annual revenue by approximately \$100,000.

Attachments:

Proposed ordinance.