**ORDINANCE NO. 2025-6**

**AN ORDINANCE OF THE TOWN OF EATONVILLE, WASHINGTON, AMENDING CHAPTER 5.04 "BUSINESS LICENSES" IN ACCORDANCE WITH CHANGES MANDATED BY WASHINGTON STATE LAW**

**WHEREAS,** RCW 35.27.370(9) provides that towns may "license, for the purposes of regulation and revenue, all and every kind of business, authorized by law and transacted and carried on in such town...;" and

**WHEREAS,** Chapter 5.04 of the Eatonville Municipal Code (EMC) sets forth the requirements for obtaining a business license in order to legally conduct business within the town; and

**WHEREAS**, RCW 35.90.080 requires cities and towns that partner with Washington Department of Revenue for general business licenses to adopt the business license model ordinance; and

**WHEREAS**, the model ordinance workgroup updated the definitions in the model ordinance as allowed by RCW 35.90.080(1)(c); and

**WHEREAS**, the changes in the model ordinance must be adopted by cities and towns with the same effective date of January 1, 2026; and

**WHEREAS**, the model ordinance increased minimum gross receipt threshold for out-of-town businesses to $4000; and

**WHEREAS**, the model ordinance also added a periodic increase of the minimum threshold based on a consumer price index with a maximum of 5% per year; and

**WHEREAS**; the Town of Eatonville must adopt the changes by mid-October to comply with the January 1, 2026 effective date;

**WHEREAS,** in order to comply with the changes mandated by state law, it is necessary for the town to amend EMC Chapter 5.04; now, therefore,

**BE IT ORDAINED BY THE COUNCIL OF THE TOWN OF EATONVILLE AS FOLLOWS:**

**Section 1.** Section 5.04.020 of the Eatonville Municipal Code is amended to read as follows:

**5.04.020 Definitions.**

In construing provisions of this chapter, the following words and terms shall have the meanings defined in this section, unless from the context a more limited or different meaning is clearly defined or apparent:

A. "Business" includes all activities, occupations, farmers deriving 60 percent or more of their income from farming, pursuits, or professions located and/or engaged in within the town, with the object of gain, benefit or advantage to the licensee or to another person or class, directly or indirectly, and shall include nonprofit organizations. Each business location shall be deemed a separate business. This term shall not include peddlers and hawkers as defined in Chapter 5.08 EMC.

B. "Employee" means anyone employed full-time or permanent part-time by a person engaged in business within the town and includes the owner or owners of the business if they work on the premises.

C. "Engaging in business."

1. The term "engaging in business" means commencing, conducting, or continuing in business, and also the exercise of corporate or franchise powers, as well as liquidating a business when the liquidators thereof hold themselves out to the public as conducting such business.

2. This section sets forth examples of activities that constitute engaging in business in the town, and establishes safe harbors for certain of those activities so that a person who meets the criteria may engage in de minimus business activities in the town without having to pay a business fee. The activities listed in this section are illustrative only and are not intended to narrow the definition of "engaging in business" in subsection (1). If any activity is not listed, whether it constitutes engaging in business in the town shall be determined by considering all the facts and circumstances and applicable law.

3. Without being all inclusive, any one of the following activities conducted within the town by a person, or its employee, agent, representative, independent contractor, broker, or another acting on its behalf constitutes engaging in business and requires a person to register and obtain a business license.

a. Owning, renting, leasing, maintaining, or having the right to use, or using, tangible personal property, intangible personal property, or real property permanently or temporarily located in the town.

b. Owning, renting, leasing, using, or maintaining, an office, place of business, or other establishment in the town.

c. Soliciting sales.

d. Making repairs or providing maintenance or service to real or tangible personal property, including warranty work and property maintenance.

e. Providing technical assistance or service, including quality control, production inspections, warranty work, or similar services on or in connection with tangible personal property sold by the person or on its behalf.

f. Installing, constructing, or supervising installation or construction of, real or tangible personal property.

g. Soliciting, negotiating, or approving franchise, license, or other similar agreements.

h. Collecting current or delinquent accounts.

i. Picking up and transporting tangible personal property, solid waste, construction debris, or excavated materials.

j. Providing disinfecting and pest control services, employment and labor pool services, home nursing care, janitorial services, appraising, landscape architectural services, security system services, surveying, and real estate services including the listing of homes and managing real property.

k. Rendering professional services such as those provided by accountants, architects, attorneys, auctioneers, consultants, engineers, professional athletes, barbers, baseball clubs and other sports organizations, chemists, consultants, psychologists, court reporters, dentists, doctors, detectives, laboratory operators, teachers, veterinarians.

l. Meeting with customers or potential customers, even when no sales or orders are solicited at the meetings.

m. Training or recruiting agents, representatives, independent contractors, brokers or others, domiciled or operating on a job in the town, acting on its behalf, or for customers or potential customers.

n. Investigating, resolving, or otherwise assisting in resolving customer complaints.

o. In-store stocking or manipulating products or goods, sold to and owned by a customer, regardless of where sale and delivery of the goods took place.

p. Delivering goods in vehicles owned, rented, or leased, used, or maintained by the person or another acting on its behalf.

4. If a person, or its employees, agent, representative, independent contractor, broker or another acting on the person's behalf, engages in

no other activities in or with the town but the following, it need not register and obtain a business license.

a. Meeting with suppliers of goods and services as a customer.

b. Meeting with government representatives in their official capacity, other than those performing contracting or purchasing functions.

c. Attending meetings, such as board meetings, retreats, seminars, and conferences, or other meetings wherein the person does not provide training in connection with tangible personal property sold by the person or on its behalf. This provision does not apply to any board of director member or attendee engaging in business such as a member of a board of directors who attends a board meeting.

d. Renting tangible or intangible property as a customer when the property is not used in the town.

e. Attending, but not participating in a "trade show" or "multiple vendor events". Persons participating at a trade show shall review the town's trade show or multiple vendor event ordinances.

f. Conducting advertising through mail.

g. Soliciting sales by phone from a location outside the town.

5. A seller located outside the town merely delivering goods into the town by means of common carrier is not required to register and obtain a business license, provided that it engages in no other business activities in the town. Such activities do not include those in subsection (4). The town intends that engaging in business include any activity sufficient to establish nexus for purposes of applying the license fee under the law and the constitutions of the United States and the State of Washington. Nexus is presumed to continue as long as the taxpayer benefits from the activity that constituted the original nexus generating contact or subsequent contact.

C. "Licensee" includes any person who is engaged in business or who is required to have a business license under this chapter or who performs any act for which a license fee is imposed by this chapter.

D. "License officer" means the employee of the town of Eatonville who is designated to administer this chapter.

E. "Year" means the calendar year.

**Section 2**. Section 5.04.040 of the Eatonville Municipal Code is amended to read as follows:

**5.04.040 Exemptions.**
The following businesses and activities shall be exempt from the provisions of this chapter; provided, dispensaries and collective gardens as defined under Chapter 69.51A RCW are not covered by these exemptions:

A. Businesses where the sale or contract for services occurs on business premises outside of the town and the only event occurring within the town is the mere delivery of the goods or services to the customer or client by common carrier.

B. Minors engaged in baby-sitting, delivery of newspapers, lawn mowing, car washing and other similar activities.

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

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

E. 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 town is equal to or less than $2,000 and who does not maintain a place of business within the town shall submit a business license registration to the License Officer or designee. The threshold does not apply to regulatory license requirements or activities that require a specialized permit.

Beginning January 1, 2026, the threshold amount is $4000. The threshold amount will be adjusted every forty-eight 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. 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.

**Section 3**. Should any section, paragraph, sentence, clause or phrase of this

Ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this Ordinance be preempted by state or federal law or regulation, such decision or preemption shall not affect the validity of the remaining portions of this Ordinance or its application to other persons or circumstances.

**Section 4**. This ordinance shall take effect after publication of a summary, consisting of the title, pursuant to RCW 35.27.300.

1ST READING: 10/13/2025
2ND READING: Waived

**PASSED** by the Town Council of the Town of Eatonville and attested by the Clerk in authentication of such passage this 13th day of October, 2025.

________________________
David Baublits
Mayor

ATTEST:

________________________
Miranda Doll
Town Clerk

APPROVED AS TO FORM:

________________________
Oskar Rey
Town Attorney