

**CITY OF MONROE
ORDINANCE NO. 018/2025**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MONROE, WASHINGTON, AMENDING CHAPTER 5.02 MMC BUSINESS LICENSES; INCREASING THE THRESHOLD FOR THE OUT-OF-CITY LICENSING EXEMPTION THEREUNDER; MAKING VARIOUS HOUSEKEEPING AND REFERENCE UPDATES; PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the 2017 Legislature passed Engrossed House Bill (EHB) 2005, now codified as Chapter 35.90 RCW, requiring Washington cities and towns with business licenses to create a model business license ordinance with a minimum threshold and a uniform definition of “engaging in business”; and

WHEREAS, in accordance with RCW 35.90.080, a development committee of cities has reviewed and updated the model threshold for the out-of-city business exemption, and affected cities, including Monroe, are required to adopt the new threshold by January 1, 2026; and

WHEREAS, in 2011, state lawmakers approved rebranding the Master License Service as the Business Licensing Service, now under the authority of the Department of Revenue; and

WHEREAS, in order to reflect this change, the City Council wishes to replace the now-obsolete Master License Service references throughout 5.02 MMC with updated references to the Business Licensing Service;

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF MONROE DO ORDAIN AS FOLLOWS:

Section 1. Amendment of MMC 5.02.040. Subsection 5.02.040(A)(7) of the Monroe Municipal Code is hereby amended to provide in its entirety as follows:

A. The provisions of this chapter shall not apply to:

.....

7. 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 two thousand dollars and who does not maintain a place of business within the city shall be exempt from the general business license requirements in this chapter. Provided, beginning January 1, 2026, the threshold amount is four thousand dollars (\$4,000). The threshold amount will thereafter 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 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 (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. The exemption set forth in this subsection does not apply to regulatory license requirements or activities that require a specialized permit.

Section 2. Amendment of MMC 5.02.050. Section 5.02.050 of the Monroe Municipal Code is hereby amended to provide in its entirety as follows

Any new nonexempt business shall make application for a business license prior to commencing business in the city. Application for license shall be accomplished by filing a master application through the State Department of Licensing's ~~Master License Service~~ Business License Service. Persons applying for a license must pay a fee as established by the city council by periodic resolution and the ~~Master License Service's~~ Business License Service's handling fee.

Section 3. Amendment of MMC 5.02.070. Section 5.02.070 of the Monroe Municipal Code is hereby amended to provide in its entirety as follows:

When the place of business of a person required to obtain a business license under this chapter is changed, the person shall inform the ~~Master License Service~~ Business License Service of the change. A change of place of business may require the filing of a new master application with the ~~Master License Service~~ Business License Service. Upon approval by the city of the new place of business, a new license shall be issued for the person's new place of business

Section 4. Amendment of MMC 5.02.075. Section 5.02.075 of the Monroe Municipal Code is hereby amended to provide in its entirety as follows:

When a licensed business changes ownership, the license of the previous owner may not be transferred to the new owner. The new owner shall apply for a license for the business by filing a master application with the ~~Master License Service~~ Business License Service.

Section 5. Amendment of MMC 5.02.100. Section 5.02.100 of the Monroe Municipal Code is hereby amended to provide in its entirety as follows:

All businesses shall renew their business license each year. Businesses must pay a renewal fee as established by the city council by periodic resolution and the ~~Master License Service's~~ Business License Service's handling fee.

Section 6. Filing. The City Clerk is hereby authorized and directed to submit a copy of this ordinance to the Business License Service of the Department of Revenue no later than October 1, 2025.

Section 7. Severability. 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 pre-empted by State or federal law or regulation, such decision or pre-emption shall not affect the validity or enforceability of the remaining portions of this ordinance or its application to other persons or circumstances.

Section 8. Effective Date. This ordinance shall be in full force and effect five (5) days from and after its passage and approval and publication as required by law.

PASSED by the City Council and APPROVED by the Mayor of the City of Monroe, at a regular meeting held this 23rd day of September, 2025.

First Reading: September 9, 2025
Adoption: September 23, 2025
Published: September 26, 2025
Effective: October 1, 2025

CITY OF MONROE, WASHINGTON:


Geoffrey Thomas (Sep 24, 2025 22:03:23 PDT)

Geoffrey Thomas, Mayor

ATTEST:

APPROVED AS TO FORM:


Jodi Wycoff (Sep 25, 2025 08:39:44 PDT)

Jodi Wycoff, City Clerk


Zach Lell (Sep 24, 2025 08:06:30 PDT)

J. Zachary Lell, City Attorney

ORD 018 2025_Amending MMC 5.02 Business Licenses - out of city threshold

Final Audit Report

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