

Update your Business License Model Threshold ordinance

June 25, 2025



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Update your business license model threshold ordinance (RCW 35.90.080)

Updated threshold developed with AWC work group and negotiated with business community

- **New 2026 threshold: \$4000/year** for out-of-city businesses effective January 1, 2026
 - 2018 threshold: \$2000/year for out of city businesses
- Adjusted by inflation after 4 years (in 2030)
- **Ordinances must be updated** by all cities with business licenses
 - BLS cities by **October 1, 2025** (for 75-day notice), but encouraged by **August 26, 2025**
- **Minimum threshold** – cities can choose higher threshold
- Continues **2 options**:
 1. Exemption from licensing for out-of-city businesses below the threshold
 2. Registration only (no-fee license) for out-of-city businesses below the threshold



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Update your business license model threshold ordinance - Steps to take now

1. Review AWC's [fact sheet](#) and the [model threshold](#) ordinance language that a work group of cities produced. The model increases the threshold for out-of-city business from the current minimum of \$2,000 per year to a minimum of \$4,000 per year;
2. Schedule the ordinance to be passed at an upcoming council meeting - by **October 1** for notice to BLS, or **August 26** if feasible;
3. Once passed, close the loop by submitting a [Partner Change Request](#) form to BLS at dorblspartner@dor.wa.gov. Remember to attach the language as adopted by council.

Resources:

<https://wacities.org/advocacy/news/advocacy-news/2025/06/14/final-city-business-license-model-threshold>

