



The rental license proposal was first made public in the fall of 2002 and two public hearings were conducted in October and November of 2002 for feedback. Council passed a resolution in December 2002 that directed an Advisory Committee be formed with representatives from the City and community stakeholders. This committee consisted of individuals from the commercial rental industry, neighborhood business districts, apartment owners, single-family dwelling owners and the Neighborhood Councils. This resolution also directed the committee to provide a proposal to reduce criminal activity and improve building conditions at rental properties.

The committee met nine times over a year to discuss these issues. As a result of this committee, changes to Title 6 Licenses and Taxation requiring an Annual Business License for the activity of renting or leasing real property and a new Chronic Nuisance Ordinance were recommended to Council. On October 14, 2003, the City Council took public comment on the considered changes presented by the rental advisory committee which instituted an Annual Business License for the activity of renting or leasing real property.

The City Council amended Tacoma Municipal Code (TMC) to require an Annual Business License for the activity of renting or leasing real property in Tacoma effective January 1, 2004. This activity is recognized by the City as a business activity. The license fee is assessed on the landlord and not the tenant. It is not the intent of this ordinance to assess a tax against rental activity; the license fee is regulatory in nature, not a tax. The funds will be used to help sustain crime prevention and code enforcement services, including training, education and inspection. The license is a tool to hold landlords accountable for conditions and activities on their properties.

Common Questions:

- Annual Business License Threshold: All persons engaging in business activities within the City of Tacoma are required to obtain an annual business license. However, any person with annual gross income of \$10,000 or less is exempt from the license fee.
- Ownership: Any person reporting revenue from the activity of renting or leasing real property is required to obtain a license.
- Owners with an existing Annual Business License: Property owners who currently have an annual business license are not required to obtain an additional license but the rental of real estate activity will be added to their existing license. However, they will be required to fill out a supplemental form listing their rental property locations in Tacoma.
- Business & Occupation Tax: This activity is not subject to Business & Occupation Tax and is reflected as such in the Ordinance see TMC 6A.30.090 M.
- Home Occupation License: This activity is exempt from the Home Occupation License requirement see TMC 6B.130.030 C.

Chapter 6B.20
ANNUAL BUSINESS LICENSE

6B.20.010 License required.

It shall be unlawful for any person to engage in business activities with the City or within the City, whether his or her office or place of business is located within and/or outside City limits, without first obtaining a license pursuant to the provisions of this chapter. For purposes of this chapter, this license is referred to as an "annual business license."

6B.20.040 Date of payment.

The annual license fee prescribed herein shall be due on January 31 of each year. Effective January 1, 2004, taxpayers who engage in the business of renting or leasing real property in the City shall pay the annual license fee.