

FREQUENTLY ASKED QUESTIONS
BUSINESS LICENSE REQUIREMENT FOR RENTAL PROPERTY OWNERS

Note: VMC 5.04 can be found in its entirety at: <https://vancouver.municipal.codes/VMC/5.04>.

QUESTIONS	ANSWERS
Why are real property owners required to hold Vancouver business licenses as of 2019?	In accordance with, RCW 35.90.080, the City of Vancouver was required to adopt the City Business License Model Ordinance. The ordinance included a statewide, universal, definition of “engaging in business” that includes activities of persons or their representatives that own, rent, lease, or maintain real property or a place of business located in the city, and requires that they hold a city business license. On October 1 2018, the Vancouver City Council adopted Ordinance M-4239 that revised VMC 5.04, effective January 1, 2019, to include the state-required Model Ordinance requirements related to real property owners.
When did the City of Vancouver start requiring a city business license be held by real property owners?	This requirement became effective January 1, 2019.
Why have I not received any notice of this requirement?	The city is developing notice materials to distribute as soon as possible in 2019.
Is a city business license required if the property is not generating income for the property owner (e.g., it has not yet been developed or leased)?	No, a property owner does not need to apply for a Vancouver business license endorsement until such time as the owner will start “engaging in business” pursuant to owning a property. Then, when applying for the license, the owner should enter the property location address as the “Location Address” on the <i>Business License Application</i> .
I own multiple legal parcels in Vancouver city limits that I rent; must I hold a city business license endorsement for each legal parcel?	Yes, in accordance with VMC 5.04.090, a city business license is required for each separate location -- including each rented legal parcel -- at which business is conducted.
I have multiple residential properties in Vancouver city limits, but never enter the city to manage the properties; all management work is conducted by a property management company. Do I still need to have a business license for each property?	Yes, “engaging in business” in Vancouver includes owning real property in Vancouver that generates a benefit to the owner.

<p>I don't have employees; am I required to pay the employee fee for each city license?</p>	<p>Yes; if the rental generates over \$50,000 in gross annual revenue in the city, must pay the <i>employee fee</i>, in addition to the <i>business license fee</i> of \$105 for each "employee" - defined as any worker including owners, partners, and managers working in the city for the business. The formula is total "employee" hours/1,664 hours = X (rounded) and does not apply to businesses with a gross income under \$50,000.</p>
<p>When a property owner is completing the <i>Business License Application</i> as part of registering for the city business license, is the "Location Address" the address of the owner's office address or that of the real property?</p>	<p>Enter the property legal parcel or situs address as the "Location Address" when completing the <i>Business License Application</i> for the business.</p>
<p>For a legal parcel in Vancouver city limits that has a range of situs addresses and tenants, how many business licenses are required?</p>	<p>If the owner holds a single Washington State registration or Unified Business Identifier (UBI) for the entire complex, only one city business license endorsement is required. If the owner has multiple state registrations or UBIs for the legal parcel, then a city business license endorsement is required for each registration or UBI.</p>
<p>I manage multiple Limited Liability Corporations (LLC's) that each own a separate legal parcel in Vancouver city limits. Is a city business license required for each parcel/LLC? And, what if an LLC owns multiple legal parcels?</p>	<p>In accordance with VMC 5.04.090, a city business license is required for each separate location -- including each rented legal parcel -- at which business is conducted. If an LLC is formed that includes ownership of more than one legal parcel, a business license would still be required for each legal parcel since it would be considered a separate business location pursuant to VMC 5.04.090.</p>
<p>Is a property management company required to hold a city business license endorsement?</p>	<p>Yes, if personnel of the property management company manage property within Vancouver city limits, the company is required to hold a city business license; but it is not required to hold a separate license for each property it manages. The "Location Address" that the company enters on its <i>Business License Application</i> should be the company's office address, not the legal parcel, unless these addresses are the same.</p>
<p>The City Addendum part of the license application process asks for an estimate of the business's annual gross income in the city; does that include all rental income?</p>	<p>Yes, "gross income" includes total rental income, without any deduction for the cost of materials or expenses of operating the rental.</p>
<p>Is the estimated annual gross income reported on the <i>City Addendum</i> part of the license application subject to state or city taxes?</p>	<p>No; the city business license requirement does not change state tax regulations. The income question is only asked to determine if the business is eligible for an exemption from city license fees (if annual gross income generated in city is \$2,000 or less).</p>