

CITY COUNCIL REGULAR SESSION

Resolution authorizing execution of Amendment No. 2 to the Washington Multi-City Business License and Tax Portal Agency Interlocal Agreement to amend the agency cost allocation for 2022-2024.

Toni Call, Director, 452-7863
Jamie Robinson, Assistant Director, 452-6843
Troy Lucas, Tax Manager, 452-4358
Finance and Asset Management Department

EXECUTIVE SUMMARY

This Resolution authorizes execution of an amendment to The Washington Multi-City Business License and Tax Portal Agency Interlocal Agreement regarding allocation of agency costs among the cities.

RECOMMENDATION

Move to adopt Resolution No. 9948

BACKGROUND/ANALYSIS

Since 2010, the cities of Bellevue, Seattle, Tacoma, and Everett have been collaborating to simplify business registration, filing taxes, and address stakeholder concerns over filing taxes in multiple jurisdictions. The result of these efforts was the creation of the Washington Multi-City Business License and Tax Portal Agency (Agency) and an internet web application gateway, FileLocal, set up by eGov systems. FileLocal is now a one-stop, fully secure website that makes it easy for businesses to get and renew their city business licenses and to calculate and pay local B&O taxes for participating cities.

In the original interlocal agreement (ILA) establishing the Agency, approved by Bellevue City Council in 2013 (Ordinance No. 6138), the increase in allocation of Agency costs among the parties for 2019-2021 was based on a formula that took into account actual counts of tax filings in the system. In 2017, the participating cities agreed to amend the ILA to retain the 2014-2018 cost allocation for the years 2019-2021 (Resolution No. 9298) because Seattle and Everett had not fully converted their tax filings to the portal and using the actual counts would significantly increase costs to Bellevue and Tacoma.

To date, Seattle has not yet fully converted its tax filings to the portal. The principal cities to the ILA have determined that changing the method of allocation to the actual filings would be inequitable and that continuing to use 2012 historical transaction counts for an additional three years, through 2024 would be a preferable way to allocate Agency costs. This second amendment will amend the ILA to revise how Agency costs are allocated among the participating cities during the years 2022-2024 so that the allocation method used in years 2014-2021 may continue to be used through 2024.

This amendment is in the best interest of the City as it allows for the fees to be based on the 2012 historical data. If the method of allocation were to change to the actual filings, the cost of the City's portion would increase from \$74,347 to \$384,432 on average for the years 2022-2024.

POLICY & FISCAL IMPACTS

Policy Impact

The Interlocal Cooperation Act (Chapter 39.34 RCW) permits local governments to make the most efficient use of their powers by enabling cooperation with other public entities based on mutual advantage to provide services and facilities.

Per the terms of the original ILA, any amendment that changes principal contribution responsibilities requires consent of the legislative authorities of all the parties to the agreement.

Fiscal Impact

As a result of this action, there will be no new fiscal impact to the City. The fees associated with the 2012 allocation were anticipated within the adopted 2021-2022 operating budget for the first two years of the amendment. Future funding for the remaining years will be requested in subsequent budget processes.

OPTIONS

1. Adopt the Resolution authorizing execution of Amendment No. 2 to the Washington Multi-City Business License and Tax Portal Agency Interlocal Agreement to amend the agency cost allocation for 2022-2024.
2. Do not adopt the Resolution and provide alternative direction to staff

ATTACHMENTS & AVAILABLE DOCUMENTS

- A. Amendment No. 2 To The Washington Multi-City Business License and Tax Portal Agency Interlocal Agreement
Proposed Resolution No. 9948

AVAILABLE IN COUNCIL LIBRARY

N/A