



Multi-City Business License and Tax Portal

Economic Resiliency and Regional Relations Committee
Seattle City Council
April 16, 2013

Project Overview

Build a one-stop, fully secure website making it easy for customers to get or renew a city business license and to calculate and pay local B&O taxes.

April 2013 Update

- ▶ The project is on track
- ▶ Partner cities signed a 2nd MOU
- ▶ Seattle is financing start-up costs
- ▶ Reviewing technology vendor RFPs (Selection expected in May with work starting in July)
- ▶ Partner cities' IT staff working to ensure portal meets local business and government needs
- ▶ Interlocal Agreement (ILA) under development
- ▶ State legislative session update

Project oversight structure (interim)



Interim Governance Process

- ▶ Steering Committee recommendations given to Governing Advisory Board for consideration
- ▶ Governing Advisory Board recommendations drafted into ILA
- ▶ ILA forwarded to each city council for action later this year (July-September)

Key Governance Decisions

- ▶ Corporate structure
- ▶ Scope of authority and powers
- ▶ Scope of responsibility of board
- ▶ Governance board membership, roles, voting
- ▶ Advisory board(s)
- ▶ Staffing/operations
- ▶ Budget and funding options
- ▶ Latecomers, termination, other issues

Corporate Structure:

Nonprofit corporation formed by ILA

Rationale:

- ▶ Used frequently when cities wish to jointly engage in a complex enterprise
- ▶ Creates separate legal entity with clear legal separation from member cities
- ▶ Entity is a municipal instrumentality—subject to rules applicable to all local governments (open meetings, audits, etc.)
- ▶ Broad operating authority but no taxing authority
- ▶ True joint oversight and control by participating cities

Scope of Authority

- ▶ The nonprofit “Agency” will have ownership and control of the Portal operations and upgrades
- ▶ Agency will not have authority over local tax rates, classifications, exemptions or enforcement activities
- ▶ Portal could offer additional services (ex: paying utilities taxes). Cities would have to “opt in” to utilize additional services
- ▶ Additional cities can join Portal Agency

Additional Governance Issues

- ▶ Considering a range of options based on other successful ILA structures
- ▶ ILA will define scope of Agency powers, responsibilities
- ▶ ILA will define composition and voting for Governing Board to oversee Agency
- ▶ Board membership, structure, voting under discussion
- ▶ Advisory Boards to inform Board actions
- ▶ ILA will define a budget process and cost allocation principles
- ▶ Members cities must approve their share of the budget each year
- ▶ Agency operations (staff structure, operating costs, etc.)

Legal Agreements

- ▶ **Vendor contract**

Software vendor signs initial contract with Seattle, (mid 2013). Once the Portal is established contract will be assigned to the Portal Agency.

- ▶ **Interlocal Agreement**

Signed by principal partner cities. Establishes Portal as separate nonprofit corporation. Describes powers, authorities, governance, and cost allocation principles (scheduled for approval by partner cities- fall of 2013).

- ▶ **Service level agreement**

Portal + each partner city. Two-way commitments to ensure Portal is current, accurate, and responsive to customer needs (scheduled for approval by partner cities - fall of 2013).

- ▶ **Data sharing agreements**

Portal + each partner city. Defines how sensitive data will be shared and managed (scheduled for approval by partner cities- fall of 2013).

Outcomes

- ▶ Q2 2014 launch
- ▶ Cities retain control of local tax issues
- ▶ Reliable tax collection operation
- ▶ Effective and accountable oversight
- ▶ One place for customers to easily register a business, get a license, report income and pay local B&O taxes
- ▶ Improved customer service

Contact info. and additional resources

For additional information, contact:

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Handouts:

- ▶ Project FAQ
- ▶ Timeline/Milestone