



Memorandum

Date: 9/15/2020
Meeting of: City Council

File No. AM No. 20-123
Type: New Business

TO: Members of the City Council
FROM: Mayor Angela Birney
DEPARTMENT DIRECTOR CONTACT(S):

Parks	Carrie Hite	425-556-2326
Finance	Malisa Files	425-556-2166

DEPARTMENT STAFF:

Parks	Ryan Spencer	Customer Service Administrator
Parks	Denise Shinoda	Customer Service Coordinator

TITLE:
Business Licensing Partnership

OVERVIEW STATEMENT:

Resulting from the passing of House Bill 2005 by the Washington State Legislature, the City of Redmond will be entering into a partnership with the Washington State Department of Revenue for administration of the City’s Business Licensing Program. By request of the City Council, we are presenting additional information and clarity on the benefits of this partnership. Additionally, we are asking the City Council for approval of the interlocal Business Licensing Services Agreement and that the Mayor be authorized to sign the agreement on behalf of the City.

Additional Background Information/Description of Proposal Attached

REQUESTED ACTION:

Receive Information **Provide Direction** **Approve**

REQUEST RATIONALE:

- **Relevant Plans/Policies:**
N/A
- **Required:**
Washington State Engrossed House Bill 2005; Chapter 209, Laws of 2017 - An Act relating to improving the business climate in this state by simplifying the administration of municipal general business licenses.
- **Council Request:**
During the August 25, 2020 Finance, Administration and Communications Committee of the Whole meeting, the City Council requested additional information on the benefits this partnership will bring our business community.

• **Other Key Facts:**

After receiving support from the City Council to partner with the Department of Revenue at the November 26, 2019 Finance, Administration and Communications Committee of the Whole meeting, the City signed a “letter of intent” with the Department of Revenue. This enabled us to officially be queued in their schedule for the necessary implementation work to commence in October 2020 and launch in March/April of 2021. The Business Licensing Services Agreement was received from the Department of Revenue in mid-July.

We are recommending the City Council approve the Business Licensing Services Agreement and the Mayor be authorized to sign the agreement on behalf of the City. This will ensure the intended timeline can be executed.

OUTCOMES:

Benefits of this partnership will be significant for both the business community and the City. Below is a high-level overview, with greater detail provided in the Business Licensing Partnership Benefits presentation (Attachment A):

- Businesses will have a one-stop customer service center to quickly and efficiently:
 - Apply/renew Washington State licenses and endorsements
 - Apply/renew City of Redmond Business License
 - Apply/renew all other partnering city licenses
 - One application per business
- The Department of Revenue will provide the City with:
 - Initial intake of applications and renewals
 - Printing and mailing of licenses
 - Collection and distribution of fees
 - Compliance support for partners

COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:

- **Timeline (previous or planned):**
Outreach to the business community is planned to occur January-March 2021.
- **Outreach Methods and Results:**
City eNews, City website, direct mail and email to our current business licensing database as well as new data we will have access to through the Department of Revenue. We will also be educating our business community during all interactions of the last renewal process using the current practice (current process renewals begin January 1, 2021).
- **Feedback Summary:**
N/A

BUDGET IMPACT:

Total Cost:
N/A

Approved in current biennial budget: Yes No N/A

Budget Offer Number:

000178 - Vibrant Economy (The City Business Licensing Program is budgeted for under this priority, but the partnership has no additional costs)

Budget Priority:
Vibrant and Connected

Other budget impacts or additional costs: Yes No N/A

If yes, explain:
N/A

Funding source(s):
N/A

Budget/Funding Constraints:
N/A

Additional budget details attached

COUNCIL REVIEW:

Previous Contact(s)

Date	Meeting	Requested Action
9/25/2018	Committee of the Whole - Finance, Administration, and Communications	Receive Information
10/23/2018	Committee of the Whole - Finance, Administration, and Communications	Receive Information
12/4/2018	Business Meeting	Approve
11/26/2019	Committee of the Whole - Finance, Administration, and Communications	Provide Direction
8/25/2020	Committee of the Whole - Finance, Administration, and Communications	Provide Direction

Proposed Upcoming Contact(s)

Date	Meeting	Requested Action
	None proposed at this time	N/A

Time Constraints:

A city that imposes a general business license requirement must adopt the mandatory provisions of House Bill 2005 by December 31, 2022, if partnering with the State of Washington. The City is on the Department of Revenue's schedule for implementation work to commence in October 2020, and launch in March/April of 2021, with agreement approval occurring approximately 6 months prior.

ANTICIPATED RESULT IF NOT APPROVED:

If implementation of the partnership is not met by the 2022 deadline, the City may not enforce its general business

licensing requirements on any person until the effective date of partnership being activated. Furthermore, if the approval of the agreement is delayed beyond September/October 2020, the intended timeline may not be achievable, and the City would need to continue to coordinate with the Department of Revenue to be queued into their partner onboarding schedule for a later date.

ATTACHMENTS:

Attachment A: Business Licensing Partnership Benefits

Attachment B: Business Licensing Services Agreement