



STATE OF WASHINGTON
DEPARTMENT OF REVENUE
OFFICE OF THE DIRECTOR

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December 28, 2021

TO: The Honorable Christine Rolfes, Chair
 The Honorable Lynda Wilson
 Ways & Means Committee
 Washington State Senate

 The Honorable Patty Kuderer, Chair
 The Honorable Phil Fortunato
 Housing & Local Government Committee
 Washington State Senate

 The Honorable Mark Mullet, Chair
 The Honorable Perry Dozier
 Business, Financial Services &
 Trade Committee
 Washington State Senate

 The Honorable Noel Frame, Chair
 The Honorable Ed Orcutt
 Finance Committee
 Washington State House of
 Representatives

 The Honorable Gerry Pollet
 The Honorable Keith Goehner
 Local Government Committee
 Washington State House of
 Representatives

 Keith Phillips, Policy Director
 Office of the Governor

FROM: Vikki Smith, Director *Vikki Smith*
 Washington State Department of Revenue

SUBJECT: FY 2022 – 2023 Local Business Licensing Partnership Plan

The Department of Revenue is submitting this report to the Legislature as required by [RCW 35.90.020\(4\)](#).

[Chapter 35.90 RCW](#) requires Washington cities and towns with general business licenses to join a combined licensing system, either FileLocal or the Department's Business Licensing Service. RCW 35.90.020(4) requires the Department to submit a two-year onboarding plan to the Governor, specified legislative committees, and other specified stakeholders by January 1st of

each even-numbered year until all cities that currently impose a general business license requirement have partnered with the Department or joined FileLocal.

If you have any questions or need the report in an alternate format, please contact Steve Ewing, Legislative and External Affairs Liaison, Executive Division, at (360) 534-1545 or

SteveE2@dor.wa.gov.

cc: Members, Senate Ways & Means Committee
Members, House Finance Committee
Members, Senate Housing & Local Government Committee
Members, House Local Government Committee
Members, Senate Business, Financial Services & Trade Committee
Brad Hendrickson, Secretary, Washington State Senate
Bernard Dean, Chief Clerk, Washington State House of Representatives
David Schumacher, Director, Office of Financial Management
Drew Shirk, Executive Director, Legislative Affairs, Office of the Governor
Roselyn Marcus, Assistant Director, Office of Financial Management
Rachel Knutson, Budget Coordinator, Office of Financial Management
Cheri Keller, Senior Budget Assistant, Office of Financial Management

Local Business Licensing Partnership Plan FY 2022 - 2023

January 1, 2022

SUMMARY

The 2022-2023 fiscal year Local Business Licensing Partnership Plan (plan) was prepared by the Department of Revenue (Department) to comply with chapter [35.90](#) RCW, which requires:

- Washington cities and towns that have general business licenses to join a combined licensing system (either FileLocal or Business Licensing Services (BLS)).
- The Department's BLS program to partner with all cities requiring a general business license between July 1, 2017, and December 31, 2022.
- The Department to create a two-year onboarding plan and submit the plan to the Legislature by January 1, 2022, and each even-numbered year thereafter (RCW [35.90.020\(4\)](#)).
- The Department to submit an annual progress report to the Legislature, beginning January 1, 2019, through January 1, 2028. The report must include the information specified in RCW [35.90.020\(8\)](#).

There are 281 incorporated cities and towns in Washington State. Of those, 226 issue local business licenses. By the end of FY21, BLS provided local licensing services for 174 cities, reducing the license renewal workload and saving businesses time with a one-stop solution. Ten cities currently participate with the FileLocal portal for local business and occupation (B&O) tax collection and business licensing.

This plan identifies the remaining 42 cities that committed to join the BLS partnership in FY22 and FY23, as well as the proposed quarterly implementation dates, to maintain progress toward the December 31, 2022, deadline.

2022-2023 FISCAL YEAR CITY PARTNER PLAN

BLS engaged all cities identified in this two-year plan by webinar, phone, and email. Every city has agreed in writing to the partnership schedule. The plan accommodates for the volume and complexity of city licenses while meeting the conditions of the legislation. Where practical, BLS coordinated the schedule to fit with city leadership requests. Implementation or "Go-Live" dates within the designated quarter and year will be set about three months in advance.

FY 2022 (32 cities total)

Quarter 1 (July-Sept. 21)	Quarter 2 (Oct.-Dec. 21)	Quarter 3 (Jan.-March 22)	Quarter 4 (April-June 22)
<ul style="list-style-type: none"> ✓ Arlington ✓ Bremerton ✓ Moxee ✓ North Bonneville ✓ Pomeroy ✓ Roslyn ✓ Royal City ✓ South Prairie ✓ Wilson Creek 	<ul style="list-style-type: none"> ✓ Algona ✓ Bucoda ✓ Electric City ✓ Kittitas ✓ Pacific ✓ Rock Island ✓ Warden ✓ Wilbur 	<ul style="list-style-type: none"> • Benton City • La Conner • Langley • Nooksack • Oak Harbor • Sumas • Twisp • Winthrop • Woodland 	<ul style="list-style-type: none"> • Bothell • Colfax • Kettle Falls • Mesa • Northport • Sprague

✓ Onboarding complete by January 1, 2022

FY 2023 (10 cities total)

Quarter 1 (July-Sept. 22)	Quarter 2 (Oct.-Dec. 22)	Quarter 3 (Jan.-March 23)	Quarter 4 (April-June 23)
<ul style="list-style-type: none"> • Auburn • Elmer City • Mossyrock • Nespelem • Pateros 	<ul style="list-style-type: none"> • Albion • Asotin • Morton • Selah • Wapato 		

If the Department needs to alter the plan, we will provide affected cities at least 30 days' notice as required by the legislation. This plan assumes the Legislature continues to maintain increased funding for BLS to provide the Department with the necessary resources to continue onboarding all cities at an accelerated rate before the statutory deadline of December 31, 2022.

NEXT STEPS

Annual Progress Report

By January 1, 2023, the Department will submit a progress report to the Legislature as required by RCW [35.90.020\(8\)](#). The report will include a summary of accomplishments, a list of cities declining to pursue BLS partnership, descriptions of process improvements made, and recommendations to further simplify the process for issuing and renewing local business licenses in Washington State.