



STATE OF WASHINGTON
DEPARTMENT OF REVENUE
OFFICE OF THE DIRECTOR

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December 12, 2017

TO: The Honorable John Braun, Chair
Ways and Means Committee
Washington State Senate

The Honorable Shelly Short, Chair
Local Government Committee
Washington State Senate

The Honorable Kristine Lytton, Chair
Finance Committee
Washington State House of Representatives

The Honorable Sherry Appleton, Chair
Local Government Committee
Washington State House of Representatives

The Honorable Judy Warnick, Chair
Agriculture, Water, Trade and Economic
Development Committee
Washington State Senate

Keith Phillips, Policy Director
Office of the Governor

FROM: Vikki Smith, Director 
Washington State Department of Revenue

SUBJECT: Local Business Licensing Partnership Plan 2018-2019

The Department of Revenue (Department) is submitting the 2018-2019 Local Business Licensing Partnership Plan to the Legislature and Governor as required under RCW [35.90.020](#). This plan identifies 24 cities that will be joining the Department's Business Licensing Service (BLS) partnership over the next two years, as well as the proposed implementation dates. The new law, codified in chapter [35.90](#) RCW, requires:

- Washington cities and towns that have general business licenses to join a combined licensing system (either FileLocal or BLS).
- The Department's BLS program to partner with at least six cities per year (2018-2021).
- The Department to create a two-year onboarding plan and submit the plan to the Legislature by January 1, 2018, and each even numbered year thereafter (see RCW [35.90.020\(4\)](#)). The 2018-2019 plan is to give preference to cities queued for partnership before 2017.

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- 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\(8\)](#).

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

Attachment

cc: Hunter Goodman, Secretary, Washington State Senate
Bernard Dean, Chief Clerk, Washington State House of Representatives
Drew Shirk, Executive Director, Legislative Affairs, Office of the Governor
Roselyn Marcus, Assistant Director of Legal and Legislative Affairs, Office of Financial Management
David Schumacher, Director, Office of Financial Management
Dean Carlson, Senior Budget Assistant, Office of Financial Management

Local Business Licensing Partnership Plan 2018 – 2019

December 29, 2017

SUMMARY

The 2018-2019 municipal business licensing partnership plan (plan) was prepared by the Department of Revenue (Department) to comply with Engrossed House Bill (EHB) 2005 (chapter [209](#), Laws of 2017). The new law, codified in chapter [35.90](#) RCW, 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 at least six cities per year (2018-2021).
- The Department to create a two-year onboarding plan and submit the plan to the Legislature by January 1, 2018, and each even-numbered year thereafter (see RCW [35.90.020](#)(4)). The 2018-2019 plan is to give preference to cities queued for partnership before 2017.
- 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. Currently, BLS provides local licensing services for more than 70 cities, reducing the license renewal workload for these cities and saving businesses time with a one-stop solution. Five cities are currently partnering with the FileLocal portal for local business and occupation (B&O) tax collection and business licensing.

This plan identifies 24 cities that will be joining the BLS partnership, as well as the proposed implementation dates. It incorporates all cities prioritized by the legislation and provides "designated alternates," which are cities who recently committed to join the BLS partnership. Should any city in the 2018-2019 plan be unable to complete work on schedule, a designated alternate may join BLS in its place in order to maintain progress.

2018-2019 CITY PARTNER PLAN

BLS engaged all cities identified in this two-year plan by webinar, phone, and/or 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.

2018

Quarter 1	Quarter 2	Quarter 3	Quarter 4
<ul style="list-style-type: none">• Mukilteo• Pasco• Walla Walla	<ul style="list-style-type: none">• Puyallup• Lakewood	<ul style="list-style-type: none">• Bainbridge Island• Centralia• Chehalis	<ul style="list-style-type: none">• Kirkland

2019

Quarter 1	Quarter 2	Quarter 3	Quarter 4
<ul style="list-style-type: none">• Tukwila• Snohomish• Orting• Ridgefield	<ul style="list-style-type: none">• Burlington• Friday Harbor• Edmonds	<ul style="list-style-type: none">• Kent• Airway Heights• Springdale• Cheney	<ul style="list-style-type: none">• Lynnwood• Federal Way• Mountlake Terrace• Woodway

ALTERNATES

Black Diamond, Darrington, Normandy Park, Quincy, Shelton, and Yelm

If the Department needs to alter the plan, the Department will provide affected cities at least 30 days' notice as required by the legislation. The final version of this plan will be posted on the Department's site [here](#).

NEXT STEPS

Annual Progress Report (2019-2028)

By January 1, 2019, the Department will submit a progress report to the Legislature as required by RCW [36.90.020](#)(8). The report will include a summary of accomplishments, a description of efforts made to engage cities not already part of the onboarding plan, and a list of cities scheduled to partner in 2019. It will also include 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.