

**CITY COUNCIL AGENDA ITEM**  
CITY OF SHORELINE, WASHINGTON

<b>AGENDA TITLE:</b>	Adoption of Resolution No. 386 Authorizing the Administrative Services Director to Enter into Amendment No. 1 to the Interlocal Agreement with the State of Washington Department of Licensing for Collection and Administration of Vehicle Licensing Fees for the City of Shoreline, Formerly Shoreline Transportation Benefit District
<b>DEPARTMENT:</b>	Administrative Services
<b>PRESENTED BY:</b>	Sara Lane, Administrative Services Director
<b>ACTION:</b>	<input type="checkbox"/> Ordinance <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Motion <input type="checkbox"/> Discussion <input type="checkbox"/> Public Hearing

**PROBLEM/ISSUE STATEMENT:**

On September 4, 2009 an Interlocal Agreement was signed between the Shoreline Transportation Benefit District (TBD) and the State of Washington Department of Licensing (DOL) authorizing the DOL to collect and administer vehicle licensing fees on behalf of the TBD. And, on October 19, 2015, the City Council adopted Ordinance No. 726, authorizing the City to assume the rights, powers, functions, immunities and obligations of the Shoreline Transportation Benefit District (TBD). The City is now interested in amending the Interlocal Agreement with the DOL. Proposed Resolution No. 386 (Attachment A) authorizes the Administrative Services Director to enter into Amendment No. 1 to the Interlocal Agreement the City (formerly the TBD) has with the DOL.

**RESOURCE/FINANCIAL IMPACT:**

The City receives over \$780,000 annually from the \$20 vehicle license fee that the City collects. Of this amount, DOL will continue to retain 1% (estimate of \$7,800) to cover their administrative and collection related expenses. The cost for the City to perform this billing function would significantly exceed the cost charged by the Department of Licensing.

**RECOMMENDATION**

Staff recommends that Council adopt Resolution No. 386 authorizing the Administrative Services Director to sign Amendment 1 to the Interlocal agreement with the State of Washington Department of Licensing for collection and administration of vehicle licensing fees for the City of Shoreline, formerly the Shoreline Transportation Benefit District.

Approved By:            City Manager **DT**    City Attorney **MK**

## **BACKGROUND**

On September 4, 2009 an Interlocal Agreement was signed between the Shoreline Transportation Benefit District (TBD) and the State of Washington Department of Licensing (DOL) authorizing the DOL to collect and administer vehicle licensing fees on behalf of the TBD. And, on October 19, 2015, the City Council adopted Ordinance No. 726, authorizing the City to assume the rights, powers, functions, immunities and obligations of the Shoreline Transportation Benefit District (TBD). The City is now interested in amending the Interlocal Agreement with the DOL. Proposed Resolution No. 386 authorizes the Administrative Services Director to enter into Amendment No. 1 to the Interlocal Agreement the City (formerly the TBD) has with the DOL.

## **DISCUSSION**

Amendment No. 1 to the City's Interlocal Agreement with the DOL accomplishes the following:

1. Updates the DOL contract manager information;
2. Authorizes counties and cities to assume the rights of the rights, powers, functions and obligations of the TBD within their boundaries effective January 1, 2016. The assumption of rights is a result of Engrossed Second Substitute House Bill (ESSHB) 5987, an ACT relating to transportation revenue that passed in the 2015 legislation. ESSHB 5987 authorizes counties and cities in which TBD has been established pursuant to chapter 36.73 RCW with boundaries coterminous with the boundaries of the city or county may by ordinance or resolution of the city or county legislative authority assume the rights, powers, functions and obligations of the TBD.
3. Removes all references to Department of Revenue (DOR) for GIS data and revises how TBD reports address corrections. TBDs will now report address corrections directly to DOL. DOL will submit a quarterly report to DOR.

## **RESOURCE/FINANCIAL IMPACT**

The City receives over \$780,000 annually from the \$20 vehicle license fee that the City collects. Of this amount, DOL will continue to retain 1% (estimate of \$7,800) to cover their administrative and collection related expenses. The cost for the City to perform this billing function would significantly exceed the cost charged by the Department of Licensing.

## **RECOMMENDATION**

Staff recommends that Council adopt Resolution No. 386 authorizing the Administrative Services Director to sign Amendment 1 to the Interlocal agreement with the State of Washington Department of Licensing for collection and administration of vehicle licensing fees for the City of Shoreline, formerly the Shoreline Transportation Benefit District.

## **ATTACHMENTS**

Attachment A – Proposed Resolution No. 386

Exhibit A – Interlocal Agreement Amendment No. 1 Between the Washington State  
Department of Licensing and the City of Shoreline

**RESOLUTION NO. 386**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON, AUTHORIZING THE ADMINISTRATIVE SERVICES DIRECTOR TO EXECUTE AN INTERLOCAL AGREEMENT BETWEEN THE STATE OF WASHINGTON DEPARTMENT OF LICENSING AND THE CITY OF SHORELINE (FORMERLY SHORELINE TRANSPORTATION BENEFIT DISTRICT FOR THE COLLECTION AND ADMINISTRATION OF VEHICLE LICENSING FEES**

WHEREAS, on June 22, 2009, with the adoption of Ordinance No. 550, the Shoreline Transportation Benefit District was established; and

WHEREAS, on October 19, 2015, with the adoption of Ordinance No. 726, the City assumed the rights, powers, functions, and obligations of the Shoreline Transportation Benefit District as provided by law; and

WHEREAS, as authorized by RCW 36.73.065, the Shoreline Transportation Benefit District has established a \$20 vehicle license fee as authorized by RCW 82.80.140; and

WHEREAS, RCW 82.80.140 provides that the Washington State Department of Licensing shall administer and collect the vehicle license fee and the City desires to enter into an Interlocal Agreement with the Department of Licensing so as to establish the terms and conditions under which the Department of Licensing shall administer and collect fees on behalf of the City; and

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON, HEREBY RESOLVES AS FOLLOWS:**

**Section 1. Authorization to Execute Interlocal Agreement.** The Administrative Services Director is hereby authorized to execute an Interlocal Agreement between the City of Shoreline and the Washington State Department of Licensing attached hereto as Exhibit A.

**ADOPTED BY THE CITY COUNCIL ON MAY 2, 2016.**

\_\_\_\_\_  
Christopher Roberts, Mayor

**ATTEST:**

\_\_\_\_\_  
Jessica Simulcik Smith, City Clerk

Approved as to form:

\_\_\_\_\_  
Margaret King, City Attorney

## Attachment A Exhibit A

	<b>CONTRACT AMENDMENT BETWEEN THE DEPARTMENT OF LICENSING AND SHORELINE TBD</b>	DOL Contract No. K1410 Amendment No. 1
<b>Amendment</b>		
Amendment Purpose: The purpose of this amendment is to: <ol style="list-style-type: none"> <li>1. Update the DOL Contract Manager;</li> <li>2. Amends Section 1 Definitions;</li> <li>3. Adds Assignment Clause; and</li> <li>4. Update Attachment a, STATEMENT OF WORK, by replacing in its entirety with an updated version Attachment a, STATEMENT OF WORK.</li> </ol>		
<b>Contractor</b>		
Contract manager Sara Lane	(Area code) Telephone (206) 801-2301	E-Mail <a href="mailto:slane@shorelinewa.gov">slane@shorelinewa.gov</a>
<b>Department of Licensing (DOL)</b>		
Contract manager Debra Dunn, Data Sharing Contracts Manager	(Area code) Telephone (360) 902-0136	E-Mail <a href="mailto:ddunn@dol.wa.gov">ddunn@dol.wa.gov</a>
<b>Attachments(when applicable)</b>		
This Contract consists of the following attachment(s) and all document(s) incorporated herein or by reference: <b>None</b>		
The execution of this Amendment shall constitute a ratification of any earlier agreement between the parties, hereto, the terms and conditions of which are contained herein. The intent of the parties is that <b>the effective date of this Agreement shall be on the date of last signature</b> . All other terms and conditions of the original Contract and any subsequent amendments thereto remain in full force and effect. The parties hereby acknowledge and accept the terms and conditions of this amendment which is executed by the persons signing below who warrant that they have the authority to execute it on behalf of DOL and the Contractor.		
Contractor signature	Date	DOL signature
PRINT contractor name Sara Lane	Name Tamara L. Dohrman	Date
Print Title Administrative Services Director	Print Title Assistant Director Administrative Services Division	
E-Mail <a href="mailto:slane@shorelinewa.gov">slane@shorelinewa.gov</a>	E-Mail <a href="mailto:tdohrman@dol.wa.gov">tdohrman@dol.wa.gov</a>	
Phone (206) 801-2301	Phone 360-902-4044	

## Attachment A Exhibit A

This Contract is hereby amended as follows:

- **Contract Management**

The DOL Contract Manager identified on page one (1) of the original contract is hereby updated to the Contract Manager listed on page one (1) of this amendment.

- **Section 1, DEFINITIONS**

**Section 1, DEFINITIONS, is here by amended as follows:**

As used throughout this Contract the following terms shall have the meanings set forth below:

- a. "Administrative and Collection Expenses" means the Direct and Indirect Cost associated with the collection of the TBD fees, including but not limited to information technology services to implement and support the collection of TBD fees; accounting for and payment of fees to the TBD; Contract administration; and management analysis as well as other incidental administrative overhead, and includes the costs associated with optional access to the Internet Vehicle Information Processing System (IVIPS). It does not include record inquiries by TBD (under an IVIPS contract).
- b. "Authorized User" means TBD officers, and employees, or any other authorized agent or official of the TBD.
- c. "Billing Cycle" means the annual vehicle registration renewal.
- d. "Direct Cost" shall include, but is not limited to, all operating, equipment and personnel costs used to furnish the information, reruns and/or additional data runs, costs materials and data integrity costs directly related to the monthly production and maintenance of these data files.
- e. "District" means all the territory within the boundaries of the TBD's jurisdiction establishing the District.
- f. "DOL File" means the data file received from ~~DOR~~ a third party used by DOL as the primary GIS data source to assess TBD fees.
- ~~g. DOR means Department of Revenue.~~
- g. "GIS" means the Department of Revenue/Geographical Information System data provided to DOL by a third party.
- h. "Indirect Cost" shall include, but is not limited to, auditing, answering complaints, correspondence, administrative overhead, building rents, related utilities, and other expenses identified as Indirect Costs by the Director of DOL.
- i. "Location Code" means the four digit number that corresponds to a TBD jurisdiction that is used by DOL when assessing the TBD fee. The four digit number is derived from the Department of Revenue's ~~DOR's~~ sales and use tax Location Code information.
- j. "Next Billing Cycle" means the Billing Cycle that occurs during the 12th month following the current Billing Cycle. For example, if a renewal is sent for a due date in the month of January 2014, the Next Billing Cycle will be January 2015.
- k. "RCW" means Revised Code of Washington.
- l. "Subcontractor" means a person or entity not in the employment of the TBD named in this Contract, but who is performing all or part of those services outlined in this Contract under a separate Contract with the TBD. The terms "subcontractor" and "subcontractors" mean subcontractor(s) in any tier.

- **Section 16, ASSIGNMENT**

Section 16, ASSIGNMENT, is hereby replaced in its entirety with the following:

Any city or county in which a Transportation Benefit District has been established pursuant to chapter 36.73 RCW with boundaries coterminous with the boundaries of the city or county may by ordinance or resolution of the city or county legislative authority assume the rights, powers, functions, and obligations of the Transportation Benefit District in accordance with Washington law. The city or county, within ten business days, notify DOL of the passage of such ordinance or resolution and provide a copy. The parties will work cooperatively in the transition of the rights, powers, functions, and obligations of the Transportation Benefit District.

- **Update Attachment A, STATEMENT OF WORK, by replacing in its entirety with an updated version Attachment A, STATEMENT OF WORK.**

ATTACHMENT A  
STATEMENT OF WORK

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**6. FOR ADMINISTRATION AND COLLECTION OF THE VEHICLE FEE**

The Transportation Benefit District (TBD), or the city/county if they are legally assigned responsibility, shall furnish the necessary personnel, equipment, material and/or services and otherwise do all things necessary for or incidental to the performance of work as set forth below.

**7. RESPONSIBILITIES OF THE TBD**

The TBD shall:

- a. Be the primary point of contact to respond to inquiries or disputes from citizens who have questions about the fee.
- b. Handle all contacts and/or disputes regarding boundaries and/or questions regarding the TBD or its collection of fees.
- c. Agree that any omitted or incorrect addresses that result in the fee not being charged for the current Billing Cycle will not be collected by DOL during the current cycle. DOL will charge the fee during the Next Billing Cycle if GIS data is updated by the data provider, DOL has a reasonable amount of time to accomplish necessary computer changes, and the address is within the TBD boundary.
- d. Process and issue any refunds or shortages that may be due. It is anticipated that TBD refunds will be largely due to boundary disputes.
- e. Verify boundary information of the TBD against the information provided in the GIS system to ensure an address taxing Location Code is appropriately identified for fee collection. Notify DOL of any changes to initiate computer-programming updates for proper fee collection.

**8. RESPONSIBILITIES OF DOL**

DOL shall:

- a. Not impose the fee for vehicles as defined by law as "Not Subject" to the fee by statute and are listed in Attachment D, *Vehicles Not Subject to Fee*.
- b. Use data from the DOL File as the primary source for identification when assessing the fee for a vehicle registered within a TBD area. If the Location Code is one of the TBD areas, then DOL will apply the charge to the vehicle record. If a match cannot be found within the data from the DOL File, then the customer will not be billed the fee. DOL will not use any other data source to determine TBD fee liability.
- c. Administer and collect the appropriate annual vehicle fees of up to \$20.00 per vehicle, at the time of registration renewal, pursuant to RCW 82.80.140.
- d. Not be responsible for the issuance of any refunds or shortages of the fee collected on behalf of TBD for boundary disputes when a customer claims they do not live in a TBD's area.
- e. Not be responsible or liable for any incorrect or omitted notices sent because TBD provided information to DOL in error.
- f. Not make corrections or issue replacement paper or electronic renewal notices. Not be obligated to recover actual or perceived revenue loss of the fee due to errors from data provided to DOL for boundary discrepancies.
- g. Not be responsible for inquiries and/or disputes of customers regarding the fees imposed by the TBD, except to direct the customer to the contact information provided to DOL by the TBD.
- h. Provide customers with information on the DOL webpage, which includes contact information for TBD.
- i. Provide vehicle licensing office and DOL staff with information to explain the TBD fee, which includes a list of TBD contact information.
- j. Not be responsible for the timeliness of the State Treasurer's monthly distribution of funds.

\*\*\*\*REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK\*\*\*\*