

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Authorizing the City Manager to Enter into an Interlocal Agreement for the Purpose of Data Sharing
DEPARTMENT:	Administrative Services
PRESENTED BY:	Sara Lane, Administrative Services Director
ACTION:	<input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Discussion <input type="checkbox"/> Public Hearing

PROBLEM/ISSUE STATEMENT:

The purpose of the Interlocal Data Sharing Agreement is to establish the terms under which the participating cities and City of Shoreline may voluntarily share tax and licensing information for tax enforcement and other official purposes. Tonight, staff is seeking Council authorization for the City Manager to enter into this Interlocal agreement.

RESOURCE/FINANCIAL IMPACT:

There is no financial impact in the authorization of the interlocal agreement.

RECOMMENDATION

Staff recommends that the City Council authorize the City Manager to enter into this Interlocal Agreement for the purpose of data sharing.

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

BACKGROUND

The City entered into an interlocal data sharing agreement with the Washington State Department of Revenue establishing the terms under which the entities may voluntarily share tax and licensing information for tax enforcement and other official purposes pursuant to Revised Code of Washington (RCW) 19.02.115(3)(j) and RCW 82.32.330(3)(h), as applicable. The staff report for that discussion is available here: <http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2016/staffreport050216-7e.pdf>.

DISCUSSION

The City of Seattle is currently the host of a tax sharing agreement that allows participating cities to share tax data. The purpose of the tax sharing agreement (Attachment A) is to provide Washington cities the opportunity to share tax information with each other without breaching the tax confidentiality provision of the municipal tax ordinances. Staff will occasionally need access to detailed tax and licensing information collected by other cities for the purpose of policy and revenue analysis and enforcement efforts. Other cities may also have a need to request data that the City of Shoreline collects and maintains. This agreement allows the sharing of that data between the undersigned entities and clarifies the expectations.

The following is a current list of participating Washington cities:

- Aberdeen
- Bellevue
- Bellingham
- Bremerton
- Burien
- DuPont
- Everett
- Issaquah
- Kelso
- Kent
- Lake Forest Park
- Longview
- North Bend
- Olympia
- Pacific
- Renton
- Seattle
- Shelton
- Tacoma
- Westport

RESOURCE/FINANCIAL IMPACT

There is no financial impact in the authorization of the interlocal agreement.

RECOMMENDATION

Staff recommends that the City Council authorize the City Manager to enter into this Interlocal Agreement for the purpose of data sharing.

ATTACHMENTS

Attachment A: Agreement for Sharing Taxpayer Information between Participating Cities

**AGREEMENT FOR SHARING TAXPAYER INFORMATION
BETWEEN PARTICIPATING CITIES**

The Undersigned Cities, through the attached addenda agree that the sharing of taxpayer information is in their mutual best interests. Each party enters into this agreement with the understanding that any shared records or information are subject to the disclosure provisions of RCW 42.56, the provisions of their respective city ordinances, and the terms of this agreement.

Therefore, the undersigned representatives of the cities hereby agree that the undersigned city departments and agencies will share records and information with one another, and that the agents, employees, officers, or any other person associated with each city acquiring such records and information shall act in accordance with the following terms and conditions:

1. Definitions. For the purpose of this agreement, the term “record” is defined in RCW 42.56.010 The term “information” includes all other data shared under this agreement.
2. Subject of Agreement. Records and information subject to this agreement include: (a) a taxpayer’s identity, (b) nature, source and amount of the taxpayer’s income, payments, receipts, deductions, exemptions, credit, assets, liabilities, net worth, tax liability deficiencies, over assessments, or tax payments whether taken from the taxpayer’s books and records or any other source, (c) whether the taxpayer’s return was, is being, or will be examined or subject to other investigation or processing, (d) other records or information received by, recorded by, prepared by, furnished to, or collected by the undersigned cities with respect to the determination of the existence, or possible existence, of liability, or the amount thereof, under the laws of the each city for tax, penalty, interest, fine, forfeiture, or other imposition or offense.
3. Media. Records and information may be shared in any medium. Each agency shall take all reasonable means necessary, consistent with the requirements of RCW 42.56, their respective city ordinances, and as otherwise required by law, to restrict access to tax information to only those persons designated by the Directors of the undersigned departments or agencies to receive such records and information. Any such records and information may only be shared if the ordinances of the city receiving the records and information grant substantially similar protection to the confidentiality of the records and information as the ordinances of the city providing the records or information.

4. Agreement not to disclose. The undersigned cities, departments, and agencies shall not share any records or information obtained through this agreement with any organization or person not designated by the Directors as authorized to request and receive information, unless required pursuant to RCW 42.56, court order from civil or criminal judicial proceedings, or administrative proceedings, or as otherwise required by law. For records requested pursuant to RCW 42.56, the city receiving such request shall determine whether release of records is required, and shall as soon as practicable advise the source agency that such information has been requested so that the source agency may be allowed the opportunity to seek court protection from disclosure if desired.
5. Accidental breach of security. In the event of an inadvertent disclosure of confidential records, or information to persons not designated to receive such information pursuant to this agreement or other lawful authority, the city department or agency where the disclosure occurred (“disclosure city”), upon becoming aware of such disclosure, shall seek to determine whether any part of the disclosed information originated from another city (“source city”). In such event, the disclosure city department shall promptly notify the source city department and work with that department or agency to take appropriate steps to remedy the problem.
6. Information Security Officer. All cities agree to appoint a staff person, or persons, responsible for coordinating the exchange of electronically transferred information, hereafter referenced as the “Information Security Officer(s)”. Each city is solely and separately responsible for any costs relating to its information security officer(s). All officers shall be named in an addendum to this agreement. Such officer(s) is/are responsible to its city for maintaining the security of electronically shared information, subject also to paragraph five relating to accidental breach of security.
7. Frequency, details of exchange. Information may be shared individually or in combined format covering more than one taxpayer. In any event, information will be shared periodically, or more frequently upon the request of any of the undersigned cities, departments, or agencies.
8. Revocation; expulsion.
 - A. This agreement is not limited to a specific period of time, or to specific tax returns, documents, records, or other information relating to any specific years or periods. It will be considered to be in effect for all entities until revoked by any one entity, at which time the revoking entity will no longer be party to this agreement. Revocation may occur upon delivery by the revoking city of a written notice of revocation to all other participating parties.
 - B. Upon revocation, and consistent with RCW 40.14, the Preservation and Destruction of Public Records Act, the revoking city shall purge or destroy all

records and information gathered from this agreement, to the extent any source city may be identified therefrom, or alternatively deliver the same to the source city, the revoking city is not to retain copies thereof. Additionally, all non revoking cities shall likewise purge or destroy all records and information gathered from this agreement, to the extent that any record or information may be identified to originate from the revoking city, or alternatively deliver the same to the revoking city, and not retain copies thereof.

C. Alternatively, if a majority of the participating cities agree for any reason that a specific participating city should be expelled, a written notice of expulsion shall be delivered, signed by the authorized persons of a majority of the participating cities to the expelled city, whereupon the provisions relating to revocation shall apply to the expelled city, as if it were a revoking city.

9. Current copy. The tax administrators of the participating cities agree jointly to maintain a copy of this agreement with all amendments and a current list of participating cities at the following website www.mrsc.org.
10. Amendments. Amendments shall be in writing, and signed by all participating cities.
11. Effective Date. The effective date of this agreement is March 1, 2013.

See attached signed addendums from signature cities.