King County

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Meeting Agenda

Government Accountability, Oversight and Financial Performance Committee

Councilmembers: ***Bob Ferguson, Chair; Pete von Reichbauer, Vice Chair; Larry Gossett, Kathy Lambert***

Staff: Pat Hamacher, Lead Staff (206-296-1642)
Joanne Rasmussen, Committee Assistant (206-296-0333)

9:30 AM | **Tuesday, April 24, 2012** | **Room 1001**

Pursuant to K.C.C. 1.24.035 A. and F., this Government Accountability, Oversight and Financial Performance Committee meeting is also noticed as a meeting of the Metropolitan King County Council, whose agenda is limited to the committee business. In this meeting only the rules and procedures applicable to committees apply and not those applicable to full council meetings.

To show a PDF of the written materials for an agenda item, click on the agenda item below.

1. Call to Order

2. Roll Call

3. Approval of Minutes

April 10, 2012

Discussion and Possible Action

4. Proposed Ordinance No. 2012-0138 pp 7-26

AN ORDINANCE relating to King County district court electoral district boundaries for 2012; and amending Ordinance 16803, Section 1, as amended.

Sponsors: Mr. Ferguson

Corinna Harn, Chief Presiding Judge, King County District Court
Trish Crozier, Chief Administrative Officer, Office of the Presiding Judge, King County District Court
Clifton Curry, Council Staff

Sign language and communication material in alternate formats can be arranged given sufficient notice (296-1000).
TDD Number 296-1024.
ASSISTIVE LISTENING DEVICES AVAILABLE IN THE COUNCIL CHAMBERS.

5. Proposed Ordinance No. 2012-0133 pp 27-68

AN ORDINANCE relating to personal property tax administration, authorizing the assessor to waive certain personal property tax nonfiling penalties that result from unreported or under-reported property in assessment years 2011 and earlier; and declaring an emergency.

Sponsors: Ms. Lambert

Pat Hamacher, Council Staff

6. Proposed Ordinance No. 2012-0137 pp 69-94

AN ORDINANCE authorizing the county executive to enter into an interlocal agreement with Sound Transit to provide small contractor and supplier certification services.

Sponsors: Mr. Ferguson

Mike Alvine, Council Staff

Briefing

7. Briefing No. 2012-B0071 pp 95-107

Briefing on the Auditor's Office 2011 Accomplishments.

Cheryle Broom, King County Auditor

Other Business

Adjournment

King County

1200 King County
Courthouse
516 Third Avenue
Seattle, WA 98104

Meeting Minutes

Government Accountability, Oversight and Financial Performance Committee

Councilmembers: Bob Ferguson, Chair; Pete von Reichbauer, Vice Chair; Larry Gossett, Kathy Lambert

Staff: Pat Hamacher, Lead Staff (206-296-1642)
Joanne Rasmussen, Committee Assistant (206-296-0333)

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1. Call to Order

Chair Ferguson called the meeting to order at 9:30 a.m.

2. Roll Call

Present: 4 - Mr. Ferguson, Mr. von Reichbauer, Mr. Gossett and Ms. Lambert

3. Approval of Minutes

Councilmember Lambert moved approval of the March 27, 2012 meeting minutes. The motion passed.

Discussion and Possible Action

4. Proposed Substitute Ordinance No. 2011-0493.2

AN ORDINANCE making changes to King County's procurement process; and amending Ordinance 12138, Section 18, as amended, and K.C.C. 4.16.145.

Sponsors: Mr. Ferguson and Mr. Gossett

Mike Alvine, Council Staff, briefed the committee and answered questions from the members. Ken Guy, Director, Finance and Business Operations Division, Department of Executive, answered questions from the members. Councilmember Gossett moved Striking Amendment S1.2. The Striking Amendment passed. Councilmember Gossett moved Title Amendment 1. The Title Amendment passed.

A motion was made by Councilmember Gossett that this Ordinance be Recommended Do Pass Substitute. The motion carried by the following vote:

Yes: 4 - Mr. Ferguson, Mr. von Reichbauer, Mr. Gossett and Ms. Lambert

5. Proposed Motion No. 2012-0122

A MOTION related to the establishment of a veterans internship program in King County, requesting the department of executive services human resources management division, to prepare and submit, for council review and acceptance, a report that evaluates the feasibility and implementation of a veterans internship program in King County.

Sponsors: Mr. Dunn, Mr. Ferguson and Ms. Lambert

Kelli Carroll, Council Staff, briefed the committee and answered questions from the members. Nancy Buonanno Grennan, Division Director, Human Resources Division, offered comments and answered questions from the members.

A motion was made by Councilmember Gossett that this Motion be Recommended Do Pass. The motion carried by the following vote:

Yes: 4 - Mr. Ferguson, Mr. von Reichbauer, Mr. Gossett and Ms. Lambert

Briefing

6. Briefing No. 2012-B0058

Briefing on Office of Law Enforcement Oversight (OLEO) Annual Report

John Resha, Council Staff, briefed the committee and answered questions from the members. Charles Gaither, Director, Office of Law Enforcement Oversight, offered comments and answered questions from the members.

This matter was Presented

7. Briefing No. 2012-B0057

Briefing on the appointment and confirmation process for members of the Citizens' Elections Oversight Committee

Mike Alvine, Council Staff, briefed the committee and answered questions from the members.

This matter was Presented

Other Business

There was no further business to come before the committee.

Adjournment

The meeting was adjourned at 10:39 a.m.

Approved this _____ day of _____.

_____

Clerk's Signature

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King County

Metropolitan King County Council
Government Accountability, Oversight and Financial Performance Committee

Staff Report

Agenda Item:	4	**Name:**	Clifton Curry
Proposed No.:	2012-0138	**Date:**	April 24, 2012
Invited:	Hon. Corinna Harn, Presiding Judge, King County District Court Tricia Crozier, Chief Administrative Officer, King County District Court David Wilson, GIS Staff Lead, Elections Department		

SUBJECT

AN ORDINANCE relating to King County district court electoral district boundaries for 2012; and amending Ordinance 16803, Section 1, as amended.

SUMMARY

This Proposed Ordinance makes descriptive changes to the electoral divisions of the King County District Court that are ministerial in nature, but are statutorily required. The proposed changes do not affect the current electoral divisions of the court, but allow the court to conform to the 2012 precinct changes adopted in Ordinance 17294. The changes are part of the attachments to the Proposed Ordinance. The precinct alterations for the year 2012 are the result of county council boundary changes and do not affect any voters.

Background

The Revised Code of Washington (RCW 29A.16.040-050 and King County Code (KCC 1.12.010) require the adjustment or alteration of precincts as an annual responsibility.

The District Court is the county's court of "limited jurisdiction" and has responsibility for traffic infractions, certain civil matters, and misdemeanor criminal offenses in the county's unincorporated areas, cities that contract with the court, and for the adjudication of "state" offenses (violations of state statute in the county or when the arresting agency is the Washington State Patrol or other state law enforcement agency). The requirements and structure of the District Court are established in state statute, county code, and are also governed by court rules. Generally, state law empowers the local county legislative authority with significant flexibility in the development of the court's jurisdictional structure. That structure is contained it the county's District Court Plan, King County Code Section 2.68.

The adopted District Court Plan establishes as policy that the county is a unified, countywide district court. Nevertheless, the county has adopted the statutory option of creating electoral districts that divide the county into smaller areas to allow for a more "local" election of judges. The current plan has five electoral districts each with an assigned number of judges. By state law, the county is required to amend its District Court Plan whenever there is a change in electoral boundaries. The council amended the county's elections precincts with Ordinance 17294, and as a consequence, the council is required to amend the District Court electoral boundaries to reflect these changes.

Analysis

The Department of Elections' GIS Section has prepared a King County District Court electoral district boundary Ordinance that reflects the changes adopted in Ordinance 17294 as part of the county's annual electoral precinct change ordinance. According to the elections department, the 2012 boundaries of the court's electoral districts changed only slightly due to King County Council redistricting. None of the changes affected voters. These descriptive changes to the electoral divisions of the King County District Court plan are ministerial in nature but are statutorily required. This proposed ordinance is a companion to the 2012 precinct alteration plan adopted by the council as Ordinance 17294. The Executive reports that the costs of making these revisions are fully funded as part of the adopted 2012 Department of Elections budget.

ATTACHMENTS

1. Proposed Ordinance 2012-0138
2. Transmittal letter, dated April 6, 2012

KING COUNTY

Signature Report

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

April 23, 2012

Ordinance

Proposed No. 2012-0138.1 **Sponsors** Ferguson

AN ORDINANCE relating to King County district court electoral district boundaries for 2012; and amending Ordinance 16803, Section 1, as amended.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. Ordinance 16803, Section 1, as amended, is hereby amended to read as follows:

A. The district court west electoral district shall be all of the area within the line described in subsection B. of this section. The boundaries of the other district court electoral districts shall consist of the election precincts in subsection C. of this section. The precincts listed in this section consist of election precincts that have been established by the King County council under K.C.C. 1.12.010.

B. West electoral district: all of the area within the boundary of the city of Seattle which includes to the centerline of the waters of Puget Sound and the centerline of Lake Washington.

C. The boundaries of the other electoral districts shall consist of the election precincts in Attachments A through D of this ((~~2011~~)) 2012 ordinance (Proposed Ordinance ((~~2011-0130~~)) 2012-0138), as listed in this subsection, which shall be retained officially on file in the department of elections, with copies maintained by the clerk of the council and the presiding judge of district court.

1. Southeast: Attachment A to this ((~~2011~~)) 2012 ordinance (Proposed Ordinance ((~~2011-0130~~)) 2012-0138).

2. Southwest: Attachment B to this ((~~2011~~)) 2012 ordinance (Proposed Ordinance ((~~2011-0130~~)) 2012-0138).

3. Northeast: Attachment C to this ((~~2011~~)) 2012 ordinance (Proposed Ordinance ((~~2011-0130~~)) 2012-0138).

4. Shoreline: Attachment D to this ((~~2011~~)) 2012 ordinance (Proposed Ordinance ((~~2011-0130~~)) 2012-0138).

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

_____

Larry Gossett, Chair

ATTEST:

_____

Anne Noris, Clerk of the Council

APPROVED this _____ day of _____, _____.

_____

Dow Constantine, County Executive

Attachments: A. Attachment - Southeast, B. Attachment - Southwest, C. Attachment - Northeast, D. Attachment - Shoreline

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Attachment A

2012 King County District Court Electoral Districts
Southeast Electoral District
Election Precincts

ALG 30-0013	ALG 30-0014	ALG 30-3141	ANGEL CITY
ARIA	ARTHUR	ATKINSON	AUB 30-0046
AUB 30-0053	AUB 30-0067	AUB 30-2702	AUB 30-2703
AUB 30-3476	AUB 30-3477	AUB 31-0042	AUB 31-0047
AUB 31-0048	AUB 31-0049	AUB 31-0050	AUB 31-0051
AUB 31-0054	AUB 31-0058	AUB 31-0062	AUB 31-0063
AUB 31-0064	AUB 31-0065	AUB 31-0069	AUB 31-0070
AUB 31-0078	AUB 31-0080	AUB 31-0081	AUB 31-0082
AUB 31-0083	AUB 31-3299	AUB 31-3335	AUB 31-3405
AUB 47-0041	AUB 47-0045	AUB 47-0055	AUB 47-0059
AUB 47-0072	AUB 47-0073	AUB 47-0074	AUB 47-0328
AUB 47-0671	AUB 47-1066	AUB 47-2478	AUB 47-2551
AUB 47-2573	AUB 47-2700	AUB 47-2701	AUB 47-2723
AUB 47-2729	AUB 47-2839	AUB 47-3187	AUB 47-3260
AUB 47-3276	AUB 47-3324	AUB 47-3413	AUB 47-3455
AUB 47-3456	AUB 47-3518	AUB 47-3538	AUB 47-3539
AUB 47-3585	AUB 47-3591	AUB 47-3635	B-D 05-0239
B-D 05-0240	B-D 05-2407	B-D 05-2413	B-D 05-3310
B-D 05-3463	BERRYDALE	BETTY	BIRCH
BITTERROOT	BLACK RIVER	BRIAR	BRIARWOOD
BRIGID	BRINN	BROKEN HILL	BRYAN
BRYN MAWR	CALHOUN	CAMPBELL HILL	CANDLEWOOD
CARRIAGE	CARRIAGE LANE	CEDAR PARK	CEDAR RIVER
CHINOOK	CLAY	CLOVER	COALFIELD
CORNELL	COV 47-0279	COV 47-0313	COV 47-0566
COV 47-1127	COV 47-1145	COV 47-1153	COV 47-1203
COV 47-2390	COV 47-2586	COV 47-2711	COV 47-2843
COV 47-2982	COV 47-3244	COV 47-3279	COV 47-3365
COV 47-3517	COV 47-3551	COV 47-3581	COV 47-3597
CROW	CUMBERLAND	DANIEL	DARWOOD
DIAMOND	DORRE DON	EARLINGTON	EASTWOOD
ELIZABETH	ENM 05-3414	ENM 31-0409	ENM 31-0410
ENM 31-0411	ENM 31-0413	ENM 31-0415	ENM 31-0416
ENM 31-0417	ENM 31-0418	ENM 31-0419	ENM 31-3246
ENM 31-3247	ENM 31-3248	ENM 31-3492	FAIRGLEN
FAIRHAVEN	FAIRMONT	FAIRMONT GLEN	FAIRVILLE
FAIRWEATHER	FAIRWOOD	FALCON	FARLEY
FOREST	FOUR LAKES	FRANKLIN	FREEDOM
GRASS LAKE	GREEN RIVER	GREEN VALLEY	GRIFFITH
HAM LAKE	HANSEN	HOBART	HOLM LAKE

HONEY	HUCKLEBERRY	HUSKY	IDA
KELLY	KEN 05-3375	KEN 05-3462	KEN 11-0893
KEN 11-0918	KEN 11-3331	KEN 11-3403	KEN 33-0270
KEN 33-0453	KEN 33-0575	KEN 33-0576	KEN 33-0577
KEN 33-0578	KEN 33-0581	KEN 33-0582	KEN 33-0583
KEN 33-0585	KEN 33-0586	KEN 33-0587	KEN 33-0588
KEN 33-0590	KEN 33-0591	KEN 33-0592	KEN 33-0593
KEN 33-0594	KEN 33-0595	KEN 33-0596	KEN 33-0597
KEN 33-0598	KEN 33-0603	KEN 33-1055	KEN 33-2426
KEN 33-2443	KEN 33-2567	KEN 33-2569	KEN 33-2570
KEN 33-2618	KEN 33-2699	KEN 33-2864	KEN 33-3172
KEN 33-3174	KEN 33-3232	KEN 33-3332	KEN 33-3362
KEN 33-3378	KEN 33-3445	KEN 33-3553	KEN 33-3629
KEN 33-3644	KEN 47-0026	KEN 47-0028	KEN 47-0229
KEN 47-0238	KEN 47-0246	KEN 47-0439	KEN 47-0482
KEN 47-0498	KEN 47-0600	KEN 47-0601	KEN 47-0662
KEN 47-0753	KEN 47-0798	KEN 47-0835	KEN 47-0842
KEN 47-0880	KEN 47-0910	KEN 47-1034	KEN 47-1076
KEN 47-1102	KEN 47-1151	KEN 47-1170	KEN 47-2403
KEN 47-2477	KEN 47-2485	KEN 47-2490	KEN 47-2568
KEN 47-2585	KEN 47-2599	KEN 47-2667	KEN 47-2704
KEN 47-2708	KEN 47-2709	KEN 47-2834	KEN 47-2836
KEN 47-2838	KEN 47-2939	KEN 47-2985	KEN 47-3136
KEN 47-3180	KEN 47-3184	KEN 47-3189	KEN 47-3190
KEN 47-3275	KEN 47-3300	KEN 47-3323	KEN 47-3344
KEN 47-3352	KEN 47-3402	KEN 47-3408	KEN 47-3447
KEN 47-3483	KEN 47-3493	KEN 47-3537	KEN 47-3579
KENTLAKE	KRAIN	LAKE DESIRE	LAKE MORTON
LAKE RETREAT	LAKE YOUNGS	LAKERIDGE	LANGSTON
LEAH	LINCOLN	LITTLE SOOS	LOIS
LOUIE	LUND	LYNN	MADISON
MAPLE HILLS	MAY VALLEY	MCCOY	MCDIVITT
MCDONALD	MERGANSER	MERRIHILL	MILWAUKEE
MONEYSMITH	MORGAN	MORRIS	MORTON
MUCKLESHOOT	M-V 05-0528	M-V 05-0697	M-V 05-1218
M-V 05-2614	M-V 05-2748	M-V 05-2841	M-V 05-2857
M-V 05-3242	M-V 05-3245	M-V 05-3272	M-V 05-3322
M-V 05-3366	M-V 05-3367	M-V 05-3368	M-V 05-3369
M-V 05-3373	M-V 05-3461	M-V 05-3482	M-V 05-3510
M-V 05-3536	M-V 05-3589	M-V 05-3600	M-V 05-3601
NAILA	NATHAN	NEUWAUKUM	OSCEOLA
PAC 30-0885	PAC 30-0886	PAC 30-0887	PAC 30-2856
PHOEBE	PINE	PIPELINE	PLAINS
PTARMIGAN	RAVENSDALE	RED MILL	RENHILL
RIVERSIDE	RNT 11-0031	RNT 11-0354	RNT 11-0404
RNT 11-0456	RNT 11-0502	RNT 11-0539	RNT 11-0719
RNT 11-0738	RNT 11-0804	RNT 11-0962	RNT 11-0964
RNT 11-0966	RNT 11-0970	RNT 11-0971	RNT 11-0973
RNT 11-0975	RNT 11-0978	RNT 11-0979	RNT 11-0980

RNT 11-0981	RNT 11-0983	RNT 11-0984	RNT 11-0985
RNT 11-0986	RNT 11-0988	RNT 11-0990	RNT 11-0992
RNT 11-0996	RNT 11-0997	RNT 11-0998	RNT 11-1002
RNT 11-1004	RNT 11-1006	RNT 11-1007	RNT 11-1008
RNT 11-1011	RNT 11-1012	RNT 11-1015	RNT 11-1109
RNT 11-1125	RNT 11-2475	RNT 11-2581	RNT 11-2582
RNT 11-2583	RNT 11-2607	RNT 11-2739	RNT 11-2815
RNT 11-2816	RNT 11-2844	RNT 11-2845	RNT 11-2854
RNT 11-3162	RNT 11-3222	RNT 11-3223	RNT 11-3224
RNT 11-3287	RNT 11-3359	RNT 11-3404	RNT 11-3555
RNT 11-3563	RNT 11-3564	RNT 11-3575	RNT 11-3588
RNT 11-3590	RNT 11-3604	RNT 11-3609	RNT 11-3619
RNT 11-3643	RNT 33-0455	RNT 33-1204	RNT 33-2472
RNT 33-3535	RNT 37-0965	RNT 37-0967	RNT 37-0969
RNT 37-0982	RNT 37-0991	RNT 37-0999	RNT 37-1000
RNT 37-3154	RNT 37-3603	RNT 41-0989	RNT 41-0993
RNT 41-0994	RNT 41-0995	RNT 41-1010	RNT 41-1017
RNT 41-1018	RNT 41-3438	ROWAN	ROYAL
RUDDELL	RUSS	SAWYER	SELLECK
SHADOW LAKE	SHAMROCK	SIERRA	SPRING LAKE
STACY	SUNSET	SWEENEY	TAHOMA
TANNER	TIMBER	TOTEM	VALENCIA
VEAZIE	WABASH	WALLACE	WANDA
WHITE RIVER	WOODSIDE	WYNOCHE	

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Attachment B

2012 King County District Court Electoral Districts
Southwest Electoral District
Election Precincts

ANGELO	AVALON	BAKER	BERNICE
BILOXI	BINGAMAN	BRITTANY	BUR 33-0009
BUR 33-0094	BUR 33-0251	BUR 33-0289	BUR 33-0476
BUR 33-0562	BUR 33-0701	BUR 33-0705	BUR 33-0729
BUR 33-0805	BUR 33-0818	BUR 33-0957	BUR 33-1067
BUR 33-1189	BUR 34-0025	BUR 34-0033	BUR 34-0281
BUR 34-0295	BUR 34-0298	BUR 34-0311	BUR 34-0344
BUR 34-0377	BUR 34-0381	BUR 34-0402	BUR 34-0465
BUR 34-0485	BUR 34-0489	BUR 34-0560	BUR 34-0699
BUR 34-0710	BUR 34-0824	BUR 34-0848	BUR 34-0900
BUR 34-0913	BUR 34-1032	BUR 34-1047	BUR 34-1057
BUR 34-1058	BUR 34-1059	BUR 34-1064	BUR 34-1082
BUR 34-1104	BUR 34-1116	BUR 34-1136	BUR 34-1150
BUR 34-1192	BUR 34-1219	BURTON	CADDIS
CAMELOT	CARPENTER	CHAUTAUQUA	COLVOS
CONNAUGHT	COVE	CROSS	CYPRESS
DENVER	DES 30-0954	DES 30-1227	DES 33-0016
DES 33-0272	DES 33-0297	DES 33-0360	DES 33-0361
DES 33-0362	DES 33-0363	DES 33-0364	DES 33-0366
DES 33-0367	DES 33-0437	DES 33-0532	DES 33-0668
DES 33-0682	DES 33-0864	DES 33-0911	DES 33-1071
DES 33-1078	DES 33-1128	DES 33-1146	DES 33-2394
DES 33-2395	DES 33-2416	DES 33-2455	DES 33-2623
DES 33-2625	DES 33-2626	DES 33-2627	DES 33-2637
DES 33-2671	DES 33-2672	DES 33-2673	DES 33-2674
DES 33-2820	DES 33-3131	DEVILLE	DILWORTH
DOCKTON	DOLLOFF	DOLPHIN	EVERGREEN
EXCALIBUR	FED 30-2988	FED 30-2990	FED 30-2991
FED 30-2992	FED 30-2993	FED 30-2994	FED 30-2995
FED 30-2996	FED 30-2999	FED 30-3000	FED 30-3001
FED 30-3002	FED 30-3003	FED 30-3004	FED 30-3005
FED 30-3006	FED 30-3007	FED 30-3008	FED 30-3010
FED 30-3011	FED 30-3012	FED 30-3013	FED 30-3014
FED 30-3015	FED 30-3017	FED 30-3018	FED 30-3019
FED 30-3020	FED 30-3021	FED 30-3022	FED 30-3023
FED 30-3024	FED 30-3025	FED 30-3026	FED 30-3027
FED 30-3028	FED 30-3029	FED 30-3030	FED 30-3031
FED 30-3032	FED 30-3033	FED 30-3034	FED 30-3035
FED 30-3036	FED 30-3037	FED 30-3038	FED 30-3039
FED 30-3040	FED 30-3041	FED 30-3042	FED 30-3043

FED 30-3044	FED 30-3045	FED 30-3046	FED 30-3047
FED 30-3048	FED 30-3049	FED 30-3050	FED 30-3051
FED 30-3052	FED 30-3053	FED 30-3054	FED 30-3055
FED 30-3056	FED 30-3077	FED 30-3078	FED 30-3079
FED 30-3080	FED 30-3085	FED 30-3086	FED 30-3087
FED 30-3088	FED 30-3089	FED 30-3090	FED 30-3091
FED 30-3092	FED 30-3093	FED 30-3094	FED 30-3095
FED 30-3096	FED 30-3097	FED 30-3098	FED 30-3110
FED 30-3234	FED 30-3235	FED 30-3236	FED 30-3237
FED 30-3238	FED 30-3289	FED 30-3301	FED 30-3305
FED 30-3372	FED 30-3395	FED 30-3574	FED 30-3582
FED 30-3596	FED 30-3599	FRAGER	GENEVA
GLASGOW	GLENDALE	GLENN	GRANDVIEW
GUENEVERE	HERON	ILLAHEE	JEFFERSON
JOVITA	JUTLAND	KEN 33-0603	KEN 33-2699
KILLARNEY	LAKELAND	LISABEULA	MARIAN
MAURY	MCKINLEY	MERLIN	MIL 30-3146
NPK 33-0849	NPK 33-0851	NPK 33-0852	NPK 33-0853
NPK 33-0854	NPK 33-0855	NPK 33-0856	NPK 33-0857
NPK 33-2474	NPK 33-2644	NPK 33-2645	NPK 33-2646
NPK 33-2647	PEGGY	PORTAGE	QUARTERMASTER
REGAL	ROUNDTABLE	SEA 34-1251	SEALTH
SEAVIEW	SERENIDAD	SET 33-1031	SET 33-3057
SET 33-3059	SET 33-3060	SET 33-3061	SET 33-3062
SET 33-3063	SET 33-3064	SET 33-3065	SET 33-3066
SET 33-3068	SET 33-3069	SET 33-3070	SET 33-3073
SET 33-3074	SET 33-3075	SET 33-3076	SET 33-3081
SET 33-3100	SET 33-3101	SET 33-3102	SET 33-3104
SET 33-3107	SET 33-3112	SET 33-3615	SET 33-3618
SHAWNEE	SPIDER LAKE	STACY	STAR LAKE
SUNNYWOOD	SYLVAN	TAHLEQUAH	THISTLE
THOMAS	TROUT LAKE	TUK 11-1164	TUK 11-1165
TUK 11-1166	TUK 11-1167	TUK 11-2453	TUK 11-2751
TUK 11-2752	TUK 11-2949	TUK 11-2951	TUK 11-2952
TUK 11-2955	TUK 11-2956	TUK 11-3127	TUK 11-3128
TUK 11-3233	TUK 11-3393	TUK 11-3499	TUK 11-3614
VASHON	WESTWOOD	WHITE CENTER	WYNONA

Attachment C

2012 King County District Court Electoral Districts
Northeast Electoral District
Election Precincts

ADAIR	ALDARRA	ALDER SPRINGS	ALDERWOOD
ALLEN	ALPINE	AMES LAKE	ASPEN GLEN
AVONDALE	BACUS	BARCLAY	BEA 41-0099
BEAR CREEK	BEL 41-0011	BEL 41-0101	BEL 41-0102
BEL 41-0103	BEL 41-0106	BEL 41-0108	BEL 41-0109
BEL 41-0110	BEL 41-0111	BEL 41-0112	BEL 41-0113
BEL 41-0114	BEL 41-0116	BEL 41-0117	BEL 41-0119
BEL 41-0120	BEL 41-0121	BEL 41-0122	BEL 41-0123
BEL 41-0124	BEL 41-0128	BEL 41-0129	BEL 41-0131
BEL 41-0175	BEL 41-0176	BEL 41-0179	BEL 41-0180
BEL 41-0203	BEL 41-0205	BEL 41-0206	BEL 41-0210
BEL 41-0211	BEL 41-0219	BEL 41-0220	BEL 41-0305
BEL 41-0333	BEL 41-0408	BEL 41-0460	BEL 41-0472
BEL 41-0475	BEL 41-0505	BEL 41-0658	BEL 41-0815
BEL 41-1052	BEL 41-1235	BEL 41-2386	BEL 41-2428
BEL 41-2429	BEL 41-2447	BEL 41-2554	BEL 41-2556
BEL 41-2621	BEL 41-2714	BEL 41-2719	BEL 41-2782
BEL 41-2812	BEL 41-2906	BEL 41-2935	BEL 41-2936
BEL 41-2943	BEL 41-2945	BEL 41-2970	BEL 41-3140
BEL 41-3225	BEL 41-3226	BEL 41-3278	BEL 41-3291
BEL 41-3312	BEL 41-3330	BEL 41-3370	BEL 41-3371
BEL 41-3501	BEL 41-3583	BEL 41-3593	BEL 41-3608
BEL 48-0125	BEL 48-0126	BEL 48-0127	BEL 48-0132
BEL 48-0133	BEL 48-0134	BEL 48-0135	BEL 48-0136
BEL 48-0138	BEL 48-0140	BEL 48-0142	BEL 48-0143
BEL 48-0144	BEL 48-0145	BEL 48-0146	BEL 48-0147
BEL 48-0149	BEL 48-0151	BEL 48-0153	BEL 48-0154
BEL 48-0156	BEL 48-0159	BEL 48-0160	BEL 48-0162
BEL 48-0163	BEL 48-0164	BEL 48-0165	BEL 48-0166
BEL 48-0167	BEL 48-0168	BEL 48-0169	BEL 48-0170
BEL 48-0171	BEL 48-0177	BEL 48-0178	BEL 48-0186
BEL 48-0188	BEL 48-0189	BEL 48-0190	BEL 48-0191
BEL 48-0192	BEL 48-0193	BEL 48-0194	BEL 48-0196
BEL 48-0198	BEL 48-0201	BEL 48-0207	BEL 48-0212
BEL 48-0213	BEL 48-0214	BEL 48-0216	BEL 48-0217
BEL 48-0218	BEL 48-0221	BEL 48-0223	BEL 48-0224
BEL 48-0225	BEL 48-0226	BEL 48-0227	BEL 48-0694
BEL 48-1023	BEL 48-1049	BEL 48-2412	BEL 48-2430
BEL 48-2432	BEL 48-2434	BEL 48-2558	BEL 48-2559
BEL 48-2715	BEL 48-2716	BEL 48-2772	BEL 48-2773
BEL 48-2774	BEL 48-2775	BEL 48-2776	BEL 48-2777

BEL 48-2778	BEL 48-3143	BEL 48-3144	BEL 48-3166
BEL 48-3292	BEL 48-3498	BIG BEND	BING
BOT 01-0252	BOT 01-0253	BOT 01-0254	BOT 01-0255
BOT 01-0256	BOT 01-0257	BOT 01-0258	BOT 01-0259
BOT 01-0260	BOT 01-0261	BOT 01-0262	BOT 01-2473
BOT 01-2495	BOT 01-2676	BOT 01-2865	BOT 01-3271
BOT 01-3321	BOT 01-3398	BOT 01-3399	BOT 01-3419
BOWOOD	BRIDLE TRAILS	BRONSON	BROOKSHIRE
BROOKSIDE	BROOKTRAILS	CAMAS	CAR 05-0290
CAR 05-3290	CARLYLE	CASCADE VIEW	CEDAR RIVER
C-H 48-0321	C-H 48-0322	C-H 48-0323	C-H 48-0324
C-H 48-0325	C-H 48-0326	CHALLENGER	CHERRY VALLEY
CHURCHILL	CLEVELAND	COLLEEN	COOPER
CORWIN	COTTAGE BEACH	COTTAGE LAKE	COUGAR MTN
COUNTRYSIDE	CREST	DIANE	DIPPER
DOUGLAS	DUCHESS	DUTHIE HILL	DUV 45-0389
DUV 45-2959	DUV 45-3218	DUV 45-3219	DUV 45-3481
DUV 45-3502	DUV 45-3642	EAGLE	EASTMONT
EASTRIDGE	EDGEHILL	ELSIE	ELSOM
FALL CITY	FOX	GOLDFINCH	GRAFF
GRIZZLY	GROUSEMONT	HAAS	HAPPY VALLEY
HILL	HILLTOP	HI-VALLEY	HOBART
HOLIDAY LAKE	HOLLYMORE	HOLLYWOOD	HORIZON
HORSESHOE	HPT 48-0533	HUNTER	HUTCHINSON
ISABELLA	ISS 05-0543	ISS 05-0544	ISS 05-0545
ISS 05-0546	ISS 05-0547	ISS 05-0548	ISS 05-0550
ISS 05-2461	ISS 05-2806	ISS 05-2929	ISS 05-3138
ISS 05-3145	ISS 05-3206	ISS 05-3464	ISS 05-3503
ISS 05-3504	ISS 05-3527	ISS 05-3552	ISS 05-3559
ISS 05-3572	ISS 05-3634	ISS 41-1208	ISS 41-2401
ISS 41-2409	ISS 41-2602	ISS 41-2605	ISS 41-2692
ISS 41-2733	ISS 41-2977	ISS 41-3533	ISS 41-3554
JAY	KATE	KINGLET	KINGSWOOD
KIR 01-0019	KIR 01-0356	KIR 01-0403	KIR 01-0421
KIR 01-0422	KIR 01-0870	KIR 01-2457	KIR 01-2488
KIR 01-2561	KIR 01-2595	KIR 01-2678	KIR 01-2759
KIR 01-2762	KIR 01-2767	KIR 01-2768	KIR 01-2918
KIR 01-2923	KIR 01-3421	KIR 01-3422	KIR 45-0442
KIR 45-0554	KIR 45-0610	KIR 45-0616	KIR 45-0618
KIR 45-0619	KIR 45-0620	KIR 45-0622	KIR 45-0623
KIR 45-0624	KIR 45-0627	KIR 45-0630	KIR 45-0631
KIR 45-0632	KIR 45-0925	KIR 45-1019	KIR 45-1040
KIR 45-2421	KIR 45-2423	KIR 45-2471	KIR 45-2489
KIR 45-2560	KIR 45-2679	KIR 45-2722	KIR 45-2730
KIR 45-2760	KIR 45-2761	KIR 45-2786	KIR 45-2910
KIR 45-2911	KIR 45-2912	KIR 45-2916	KIR 45-2917
KIR 45-2924	KIR 45-2931	KIR 45-2932	KIR 45-2933
KIR 45-2934	KIR 45-2962	KIR 45-3109	KIR 45-3198
KIR 45-3199	KIR 45-3200	KIR 45-3397	KIR 45-3450

KIR 45-3612	KIR 45-3640	KIR 48-0614	KIR 48-0615
KIR 48-0628	KIR 48-0629	KIR 48-0633	KIR 48-0636
KIR 48-0638	KIR 48-0639	KIR 48-0641	KIR 48-0642
KIR 48-0643	KIR 48-0644	KIR 48-0645	KIR 48-0646
KIR 48-2598	KIR 48-2657	KIR 48-2731	KIR 48-2788
KIR 48-2863	KIR 48-2913	KIR 48-2914	KIR 48-2915
KIR 48-2919	KIR 48-2920	KIR 48-2921	KIR 48-2922
KIR 48-2925	KIR 48-3196	KIR 48-3337	KIR 48-3401
KIR 48-3439	KIR 48-3602	KLAHANIE	LAKE ALICE
LAKE JOY	LAKE LEOTA	LORA	LYNX
MABEL	MARCEL	MARGERY	MARTHA
MARYMOOR	MATTHEW	MEADOWBROOK	MEANDER
MED 48-0749	MED 48-0750	MED 48-0751	MED 48-0752
MERLOT	M-I 41-0755	M-I 41-0756	M-I 41-0757
M-I 41-0758	M-I 41-0759	M-I 41-0761	M-I 41-0762
M-I 41-0763	M-I 41-0765	M-I 41-0766	M-I 41-0767
M-I 41-0768	M-I 41-0769	M-I 41-0770	M-I 41-0771
M-I 41-0773	M-I 41-0774	M-I 41-0775	M-I 41-0776
M-I 41-0777	M-I 41-0778	M-I 41-0779	M-I 41-0780
M-I 41-0781	M-I 41-0782	M-I 41-0784	M-I 41-0785
M-I 41-0786	M-I 41-0787	M-I 41-0788	M-I 41-0789
M-I 41-0790	M-I 41-0791	M-I 41-0792	M-I 41-0793
M-I 41-0794	M-I 41-0795	M-I 41-0796	M-I 41-0797
M-I 41-2445	M-I 41-2465	M-I 41-2691	M-I 41-2808
M-I 41-2809	MICHAEL	MIDDLE FORK	MILLIKIN
MINK ROAD	MIRRORMONT	MOUNT CLARE	MOUNT SI
NAPOLEON	N-B 05-0858	N-B 05-0859	N-B 05-2683
N-B 05-3296	N-B 05-3406	N-B 05-3407	N-B 05-3611
NEW 41-0248	NEW 41-0840	NEW 41-0878	NEW 41-1115
NEW 41-2811	NEW 41-3227	NEW 41-3228	NEW 41-3241
NEW 41-3261	NEW 41-3528	NEW 41-3529	NEW 41-3578
NORWAY HILL	NOVELTY	OVERDALE	PATTERSON
PORT	PRESTON	PROVAN	QUAIL
RAGING RIVER	RANCH	RATTLESNAKE	RED 45-0936
RED 45-2410	RED 45-2492	RED 45-2580	RED 45-2638
RED 45-2643	RED 45-2659	RED 45-3281	RED 45-3282
RED 45-3315	RED 45-3547	RED 45-3584	RED 48-0935
RED 48-0937	RED 48-0938	RED 48-0939	RED 48-0940
RED 48-0941	RED 48-0942	RED 48-0944	RED 48-0945
RED 48-0947	RED 48-0948	RED 48-0949	RED 48-0950
RED 48-0951	RED 48-0952	RED 48-0953	RED 48-2448
RED 48-2449	RED 48-2466	RED 48-2467	RED 48-2628
RED 48-2629	RED 48-2630	RED 48-2632	RED 48-2633
RED 48-2634	RED 48-2635	RED 48-2636	RED 48-2639
RED 48-2640	RED 48-2641	RED 48-2642	RED 48-2789
RED 48-2790	RED 48-2966	RED 48-2967	RED 48-2968
RED 48-2969	RED 48-3134	RED 48-3147	RED 48-3208
RED 48-3313	RED 48-3314	RED 48-3316	RED 48-3391
RED 48-3415	RED 48-3475	RED 48-3548	REINTREE

RIDGE	RING HILL	RIVERBEND	ROANOKE
ROSE	SALAL	SALISH	SAM 41-0100
SAM 41-0307	SAM 41-0816	SAM 41-0909	SAM 41-1130
SAM 41-2469	SAM 41-2491	SAM 41-2690	SAM 41-2813
SAM 41-2937	SAM 41-2940	SAM 41-2942	SAM 41-2973
SAM 41-3214	SAM 41-3215	SAM 41-3384	SAM 41-3385
SAM 41-3506	SAM 41-3507	SAM 41-3508	SAM 41-3550
SAM 41-3607	SAM 41-3638	SAM 45-0536	SAM 45-2450
SAM 45-2564	SAM 45-2575	SAM 45-2620	SAM 45-2684
SAM 45-2693	SAM 45-2726	SAM 45-2791	SAM 45-2961
SAM 45-2963	SAM 45-2965	SAM 45-3213	SAM 45-3216
SAM 45-3217	SAM 45-3293	SAM 45-3298	SAM 45-3386
SAM 45-3387	SAM 45-3388	SAM 45-3389	SAM 45-3412
SAM 45-3454	SAM 45-3505	SEAN	SHANGRI-LA
SHEFFIELD	SI VIEW	SILVER SPURS	SKY 39-1091
SNO PASS	SNO-VALLEY	SNQ 05-1097	SNQ 05-3151
SNQ 05-3409	SNQ 05-3511	SNQ 05-3512	SNQ 05-3513
SNQ 05-3514	SNQ 05-3558	SNQ 05-3560	SNQ 05-3633
SPRINKLE	SQUAK MOUNTAIN	STEED	STEVENS
STILLWATER	SWAN LAKE	THRUSH	TIGER MTN
TOLT	TRILLIUM	TWIN PEAKS	TWINBERRY
TWO RIVERS	UNION HILL	VINCENT	VIVIAN
WAXWING	WEBSTER	WEEKS	WELCOME LAKE
WESBO	WEST HILL	WINDSOR	WINTERGREEN
WOD 45-0676	WOD 45-0926	WOD 45-1205	WOD 45-1225
WOD 45-2597	WOD 45-2680	WOD 45-2734	WOD 45-2769
WOD 45-3192	WOD 45-3193	WOD 45-3270	WOD 45-3530
WOLF	YPT 48-1233	YPT 48-1234	

Attachment D

2012 King County District Court Electoral Districts
Shoreline Electoral District
Election Precincts

KMR 46-0036	KMR 46-0340	KMR 46-0473	KMR 46-0501
KMR 46-0535	KMR 46-0572	KMR 46-0573	KMR 46-0677
KMR 46-0686	KMR 46-0689	KMR 46-0695	KMR 46-0696
KMR 46-0820	KMR 46-1095	KMR 46-1147	KMR 46-1171
KMR 46-1181	KMR 46-2444	KMR 46-2462	KMR 46-2754
KMR 46-2764	KMR 46-2765	KMR 46-2766	KMR 46-2771
KMR 46-3148	KMR 46-3592	KMR 46-3594	LFP 46-0003
LFP 46-0092	LFP 46-0309	LFP 46-0397	LFP 46-0400
LFP 46-0517	LFP 46-0650	LFP 46-0652	LFP 46-0653
LFP 46-0654	LFP 46-0655	LFP 46-0734	LFP 46-1056
LFP 46-1075	LFP 46-1089	LFP 46-1143	LFP 46-1186
LFP 46-1237	LFP 46-2439	LFP 46-2763	LFP 46-3380
SHL 32-0001	SHL 32-0012	SHL 32-0024	SHL 32-0038
SHL 32-0088	SHL 32-0232	SHL 32-0241	SHL 32-0267
SHL 32-0274	SHL 32-0277	SHL 32-0296	SHL 32-0319
SHL 32-0335	SHL 32-0346	SHL 32-0357	SHL 32-0368
SHL 32-0378	SHL 32-0396	SHL 32-0401	SHL 32-0407
SHL 32-0423	SHL 32-0424	SHL 32-0444	SHL 32-0454
SHL 32-0462	SHL 32-0470	SHL 32-0474	SHL 32-0486
SHL 32-0488	SHL 32-0494	SHL 32-0499	SHL 32-0510
SHL 32-0514	SHL 32-0519	SHL 32-0527	SHL 32-0530
SHL 32-0537	SHL 32-0538	SHL 32-0558	SHL 32-0559
SHL 32-0605	SHL 32-0606	SHL 32-0609	SHL 32-0648
SHL 32-0665	SHL 32-0692	SHL 32-0711	SHL 32-0735
SHL 32-0754	SHL 32-0802	SHL 32-0819	SHL 32-0832
SHL 32-0844	SHL 32-0861	SHL 32-0866	SHL 32-0875
SHL 32-0888	SHL 32-0895	SHL 32-0897	SHL 32-0898
SHL 32-0903	SHL 32-0914	SHL 32-0917	SHL 32-0920
SHL 32-0921	SHL 32-1020	SHL 32-1021	SHL 32-1030
SHL 32-1038	SHL 32-1053	SHL 32-1077	SHL 32-1080
SHL 32-1101	SHL 32-1106	SHL 32-1140	SHL 32-1158
SHL 32-1168	SHL 32-1178	SHL 32-1197	SHL 32-1209
SHL 32-1210	SHL 32-1228	SHL 32-1236	SHL 32-2552
SHL 32-2712	SHL 32-2753	SHL 32-3363	SHL 32-3556

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King County

Department of Elections
Sherril Huff, Director

April 6, 2012

The Honorable Larry Gossett
Chair, King County Council
Room 1200
C O U R T H O U S E

Dear Councilmember Gossett:

Enclosed is a proposed ordinance that will approve changes to the electoral districts of the King County district court. The boundaries of these electoral districts are described by the precincts that are contained within them, with the outer precinct boundaries and district boundaries being coexistent. Whenever there are changes to the precinct boundaries which alter the description of the precincts within the electoral districts, it is necessary to re-describe the electoral districts, as provided in K.C.C. 1.12.010.F.

This proposed ordinance is a companion to the proposed 2012 precinct alteration ordinance.

There is no fiscal impact since the funding for these changes was included as part of the adopted Department of Elections budget.

I recommend Council approval of this ordinance.

If you have any questions regarding the proposed alterations, please give me a call at 296-1540.

Sincerely,

Sherril Huff, Director

Enclosure

cc: King County Council Members
ATTN: Cindy Domingo, Acting Chief of Staff
Anne Noris, Clerk of the Council
Dow Constantine, King County Executive (KCE), Executive Office (EO)
Dwight Dively, Director, Office of Management and Budget, KCE, EO

RNT-EL-0100 | 919 SW Grady Way, Renton, WA 98057-2906 | 206-296-1540 TTY Relay: 711 | www.kingcounty.gov/elections

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King County

Metropolitan King County Council
Government Accountability, Oversight and Financial Performance Committee

Staff Report

Agenda Item:	5	**Name:**	Patrick Hamacher
Proposed No.:	2012-0133	**Date:**	April 24, 2012
Invited:	John Arthur Wilson, Deputy County Assessor		

SUBJECT

An ordinance creating an amnesty program for businesses who have not been paying personal property taxes.

SUMMARY

Personal Property Taxes are in additional to taxes paid on real property. These are typically things like major pieces of equipment in a business or other items of value. Business who are not paying these taxes, and should be, are at a competitive advantage over their competition that is paying taxes. The Washington Legislature passed a bill during the 2012 session that would allow counties to waive penalties and interest on back-personal property taxes. Proposed Ordinance 2012-0133 would implement that program for King County.

Background

During the 2012 legislative session, the Washington Legislature passed Substitute House Bill 2149 (Attachment 2), which allowed for County legislative authorities to create a tax amnesty program for businesses who have not been paying personal property taxes.

This program arose out of two parallel interests. County Assessors have long suspected that there were many businesses not paying the appropriate personal property tax. Additionally, the State ran a very successful amnesty program for business taxes in 2011. During this statewide program, $345 million in unpaid business taxes were remitted to the Department of Revenue and then distributed to the appropriate jurisdiction. While the state did not provide details as to the exact amount of taxes that were due to the amnesty program, the best guess for King County is that the County received far in excess of $10 million in additional taxes from the program.
The State's summary of the program is included as Attachment 3 to this staff report.

Analysis

Proposed Ordinance 2012-0133 would create a tax amnesty program for unpaid personal property taxes in King County. Under the provisions of state law, this amnesty program can only be good for 2012 and businesses must meet a number of criteria in order to be eligible for the program.

Specifically, businesses must:

1. By July 1, 2012 submit a correct list and statement of the taxable personal property under RCW 84.40.
2. By July 1, 2012 complete an application for penalty waiver.
3. Pay all taxes due by September 1, 2012.

This program will have two advantages to King County, and the other taxing districts for whom the County collects personal property taxes. These advantages are:

1. An increase in revenue due to the one-time payment of the back personal property taxes.
2. A permanent increase in the overall tax rolls as this new personal property is added.

The King County Assessor has long-been aware of this problem and during the 2012 budget process requested resources to address the issue. The Assessor requested, and the County Council approved additional resources in the form of $140,000 and 2 FTE to create a personal property tax audit team. To date, these staff have identified approximately $50 million in personal property that had not been previously added to the tax rolls. Depending on where this property was located, the levy rates will vary, but this is likely an $4 to $5 million increase in the overall tax collections for the County, of which the County will collect the general fund's share and the rest will be distributed to the appropriate districts.

Finally, there is an issue of timing. If the item is approved by the County Council, the Assessor will need to do some education for the business community. Additionally, as previously noted, the deadline for business to comply with the program is July 1. Therefore, if the Committee approves the item, the Committee may want to expedite the item to the full Council for action.

ATTACHMENTS

1. Proposed Ordinance 2012-0133
2. Substitute House Bill 2149
3. 2011 Business Tax Amnesty Report

KING COUNTY

Signature Report

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

April 23, 2012

Ordinance

Proposed No. 2012-0133.1 **Sponsors** Lambert

AN ORDINANCE relating to personal property tax administration, authorizing the assessor to waive certain personal property tax nonfiling penalties that result from unreported or under-reported property in assessment years 2011 and earlier; and declaring an emergency.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. **Findings:**

A. Substitute House Bill 2149 provides limited authority for a county legislative authority to authorize the assessor to waive certain personal property tax nonfiling penalties . The bill specifies a very narrow window of time for taxpayers to seek such penalty waivers. Requests must be submitted to the assessor no later than July 1, 2012. The penalties that can be waived under Substitute House Bill 2149 do not include penalties assessed on delinquent taxes under RCW 84.56.020.

B. The Legislature recognized that the short period of time allowed for taking advantage of Substitute House Bill 2149's penalty waiver provisions necessitated that such provisions take effect immediately to accomplish their intended purpose. Section 2 of Substitute House Bill 2149 accordingly specifies that the act is "necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately."

C. Given the limited time frame available under Substitute House Bill 2149 for taxpayers to request a waiver of personal property tax penalties, relief allowable under the act will not, as a practical matter, be available unless assessor authority to process penalty waivers takes effect immediately. This ordinance includes an emergency clause to allow sufficient time to prepare for the July 2012 start date.

SECTION 2. In accordance with RCW 84.40.130, the assessor is hereby authorized to waive personal property tax nonfiling penalties otherwise due under RCW 84.40.130 for unreported or under-reported property, if all of the following circumstances are met:

A. On or before July 1, 2012, the taxpayer files with the assessor:

1. A correct list and statement of the taxable personal property required to be listed under chapter 84.40 RCW; and

2. A completed application for penalty waiver in a form prescribed by the assessor; and

B. On or before September 1, 2012, the taxpayer remits full payment to the county of the entire balance due on all tax liabilities for which a penalty waiver is requested, other than the penalty amount eligible for waiver.

SECTION 3. The county council finds as a fact and declares that an emergency exists and that this ordinance is necessary for the immediate preservation of public peace,

health or safety or for the support of county government and its existing public institutions.

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

_____

Larry Gossett, Chair

ATTEST:

_____

Anne Noris, Clerk of the Council

APPROVED this _____ day of _____, _____.

_____

Dow Constantine, County Executive

Attachments: None

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CERTIFICATION OF ENROLLMENT

SUBSTITUTE HOUSE BILL 2149

62nd Legislature
2012 Regular Session

Passed by the House February 9, 2012
Yeas 92 Nays 1

Speaker of the House of Representatives

Passed by the Senate March 8, 2012
Yeas 49 Nays 0

President of the Senate

Approved

Governor of the State of Washington

CERTIFICATE

I, Barbara Baker, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 2149** as passed by the House of Representatives and the Senate on the dates hereon set forth.

Chief Clerk

FILED

Secretary of State
State of Washington

SUBSTITUTE HOUSE BILL 2149

Passed Legislature - 2012 Regular Session

State of Washington 62nd Legislature 2012 Regular Session

By House Ways & Means (originally sponsored by Representatives Eddy and Kenney)

READ FIRST TIME 01/26/12.

AN ACT Relating to personal property tax assessment administration, authorizing waiver of penalties and interest under specified circumstances; amending RCW 84.40.130; and declaring an emergency.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

Sec. 1. RCW 84.40.130 and 2004 c 79 s 5 are each amended to read as follows:

(1) If any person or corporation ((~~shall~~)) fails or refuses to deliver to the assessor, on or before the date specified in RCW 84.40.040, a list of the taxable personal property which is required to be listed under this chapter, unless it is shown that such failure is due to reasonable cause and not due to ((~~wilful~~)) willful neglect, there ((~~shall~~)) must be added to the amount of tax assessed against the taxpayer on account of such personal property five percent of the amount of such tax, not to exceed fifty dollars per calendar day, if the failure is for not more than one month, with an additional five percent for each additional month or fraction thereof during which such failure continues not exceeding twenty-five percent in the aggregate. Such penalty ((~~shall~~)) must be collected in the same manner as the tax

to which it is added and distributed in the same manner as other property tax interest and penalties.

(2) If any person or corporation ((~~shall wilfully~~)) willfully gives a false or fraudulent list, schedule or statement required by this chapter, or ((~~shall~~)), with intent to defraud, fails or refuses to deliver any list, schedule or statement required by this chapter, such person or corporation ((~~shall be~~)) is liable for the additional tax properly due or, in the case of ((~~wilful~~)) willful failure or refusal to deliver such list, schedule or statement, the total tax properly due; and in addition such person or corporation ((~~shall be~~)) is liable for a penalty of one hundred percent of such additional tax or total tax as the case may be. Such penalty ((~~shall be~~)) is in lieu of the penalty provided for in subsection (1) of this section. A person or corporation giving a false list, schedule or statement ((~~shall~~)) is not ((~~be~~)) subject to this penalty if it is shown that the misrepresentations contained therein are entirely attributable to reasonable cause. The taxes and penalties provided for in this subsection ((~~shall~~)) must be recovered in an action in the name of the state of Washington on the complaint of the county assessor or the county legislative authority and ((~~shall~~)) must, when collected, be paid into the county treasury to the credit of the current expense fund. The provisions of this subsection ((~~shall be~~)) are additional and supplementary to any other provisions of law relating to recovery of property taxes.

(3)(a) The county legislative authority may authorize the assessor to waive penalties otherwise due under this section for assessment years 2011 and prior for a person or corporation failing or refusing to deliver to the assessor a list of taxable personal property, if all of the following circumstances are met:

(i) On or before July 1, 2012, the taxpayer files with the assessor:

(A) A correct list and statement of the taxable personal property required to be listed under this chapter; and

(B) A completed application for penalty waiver in the form and manner prescribed by the assessor; and

(ii) On or before September 1, 2012, the taxpayer remits full payment to the county of the entire balance due on all tax liabilities

for which a penalty waiver under this section is requested, other than the penalty amount eligible for waiver under this section.

(b) A taxpayer receiving penalty relief under this subsection (3) may not seek a refund or otherwise challenge the amount of any tax liability paid under (a)(ii) of this subsection (3). Personal property listed under (a)(i) of this subsection (3) is subject to verification by the assessor, and any unreported or misreported property discovered by the assessor remains subject to taxes, penalties, and interest.

NEW SECTION. **Sec. 2.** This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

--- END ---

AMNESTY REPORT 2011

FEBRUARY 1 - APRIL 30

Department of Revenue
Washington State

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Executive Summary

Background

From February 1, 2011, through April 30, 2011, Washington State conducted its first business tax amnesty program. Taxpayers with state business and occupation tax, state public utility tax, or state and local sales and use tax liabilities due before February 1, 2011, were provided the opportunity to pay the outstanding tax without paying the associated penalties and interest.

Results

More than 9,000 taxpayers applied, with 5,095 granted amnesty. The program generated an estimated $345.8 million. Penalties and interest waived totaled $91 million.

Analysis

Of the amount received:

- $284.0 million went to the state general fund.
- $.5 million went to other dedicated state taxes.
- $61.3 million went to cities and counties.

Of the businesses that benefitted from amnesty:

- 75 percent had annual gross incomes less than $1 million.
- 22 percent grossed between $1 and $50 million.
- 3 percent grossed more than $50 million.
- 508 businesses registered and paid taxes for the first time, totaling $29.9 million. These businesses are now on the state tax rolls.

Best practices

One of the keys to the program's success was the formation of a core team consisting of representatives from each of the impacted divisions. Their weekly management of the program allowed the Department to stay ahead of developing issues, and to adapt the program and procedures as necessary. Other bright spots included:

- The purchase of the easy-to-remember URL PayMyTax.org and our extensive use of the website.
- The statewide radio messaging campaign
- Developing a user-friendly application.

Lessons learned

Among the lessons learned, the Department may have received a bigger benefit had it required taxpayers to stay current for a longer time, perhaps up to one year. Also:

- Make the program shorter to minimize its impact on routine Department activities.
- Build in enough time between the application and payment due dates for processing.
- Choose dates that do not conflict with other reporting dates, holidays, or weekends.

Background

Washington State does not have an income tax. It receives the majority of its tax revenues from sales and use taxes and from a gross receipts business and occupation tax.

For several years, the idea of an amnesty program had been discussed at various levels of state government. In 2009, a report by the Washington State Auditor's Office identified Washington as one of only four states that had never conducted an amnesty program. They proposed that such a program might generate a significant amount of money.

Facing a considerable revenue shortfall for the 2011 legislative session, the Governor asked the Department of Revenue (Department) to explore the potential of conducting the state's first amnesty program.

Department staff researched amnesty programs conducted in other states to glean best practices and to gather samples of forms used in those programs.

Research revealed four conditions necessary for a successful amnesty program:

- There must be a large pool of unpaid tax debt.
- There is an incentive for taxpayers to pay during the amnesty period, such as a partial or complete waiver of penalties and/or interest.
- There are consequences for taxpayers with outstanding liabilities that don't participate.
- There must be a comprehensive communication and marketing campaign.

The Department concluded that the first two conditions were met; however, given the difficult economic climate businesses were facing, it was decided not to include consequences for taxpayers that did not participate. The Department also determined that the program could be implemented in-house, saving the expense of hiring an outside contractor. The cost of running the program was estimated at $233,000.

The resulting bill proposed a temporary penalty and interest waiver program on select state and local excise taxes administered by the Department. The program would run from February 1, 2011 through April 30, 2011. The revenue estimates for the program were $24,436,000 for the state, and $3,873,000 for local governments. The Department allocated $80,000 to market the program, and $153,000 for staffing and other needs.

A special session was called on December 11, 2010; Substitute Senate Bill 6892 was put before the Legislature intending to generate revenue quickly and provide relief for small businesses. The bill passed unanimously by both the House and the Senate on December 11, 2010.

Amnesty Program Elements

Below are the key elements of the legislation as passed:

- The bill established a temporary penalty and interest waiver program for the following taxes:
  - State business and occupation (B&O) tax
  - State public utility tax
  - State and local sales and use tax including:
    - General retail sales and use taxes
    - Rental car taxes
    - King County food and beverage tax
    - Additional sales and use tax on motor vehicle sales/leases
    - Lodging taxes, but not including tourism promotion area lodging charges
    - Brokered natural gas use tax
- The program applied only to the unpaid taxes listed above that were due in periods prior to February 1, 2011, including unreported liabilities.
- Taxpayers were required to submit a completed application no later than April 18, 2011, along with all outstanding tax returns including amended returns, for the taxes on which the taxpayer was requesting amnesty.
- Taxpayers were required to submit full payment prior to May 1, 2011, of all tax due on any invoice for which they were seeking a waiver. This requirement included payment for the ineligible taxes and their associated penalties and interest. If the taxpayer was requesting amnesty on a tax warrant, any fees associated with the warrant were also due prior to May 1, 2011.
- Participating taxpayers were required to timely file and pay, in full, all tax returns that came due during the amnesty program.
- Taxpayers were required to waive their right to seek a refund or challenge the taxes on any amount granted amnesty.
- All tax liability reported and paid under this program was subject to verification.
- Taxpayers that were current for tax returns due as of November 25, 2010, were not eligible for amnesty on tax liability that accrued after that date.
- Payments made on outstanding invoices prior to May 1, 2011, were deemed to have been applied first to qualifying taxes due on that invoice, then to non-qualifying taxes along with their applicable interest and penalties, and finally to fees on that invoice.
- Taxpayers were excluded from the program if:
  - The taxpayer had ever been assessed an evasion penalty or a penalty for misuse of a reseller permit.
  - The taxpayer had ever been a defendant in a criminal prosecution related to the proper collection and payment of any tax administered by the Department.
- Taxpayers in a bankruptcy proceeding were ineligible for relief to the extent that the payment of tax debt violated the federal bankruptcy code.

Implementation Team

Core team

In anticipation of the legislation passing, the Department director assigned an executive sponsor and a project lead in late November. A core team was established November 29, 2010, to oversee the implementation process. This team met on a weekly basis from December 3, 2010 through the end of the program, making real-time decisions as issues arose. Every division that had a role in the implementation had a seat at the table, including:

- Taxpayer Account Administration
- Audit
- Compliance
- Taxpayer Services
- Appeals
- Research & Legislative Analysis
- Interpretations & Technical Advice

Supporting the core team were three cross-division project teams, each tasked with a portion of the process:

- **Procedures team:** determined the workflow and procedures
- **Application development team:** developed and tested the application
- **Communications and marketing team:** promoted the program

At the division level, additional teams were developed to handle division-specific details of the program. This was especially true for Taxpayer Account Administration, which carried the responsibility for reviewing the applications and either approving or denying them as well as making system adjustments on the taxpayer's account. The Audit and the Compliance divisions also developed procedures to incorporate amnesty into their operations.

Executive support

Each week, the project lead provided a status report to the Department's executive sponsor that included recent accomplishments, issues and solutions, decisions requiring executive buy-off, and program statistics. The executive team provided guidance on issues beyond the purview of the team.

Stakeholder involvement

The Department maintains a positive working relationship with taxpayers, tax professionals, and business associations. A meeting was held January 7, 2011, to allow stakeholders an opportunity to hear the implementation plans, review the application, and share their concerns, questions, and suggestions. Approximately 20 stakeholders attended, either in person or via teleconference.

Program Implementation

The bill was passed on a Saturday. The following Wednesday, December 15, 2010, the Department launched an internet web page with an easy-to-remember URL purchased for this effort—PayMyTax.org. The web page contained all of the program information, including a link to the bill, a question and answer page, and a one page program overview translated into six languages.

The next day, a press release was issued promoting the program and directing taxpayers to the PayMyTax.org web page. Given that this was Washington's first amnesty program for businesses, the press picked up the Department's news release and generated media attention that spread quickly. The web page received 414 hits the day it was launched.

Providing quotes to taxpayers

The Department's call center began receiving requests for amnesty applications almost immediately. While the application was being developed, the core team decided to allow taxpayers to request a quote of the amount they would owe by writing or emailing the Department. Initially, the quote provided both the tax owed and the penalties and interest waived, but calculating the amount waived proved too time consuming once applications began coming in. The quote was simplified to provide only the amount the taxpayer owed. By the time taxpayer-requested quotes were curtailed on February 11, 2011 (due to the increase in the number of applications being filed), the Department had issued more than 1,500.

The quotes also proved valuable as a marketing tool. Audit staff included a quote with every debit assessment issued, and Compliance staff provided taxpayers with a quote when it appeared that the program was a good fit for taxpayers in collections.

During the program, slightly fewer than 5,000 quotes were completed. Of all the taxpayers that received quotes, 95 percent applied for amnesty.

Developing the workflow

Faced with the prospect of receiving an estimated 10,000 amnesty applications, the procedures team was charged with creating a workable system. The team consisted of members of each division that had hands-on responsibilities for reviewing applications or for dealing with taxpayers after the program, e.g., auditing amnesty periods, appeals, etc.

Their role was to ensure each division's responsibilities were clearly defined, that direct lines of communications between the divisions were clearly established, and that nothing fell through, the cracks. Any issues that couldn't be easily resolved were taken back to the weekly core teams meetings for further discussion and resolution.

The first task was to develop a process for generating quotes. Other accomplishments included:

- Coordinating roles and responsibilities for each division.
- Establishing processes to notify Appeals or Audit when taxpayers they were working with submitted an amnesty application.
- Assigning responsibility for reviewing amnesty applications from:

- Regular taxpayers.
- Registered businesses that were assigned a non-reporting status.
- Unregistered businesses.

Creating a user-friendly application

The primary focus of the application team was to develop a form that was easy to use. The team began by collecting amnesty applications from other states to use as a template. Through testing, it was determined that the initial draft of the application was too difficult for taxpayers to complete properly.

Incorporating the principles of user-centered design, major revisions were made culminating in a simple, one page form that required taxpayers to complete four quick steps:

- Provide their basic business information.
- Attach the billing documents or indicate on the form the tax periods for which they were requesting amnesty.
- Indicate payment amount (optional at the time of application).
- Sign and date the form.

A usability study of that version proved far more successful with taxpayers and tax professionals. On February 1, 2011, the application was posted to the website as an online fill-in form that taxpayers could print out, sign, then mail, fax, or scan and email to the Department.

Over the course of the amnesty program, the core team occasionally determined that minor adjustments to the application were necessary. Given that this was an online form, adjustments could be made easily.

One such adjustment required unregistered businesses, and businesses that were registered but had not been reporting taxes, to supply a list of undisclosed tax amounts by tax classification for 2007 through 2010. Unregistered businesses were also required to complete and file a Master Business Application and a Washington Business Activities Questionnaire.

The absence of those requirements on the original application caused delays in working those applications. As the volume of applications began to grow and the program deadline approached, it was necessary to streamline processes as much as possible. By having taxpayers provide that information up front, several days were saved in reviewing those requests.

Building awareness of the program

The legislation provided $80,000 for marketing the amnesty program. The marketing team determined that radio would provide the most impact. A radio spot was created in-house with the agency director delivering the message and telling listeners to find more information at PayMyTax.org.

The Department contracted with the Washington State Public Education Partnership Program for radio spots to air on 145 stations across the state from February 1 through April 17, 2011. Each station would air the spot between 18-36 times for a total cost of $54,000. The remainder of the budget was used to purchase advertisements on websites of business journals, newspapers and television stations statewide.

Because this was the first time Washington State had offered an amnesty program, most major media outlets in the state picked up the story, providing broad coverage at no cost.

Leveraging communication outlets

PayMyTax.org was the most vital part of all the communication activities. Every other marketing and communication activity referred taxpayers to that website. Over the course of the program, the website received approximately 50,000 visits.

Other communication activities leveraged existing Department resources, or made use of no-cost activities. Some of the more effective ideas were to:

- Include amnesty quotes with each audit debit assessment issued.
- Send amnesty quotes to taxpayers with payment plans.
- Send broadcast emails to business associations and tax professionals, asking them to share the news with their members/clients.
- Use the Department's predictive dialer technology to inform delinquent taxpayers of the amnesty program.
- Send a brief paragraph about the program to legislators to include in their constituent newsletters.
- Insert amnesty flyers in all mailings to taxpayers from the Audit and Compliance divisions.
- Send requests to the Federation of Tax Administrators, the Multistate Tax Commission, and a few individual states asking them to promote the program on their websites.
- Include amnesty messaging in existing Department communications:
  - Information in taxpayer education letters.
  - Alerts on the Department's E-file website.
  - Notices sent through various Department listservs.
- Include amnesty information in letters to taxpayers currently in appeals.
- Conduct radio interviews on English, Spanish, and Russian language radio programs.

Keeping staff informed

As the project teams worked to create the program, it became apparent that a centralized repository for internal staff was needed to house the wealth of information being produced. An intranet page was created to store the procedures, forms, letters, and marketing pieces. As tools were developed (checklist, mailing inserts, office posters, status letters, etc.), they were added to the site so staff could see exactly what information taxpayers were receiving and find guidance on amnesty issues.

The intranet page also posted a running tally of program statistics each week, including:

- Applications received.
- Estimated amnesty dollars received.
- Estimated penalty and interest waived.
- Number of fully approved amnesty accounts.
- Number of amnesty applications denied.

These, along with periodic emails, kept staff apprised of the program's progress.

Program launch

On February 1, 2011, the amnesty application was posted to the web page. The site had 2,192 visits and taxpayers submitted 63 completed applications the first day.

As applications arrived, the Taxpayer Account Administration division implemented the following procedures:

- Applications were entered into a document imaging system in the order they were received.
- Applications were worked first-in/first-out.
- Staff reviewed the form for completeness and the taxpayer for eligibility.
  - If the application was incomplete, the staff member would contact the taxpayer for the missing information.
  - If a taxpayer was ineligible, an "amnesty denied" letter was sent citing the reason(s) for the denial.
  - Applications received for unregistered businesses were sent to the Audit division for follow-up. Audit registered each business and created assessments to establish their liability. The applications were then forwarded back to the Taxpayer Account Administration to complete the amnesty review process.
- As the application moved through the system, the amnesty status on the taxpayer's account was updated.
- If a qualifying taxpayer submitted an application but did not submit payment, the taxpayer received an "amnesty pending" letter.

- Once the amnesty application was approved and payment received, the Department sent an "amnesty approved" letter to the taxpayer, including instructions that the taxpayer must continue to adhere to the requirements of the program. Failure to adhere to the program requirements would result in their amnesty being rescinded.
- If a taxpayer had been referred to the amnesty program by a staff member, an email was sent to the staff member indicating the outcome of the taxpayer's application.
- If a taxpayer was currently working with another division (such as Audit, Appeals, or Compliance) and applied to the program without notifying that division, the team reviewing the application would notify the other division.

Processing applications and payment

The Department received 63 completed applications the day it was posted. Over the next 11 weeks, the number of applications per day ranged from 1 (on three Sundays) to 1,000 (on the due date), averaging 109 applications per day.

When a taxpayer submitted an application, they did not hear back from the Department until their application had been reviewed and a status letter sent. Initially, applications were reviewed shortly after they were received, but as the volume of applications increased, delays began to occur. These delays prompted some taxpayers to call for an update or send another application, resulting in a large number of duplicate applications. Each of these applications had to be reviewed to see if new information was added by the taxpayer, causing further delays.

The **application deadline** was on Monday of week 12. One thousand applications were received on the due date. More were received the following week through the mail. The Department continued to receive applications for several weeks after the due date passed. All applications were processed. Those that were postmarked after the deadline, were denied.

The **payment due** date established by the Legislature, April 30, 2011, fell on a Saturday. To be consistent with Washington State law, the due date was considered to be the next business day, May 2, 2011.

Payments that arrived after May 2, 2011 were examined for extenuating circumstances such as late notification from the Department. If no justifiable extenuating circumstances existed, amnesty was denied and the payment was applied to the taxpayer's liability as if there had been no amnesty program.

Amnesty applications received by week

Week	Applications
Week 01	425
Week 02	680
Week 03	911
Week 04	757
Week 05	799
Week 06	690
Week 07	688
Week 08	637
Week 09	798
Week 10	717
Week 11	1,628
Week 12	1,890
Week 13	181
Week 14	118
Week 15	37
Week 16	2
Week 17	1
Week 18	8
Week 19	5
Week 20	2
Total	**10,974**

Maintaining eligibility

As outlined in the amnesty bill, taxpayers were required to meet several conditions in order to have amnesty granted. One of those conditions was that the taxpayer must timely file and pay all tax returns due during the amnesty program.

When the first monthly reporting period passed, staff cross-checked approved amnesty accounts against tax returns received. If a taxpayer had been approved for amnesty, but did not file and pay a return by the due date, their amnesty was rescinded.

To minimize the number of quarterly taxpayers who had their amnesty rescinded due to not filing and paying returns timely, the Department sent a reminder letter a few weeks before the Quarter 1 filing due date. As a result, only 255 quarterly taxpayers of the 1,987 that had been approved for amnesty had their amnesty approval rescinded as a result of not filing and paying tax returns on time.

Workload impact

The success of the program required Taxpayer Account Administration to make numerous staffing adjustments. As the backlog of amnesty applications grew, additional staff members were assigned to the program, causing other work to be delayed. Overtime was authorized on a voluntary basis.

The Audit division was also impacted by the additional workload. Many taxpayers applied for amnesty in spite of not having an established liability with the Department. Both Taxpayer Account Administration and Audit responded by creating and issuing assessments to establish those liabilities.

Also, many taxpayers under audit, or with audits pending, wanted the audit completed in time to benefit from amnesty. During the program, the Audit division issued 25 percent more assessments than average for Quarter 1 during the past five years. Other scheduled audits were postponed, increasing the workload after the amnesty program ended.

A total of 10,974 applications were received during the amnesty program. The legislation provided only nine working days between the application due date and the end of the program. Given that it was necessary for those applications to be reviewed, quotes written, and letters sent to the taxpayer in time for them to submit a payment prior to April 30, 2011, the Department struggled to meet the deadline.

Amnesty appeals

Taxpayers that applied for amnesty waived their right to seek a refund or challenge the taxes on any amount granted amnesty. Taxpayers that applied for amnesty and were denied, and taxpayers that were approved but had their amnesty rescinded, had the right to appeal.

All appeals had to be filed within thirty days of the date on the letter denying or rescinding amnesty. Each appeal was considered individually, with outcomes ranging from remanding the case to Taxpayer Account Administration, upholding the Department's denial, or offering the taxpayer a settlement.

Overall, 3,877 amnesty applications were denied or rescinded. Of these, approximately 410 appealed, causing an unforeseen workload for the Appeals division.

The Appeals division treated these as small claims cases. In a normal year, the division would handle about 100 of these cases. The first amnesty appeal was filed on February 28, 2011 with the volume picking up at the end of March. The majority of the amnesty appeals were filed between April and June.

As a result of this added workload, hearings for other appeals cases were delayed.

Post-amnesty

The amnesty program had an impact on the Department long after the program ended—most notably on the Audit and Appeals divisions. A post-amnesty team was created that included staff from all the divisions likely to encounter issues related to amnesty.

The team established an interdivisional communication network and worked to ensure consistency in the Department's handling of future amnesty issues such as:

- Audits on periods for which amnesty was granted.
- Amended returns or refund requests.
- Appeals.

Conclusion

Based on the dollars generated, this program was an unqualified success—far exceeding expectations. The success was largely due to this being the first amnesty program offered by Washington State. Other reasons for the success include:

- An effective outreach effort.
- A dynamic, cross-divisional, core team that responded immediately to changing circumstances.
- Strong internal communication.

While this amnesty program was extremely successful, it would be very challenging to bring in any significant amount of revenues with another short term amnesty and the impacts on voluntary collections could be detrimental. However, if the state ever chooses to run another amnesty like program in the future, the lessons learned here will be very beneficial.

Program Debrief

Best practices

The following activities contributed to the success of the program.

- **Establishing a core team**
  The early establishment of a core team that included representatives from every impacted division was an important element in the success of the program. Weekly meetings allowed the core team to make informed decisions as issues arose. As the number of applications received grew faster than anticipated, this ability to respond quickly to changing circumstances allowed the program to make the necessary adjustments.

- **Establishing project teams focused on specific tasks**
  Allowing cross-division teams to focus on a key component of the program ensured that each component received appropriate consideration.

- **Developing an online repository of all amnesty information for staff**
  The development of an intranet site that acted as a primary repository for all amnesty related information, allowed all staff instant access to procedures, Q & As, letters, marketing materials, etc. Email updates were sent to staff as necessary throughout the program.

- **Conducting the program online**
  By making the majority of the amnesty program information available only online, the Department was able to update public information as necessary. This was particularly helpful when revisions to the application form became necessary.

- **Creating a user-friendly application form**
  By keeping the amount of information supplied by the taxpayer to a minimum, the amnesty application was easy for most taxpayers to complete. That reduced the number of phone calls that would have been generated by a more complex form.

- **Leveraging external communications**
  By leveraging all of the Department's communication tools (letters, email, secure messages, alerts, internet, etc.), the word spread quickly and inexpensively.

- **Sending multiple news releases**
  The fact that this was the state's first amnesty program, the Department kept the press updated with releases issued when the bill was passed, the day the program began, and four weeks prior to the program's end.

- **Working with the Washington State Public Education Partnership Program (PEPP)**
  PEPP offered a two for one value of radio spots to marketing dollars, providing radio coverage for the amnesty program statewide.

Lessons learned

Overall, Washington State's first business tax amnesty program was very successful. As with any first time program, there were valuable lessons learned. Among them:

- **Make the program shorter than three months.**
  Given the moderate number of applications that were received in the first ten weeks of the program as compared to the high number received the last two weeks, the program could have been accomplished in two months. That would have minimized the impact on the ongoing activities of the Department.

- **Do not coincide with federal tax filing dates.**
  Taxpayers and their representatives indicated frustration at the timing of the program, citing the challenge of filing federal and state returns while also juggling the amnesty application.

- **Allow enough time between the application and payment deadlines for processing.**
  Almost half of those applying to the program waited until the last month, including 1,000 taxpayers that submitted applications on the last day. Since full payment wasn't due at the same time as the application, many taxpayers submitted their applications without payment. With less than two weeks between the application and payment due dates, reviewing the applications and providing balances to taxpayers in time for them to submit payment was challenging.

- **Do not allow important dates to fall on weekends or holidays.**
  The payment due date, April 30, fell on a Saturday. Washington law allows moving a due date that falls on a weekend or holiday to the next business day. This caused confusion for some taxpayers.

- **Clearly indicate whether documents or payments must be received or postmarked by a certain day.**
  State clearly and succinctly what constitutes timely applications and payments.

- **Allow taxpayers to follow the progress of their application online.**
  An optimal amnesty application would be submitted online, generating an automatic receipt. The taxpayer could then follow the progress of their application on their online account. Barring that technological advance, sending letters acknowledging receipt of the application would have eliminated hundreds of duplicate applications.

- **Require taxpayers to pay the total assessed tax on any given liability.**
  In an effort to be accommodating to taxpayers, a great deal of extra work was created by breaking out assessments into amnesty and non-amnesty invoices when audits were issued.

- **Include all taxes on the Combined Excise Tax Return.**
  Separating qualifying and non-qualifying taxes created extra work.

- **Require taxpayers to stay current for a longer time—up to one year.**
  The program required taxpayers to stay current only through the duration of the program. Longer term benefits may have been achieved by requiring taxpayers receiving amnesty to remain current for one year.

- **Only allow tax liabilities that are already established to be eligible for amnesty.**
  Many taxpayers who had been postponing audits requested the audit be conducted right away so that they could apply for amnesty. This caused other scheduled audits to be postponed and created additional work.

- **Draw clearer lines of distinction between unregistered accounts identified by the Department (Tax Discovery) and unregistered accounts that came forward voluntarily (Voluntary Disclosure).**
  Businesses identified by the Department's Tax Discovery unit have a tax obligation period of seven years. Businesses that voluntarily come forward (Voluntary Disclosure) have a tax obligation period of four years. Both the tax discovery accounts and the voluntary disclosure accounts were eligible for amnesty, but the amnesty web page included only the information for the voluntary disclosure accounts. Some of the businesses identified by the Tax Discovery unit were confused about how long the look back period would be.

- **Some taxpayers who had begun the process of registering their business through the Voluntary Disclosure Program requested to withdraw and take advantage of amnesty.**
  The Voluntary Disclosure Agreement required payment at the time the Agreement was finalized, while the amnesty program payment wasn't due until April 30, 2011. Also, the Voluntary Disclosure program offered a partial or full waiver of the penalties but required the taxpayer to pay the interest due. Amnesty waived both penalties and interest.

- **Consider imposing consequences for taxpayers who don't come forward**
  The Department estimated that 50,000 taxpayers would be eligible for the amnesty program. Approximately 8,200 applied. To increase the level of participation of future amnesty programs, consequences should be considered.

- **Do not disqualify taxpayers from amnesty if they are granted a penalty waiver on a return due during the amnesty period.**
  Taxpayers who filed and paid a tax return late due to circumstances beyond their control were denied amnesty, even-though the Department waived the penalty. These taxpayers were forced to file an appeal to get consideration for their special circumstances.

Program Statistics

Application Statistics

Applications received	10,974
Number of duplicates	1,676
Applications approved	5,420
Businesses granted amnesty*	5,095
Businesses granted amnesty that did not owe any additional amount	570
Applications denied**	3,631
Top reasons for denial:	
Filed a late return during amnesty	34%
Requested amnesty for invalid period	24%
Never submitted amnesty payment	23%
Applications rescinded	247
Appeals	410

*Some businesses submitted applications for each liability they had.
**Businesses could have multiple reasons for being denied.

Revenue Statistics

Revenue generated		**Total: $345.8 million**
State general fund		$284.0 million
State public utility tax		$0.5 million
Cities and counties		$61.3 million
Penalties and interest waived		**$91.0 million**
New state general fund revenue		**$29.9 million**
From unregistered businesses, active non-reporting businesses, reopened businesses		
Estimated annual impact	FY 2012	$5.1 million
	FY 2013	$5.4 million
	FY 2014	$5.5 million
	FY 2015	$5.7 million
	FY 2016	$5.9 million
	FY 2017	$6.0 million
	FY 2018	$6.2 million

Estimated Cost of Implementation

Before the program

Based on estimated program costs, the initial funding was allotted as follows:

Purpose	Amount
Tax examiners	$69,200
Communication consultant	$9,500
Media campaign	$80,000
Other	$59,100
Equipment	$15,400
Total	**$233,200**

After the program

Actual implementation costs exceeded the original estimate due largely to the increased workload. The Department absorbed an unanticipated $137,000 in employee overtime.

Overtime costs	**($137,000)**
Other expenses	**($11,000)**

Unforeseen workload issues

Reasons for the larger than expected workload included:

- Rather than include all the taxes as initially proposed by the Department, it was decided that the program would apply only to state business and occupation tax, state public utility tax, and state and local sales and use taxes. This change caused a significant increase in application processing time. Non-qualifying taxes with their applicable interest and penalties had to be manually calculated.
- The Department did not acknowledge receipt of the application until it had been processed. That delay caused many taxpayers to submit another application, thinking that the first had not been received. Each of those applications had to be processed and reviewed to ensure that there wasn't new information being provided by the taxpayer.
- The idea to send amnesty quotes with every audit debit assessment issued was generated during the run-up to the program and was not included in the cost estimates.
- The Department received and processed ten percent more applications than it anticipated.

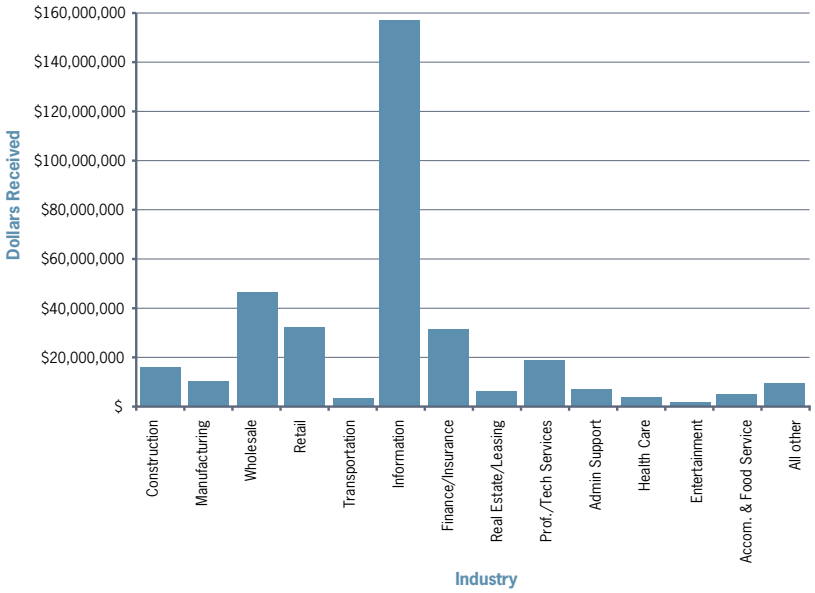
Financial Statistics

Collections

The vast majority of revenue came from the information industry, specifically telecoms (Chart A), while the majority of businesses applying for amnesty came from the construction industry (Chart B).

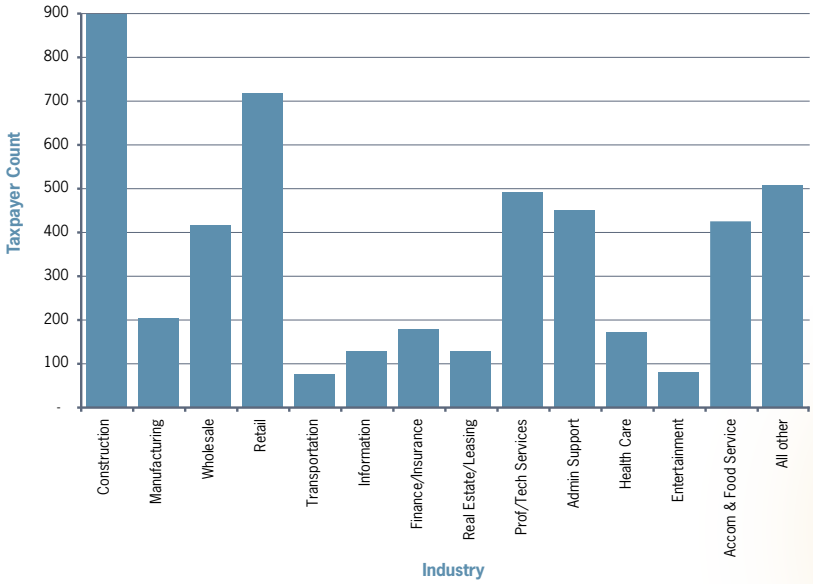
Amnesty dollars received from taxpayers by industry

Chart A



Amnesty total count of taxpayers by industry

Chart B

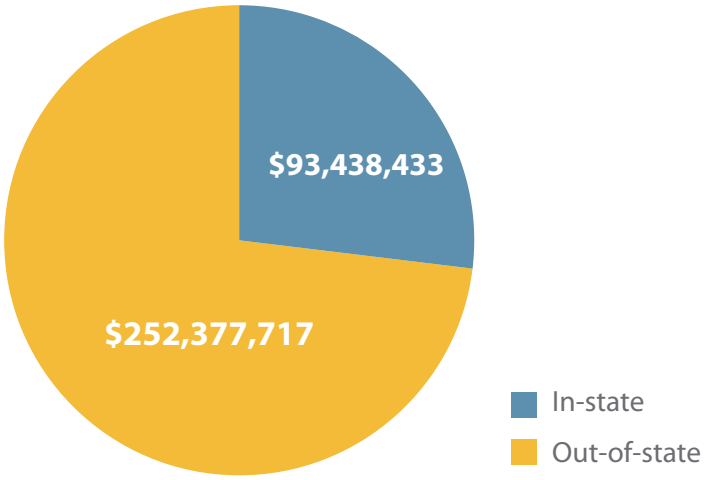


In-state vs. out-of-state businesses

While the bulk of the revenues generated from amnesty came from out-of-state businesses (Chart C), the vast majority of businesses granted amnesty were in-state (Chart D).

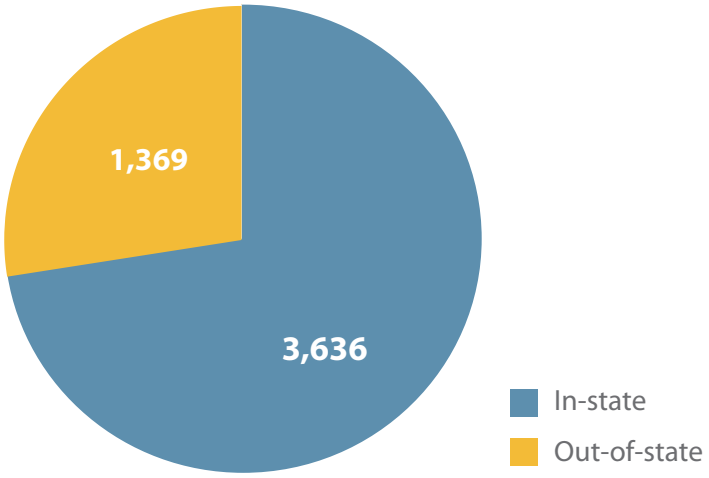
Amnesty dollars received by in-state/out-of-state businesses

Chart C



Number of amnesty businesses by in-state/out-of-state

Chart D

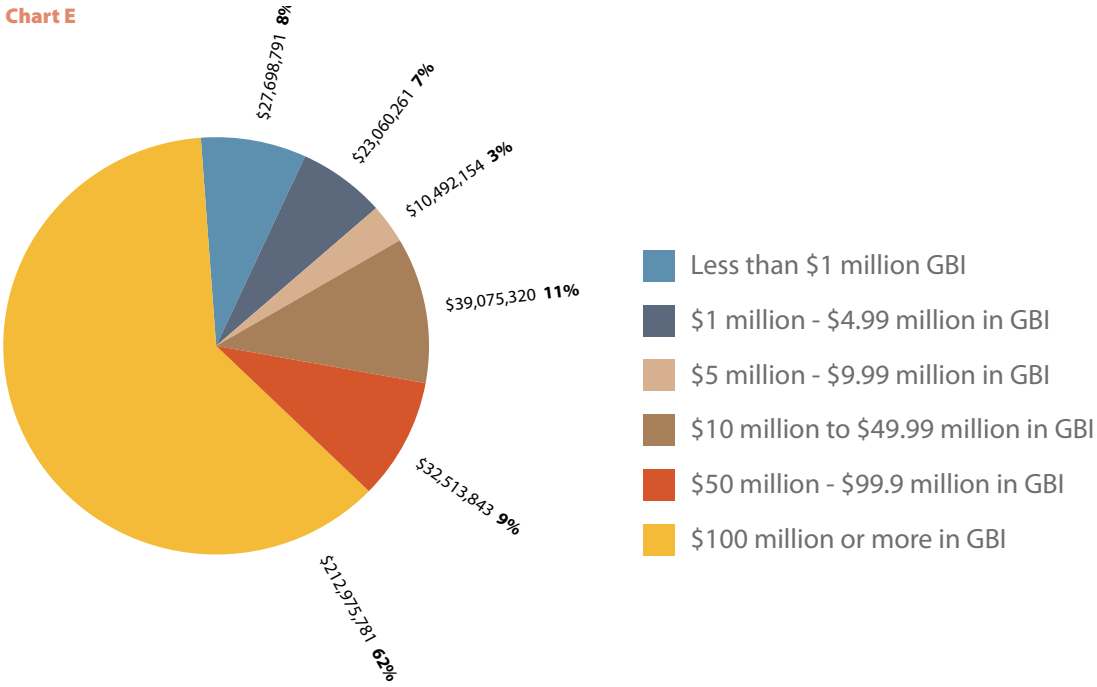


Small vs. large businesses

More than 60 percent of the revenues generated by amnesty came from businesses with 2010 gross business income (GBI) of $100 million or more (Chart E), while 75 percent of the businesses benefitting from amnesty had 2010 GBI of less than $1 milion (Chart F).

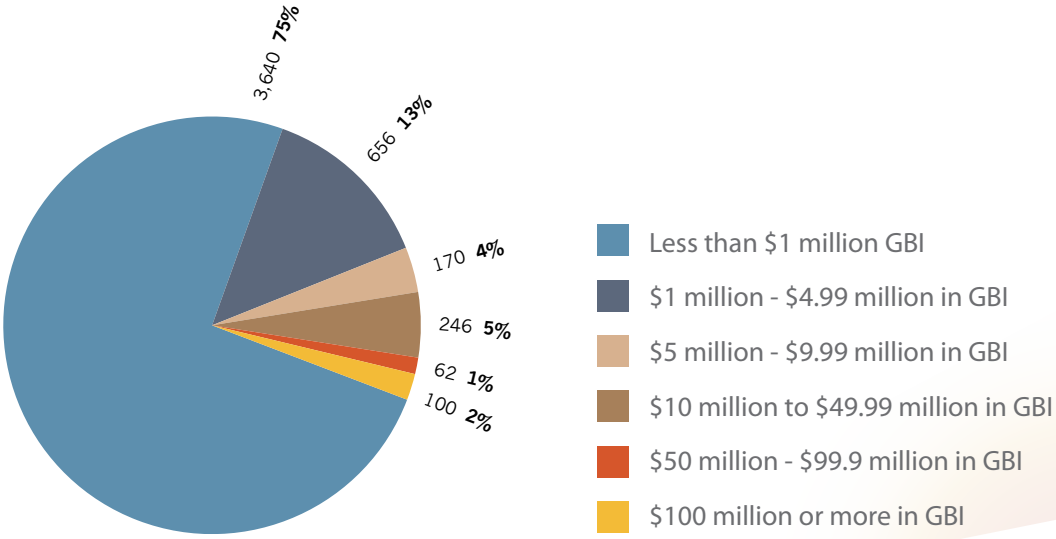
Amnesty dollars collected by business size

Chart E



Number of business granted amnesty by business size

Chart F



Attachments

Amnesty application

Front

Department of Revenue
Washington State

Amnesty Application

AMN-APP

Before completing this application, read the amnesty requirements on page 2. **Complete all the information** requested on this application**.** Please print. Incomplete or unreadable applications may result in delay or denial of amnesty. To consider this application, we must receive it by **April 18, 2011**.

You must fulfill all the requirements of the amnesty program by **April 30, 2011**, or amnesty will be denied.

Your business is:

☐ Registered with the Department ☐ Not registered with the Department

Name (Owner/corporate officer) _____ Tax registration/reporting number (TRN) __ __ __ __ __ __ __ __ __

Business name _____ Daytime phone _____

Mailing address _____ Fax _____

City _____ State _____ Zip _____ Email _____

You are requesting amnesty for:

☐ The item(s) listed in the amnesty quote. (Attach the quote and complete the payment section below.)

☐ Billing document. (Attach a copy of your assessment, warrant, invoice or other billing document.)

☐ The tax periods listed below. (Example: 2009, Q3 2009, or Sept. 2009) (If you do not have an invoice, assessment, warrant, or other billing document, provide an explanation of amounts due.)

1. _____ 2. _____ 3. _____

☐ Unreported tax liabilities. (Attach supporting information. See page 2 for details.)

To submit payment:

If you know or can estimate the amount you owe, submit payment with this application. **Full payment must be submitted by April 30, 2011.** If paying by check, write your tax registration number on your check and record the amount paid below. If paying electronically, record the payment confirmation number below.

Amount paid: $_____ Confirmation #:_____

☐ By checking this box, I authorize the Department to contact me by email or fax. I acknowledge that email and fax communications are not secure, and that confidential information sent this way may be intercepted and used by unauthorized persons. I accept these conditions and waive any violation of the Secrecy Clause that could occur.

I understand and agree to the requirements of the amnesty program. I understand that **I may not seek a refund, or otherwise challenge the amount of tax paid in the amnesty program** in any court or administrative tribunal.

Owner/corporate officer signature (See page 2–Signature) _____ Print name _____ Date _____

For tax assistance or to request this document in an alternate format, visit http://dor.wa.gov or 1-800-647-7706.
Teletype (TTY) users may call (360) 705-6718.

REV 32 2512 (3/24/11)

Print Clear

- 1 -

Back

Requirements for amnesty

By April 18, 2011:
- Complete and submit this application.
- File all outstanding tax returns and any amended returns for which you are requesting amnesty.

Unreported tax liabilities
If you are requesting amnesty on unreported tax liabilities, submit your application as early as possible. Attach a list of the undisclosed tax amounts by tax classification and reporting period.

If your business is **not registered** in Washington, attach a list of undisclosed tax amounts by tax classification for 2007 through 2010. You must also include a completed copy of both of the following:
- Master Business Application
- Washington Business Activities Questionnaire

By April 30, 2011:
- Full payment of the amount due must be submitted to the Department.

Important notes:
- All tax returns that become due during the amnesty program must be filed and paid in full by the tax return's due date. This includes the January (due February 25), February (due March 25), March (due April 25), and the Quarter1 (due April 30) returns.
- Taxpayers who have filed and paid all tax returns due as of November 25, 2010, are not eligible for a waiver for tax returns due after that date.
- Taxpayers who participate in the amnesty program may not seek a refund, or otherwise challenge the amount of tax paid in the amnesty program in any court or administrative tribunal.

What can be waived
Penalties and interest on the following taxes due before February 1, 2011, may be waived:
- State business and occupation tax
- Public utility tax
- State and local sales and use tax

For a list of state and local sales and use taxes included in this program, go to our website at PayMyTax.org.

Amnesty disqualifiers
You are NOT eligible for amnesty if you:
- Have ever been assessed a penalty for evasion, or for misuse of a reseller permit or resale certificate.
- Are in bankruptcy and payment of tax debt would violate federal bankruptcy law.
- Have ever been prosecuted for failing to pay or collect the proper amount of any tax administered by the Department under RCW 82.32.

Signature
If the person signing this form is not an owner, partner, corporate officer, or member of the LLC, send documentation that proves the authority to sign. (Examples: a power of attorney, signed board minutes authorizing the individual)

Submit your application
Applications must be received by **April 18, 2011**. You may submit your application using mail, fax, or email. Be sure to include copies of your billing documents and other required documents, if applicable.

Mail: WA State Department of Revenue
Taxpayer Account Administration
PO Box 47476
Olympia, WA 98504-7476

Fax: (360) 705-6733

Email: amnesty@dor.wa.gov

Next steps
We will review your application and send you a letter with further instructions.

Questions? Call the Department at 1-800-647-7706 or visit our website at PayMyTax.org.

Screen shot of PayMyTax.org (dor.wa.gov/amnesty)

Amnesty Program (PayMyTax.org) - Windows Internet Explorer

http://dor.wa.gov/Content/DoingBusiness/RegisterMyBusiness/amnesty.aspx

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Department of Revenue Washington State

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DOING BUSINESS > REGISTER MY BUSINESS > AMNESTY PROGRAM (PAYMYTAX.ORG)

Amnesty Program (PayMyTax.org)

• IMPORTANT: The Department is no longer accepting applications for the amnesty program. For businesses that have already applied, the deadline for payment is April 30, 2011.

This temporary amnesty program waives penalties and interest on certain unpaid Washington State business taxes.

Program dates:
February 1, 2011 through April 30, 2011

This program waives penalties and interest on:

- State business and occupation (B&O) tax
- State public utility tax
- State and local sales and use tax including:
  - General retail sales and use taxes
  - Rental car taxes
  - King County food and beverage tax
  - Additional sales and use tax on motor vehicle sales/leases
  - Lodging taxes, but not including tourism promotion area lodging charges
  - Brokered natural gas use tax

Taxes must have been owed prior to February 1, 2011.

Important: If you have filed and paid all tax returns as of November 25, 2010, you are not eligible for amnesty on tax returns due after that date.

More information

Amnesty – SSB 6892

Program Overview

- English
- Русско
- Español
- 漢語
- Tagalog
- 한국어
- tiếng Việt

Amnesty Q&A

Who's eligible:

- Registered businesses
- Unregistered businesses

Unreported tax liabilities

If you are requesting amnesty on unreported tax liabilities, submit your application as early as possible. Attach a list of the undisclosed tax amounts by tax classification and reporting period.

If your business is **not registered** in Washington, attach a list of undisclosed tax amounts by tax classification and year for 2007 through 2010. You must also include a completed copy of both of the following:

- Master Business Application
- Washington Business Activities Questionnaire

Requirements:

For amnesty to be granted, you must:

- Pay all tax due by April 30, 2011, on any invoice for which you are requesting a waiver. You must also pay penalties and interest on taxes not included in this program.
- Pay all filing and other fees on any tax warrant for which you are requesting a waiver.
- File and pay all tax returns on time during the amnesty period. This includes the January return (due February 25), the February return (due March 25), the March return (due April 25), and the Quarter 1 return (due April 30).
- Waive your right to seek a refund or challenge the amount of taxes paid under the program.

Exclusions:

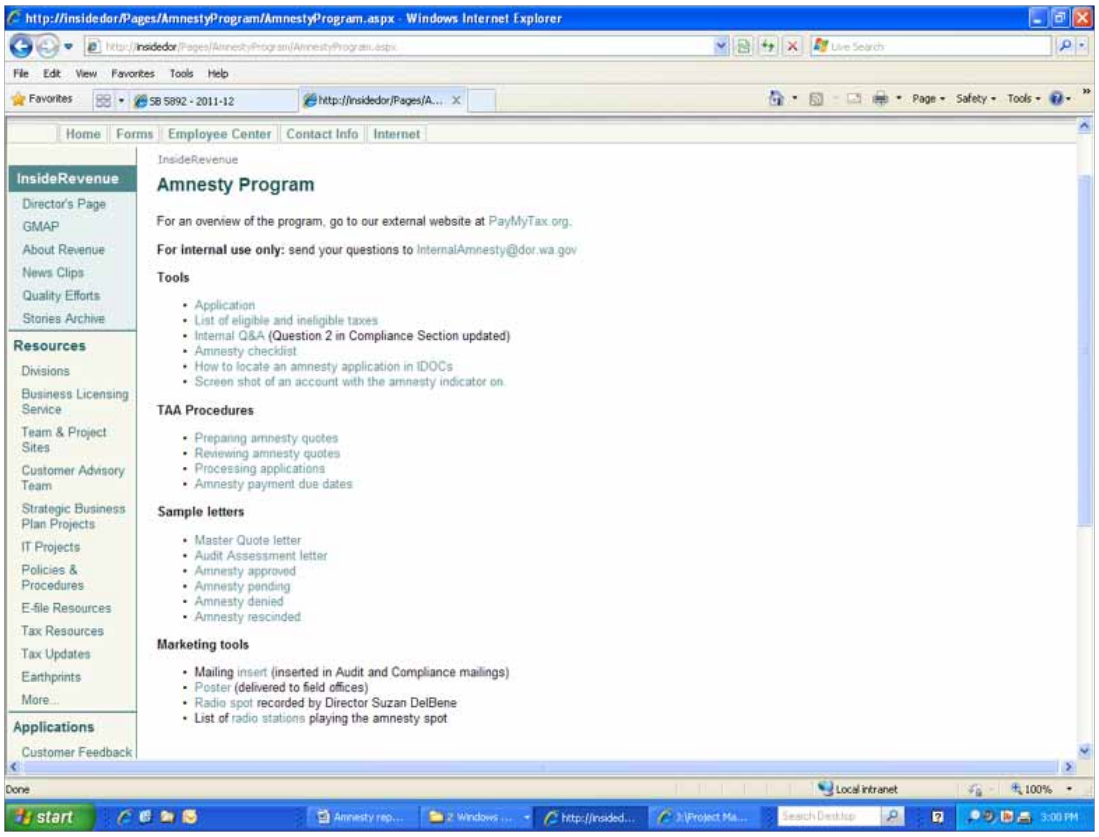
Taxpayers are excluded from this program if they:

- Have ever been assessed a penalty by the Department for evasion or misuse of a reseller permit or resale certificate.
- Are in bankruptcy and payment of tax debt would violate federal bankruptcy laws.
- Have ever been prosecuted for failing to pay or collect the proper amount of any tax administered by the Department under RCW 82.32.

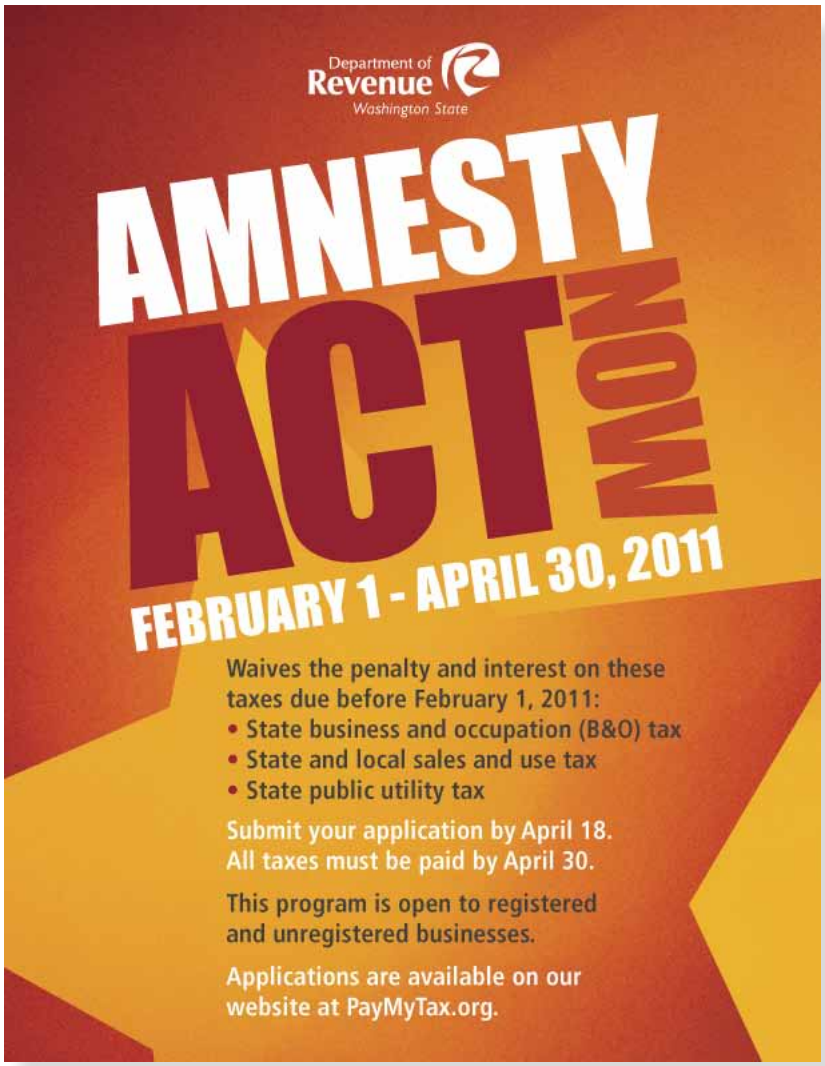
For more information:

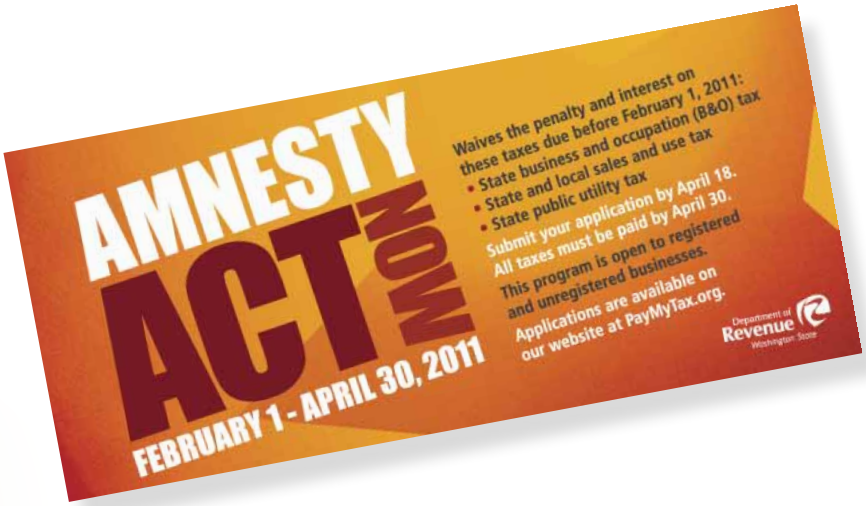
See the Amnesty Q & A. For specific questions, send an email to communications@dor.wa.gov or call us at 1-800-647-7706.

Screen shot of intranet amnesty page



Poster and mailing insert





Web banner ads

Promotional scripts

Radio ad

Helping businesses

Is your business struggling in this economy? You're not alone. I'm Suzan DelBene, director of the Washington Department of Revenue. We're offering a temporary amnesty program to help business catch up on their state taxes. You may qualify to have penalties and interest waived. The program runs from February through April. To learn more, go to PayMyTax.org. That's PayMyTax.org.

Message left by predictive dialer

(Approximately 25 seconds long)

Hello. This is the Washington State Department of Revenue.

We're offering a temporary AMNESTY program to help businesses catch up on their state taxes.

You may qualify to have penalties and interest waived.

Visit PayMyTax.org to learn more.

The program runs from February through April.

Again, visit PayMyTax.org or call 1-800-647-7706.

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King County

Government Accountability, Oversight and Financial Performance Committee

STAFF REPORT

Agenda Item:	6	**Name:**	Mike Alvine
Proposed No.:	2012-0137	**Date:**	April 24, 2012
Invited:	Sandy Hanks, Contract Compliance Officer, FBOD, DES		

SUBJECT

An ordinance authorizing the county executive to enter into an interlocal agreement with the Sound Transit to provide small contractor and supplier certification services.

SUMMARY

The proposed ordinance would allow the Executive to enter into an interlocal agreement (ILA) with the Sound Transit, whereby King County would certify small businesses to participate in both Sound Transit's small business program and King County's Contracting Opportunities Program (COP). King County is already performing this service under an ILA for the Port of Seattle.

BACKGROUND

For approximately eight years King County has operated the Contracting Opportunities Program (COP). Through the use of incentives and requirements, the goal of the COP program is to ensure that a portion of King County's business purchasing goods and services, consulting services and construction projects goes to small businesses (Small Contractors and Suppliers (SCS) as they are called in King County Code). Sound Transit also operates a similar program. It uses the identical definition of small business as King County, which for most businesses is one-half of the SBA standard definition. In addition to limits on annual revenues, each owner may not have a net worth in excess of $750,000.

Since the County has been operating its program longer, and has an existing list of certified small businesses, it was a logical use of resources to have a common application form and to have one agency perform the certification services. It is also easier for small businesses to use a common form with the same standards and submit the application to one agency to apply to multiple programs. Sound Transit has asked King County to certify small businesses on a fee-for-service basis as has the Port of Seattle.

ANALYSIS

The interlocal agreement attached to the ordinance contains the following requirements:

1. Initial certification of any business shall not exceed five years. Businesses will then need to be recertified. Businesses may need to provide documentation before five years if there is reason to believe the firm no longer meets the standards for a small business.
2. For new applications, King County will notify the business within two days that the application has been received.
3. King County agrees to complete the certification review within 30 business days.
4. If an applicant submits an incomplete application, they will have 30 calendar days to submit the needed documentation.
5. There are provisions to extend these certification timelines if conditions warrant.
6. The initial term of the agreement between King County and Sound Transit expires December 31 of 2012 and can be extended by mutual agreement.
7. Sound Transit will pay King County one-third of the cost of maintaining the SCS website (approximately $3,850) and $23 per each business certified up to a maximum of $1,916.66. (Total website costs for 2012 are budgeted at $11,000.)

From an analytical perspective, this is a common sense proposal that makes sense from several perspectives. From the small business perspective, it helps standardize a procurement process across three significant local governments, saving them time and money. From the governmental perspective it saves staff time to use common small business standards, to share lists of small contractors and suppliers, and for one agency to serve as the certification authority. The County already maintains a website for accessing a directory of SCS firms in order to make it easy for prime contractors to identify qualified small businesses. The firms King County certifies for Sound Transit will also be entered into the online directory for use by Sound Transit, the Port of Seattle and King County. It is hoped that other public agencies will join this effort in the future.

FISCAL NOTE

Sound Transit will pay King County $23 per business to certify small contractors and suppliers. Sound Transit will also pay one-third of the annual cost to maintain the database hosting the website of SCS firms. At the time the ILA was drafted the County budget had not been adopted. Since then, the cost of maintaining the website has been budgeted at $11,000 per year. Sound Transit's share would be $3,850 for 2012 without pro rating for a start date. King County and the Port of Seattle will pay the remaining two-thirds of the website costs. The fiscal note estimates no revenues for SCS certification services because staff is not sure how many firms will be certified.

ATTACHMENTS

1. Proposed Ordinance 2012-0137
2. Transmittal Letter dated April 3, 2012
3. Revised Fiscal note

KING COUNTY

Signature Report

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

April 23, 2012

Ordinance

Proposed No. 2012-0137.1 **Sponsors** Ferguson

AN ORDINANCE authorizing the county executive to enter into an interlocal agreement with Sound Transit to provide small contractor and supplier certification services.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. **Findings:**

A. The King County Strategic Plan supports a strong, diverse and sustainable economy.

B. The King County Strategic Plan promotes regional economic development through partnerships with regional organizations, other jurisdictions and the private sector.

C. The King County Strategic Plan encourages creating contracting opportunities for small and disadvantaged business.

D. King County Executive Order CON 7-12 calls for partnerships with other public agencies to develop common application forms and common certification standards to make it easier for small contractors and suppliers to work with public agencies.

E. King County certifies small businesses as small contractor and suppliers for participation in its contracting opportunities program.

F. King County and Sound Transit have programs whereby each entity and its contractors are encouraged to use certified small businesses in the performance of their contracts.

G. Sound Transit and King County certification requirements for small contractors and suppliers are identical.

H. It is in the economic interest of King County and Sound Transit to encourage competition within the supply chain and to increase the number of small contractors and suppliers on their procurements.

I. King County and Sound Transit desire to enter into an agreement under which the county will provide small contractor and supplier certification services to Sound Transit for its program.

J. King County is able and willing to provide small contractor and supplier certification services to Sound Transit, consistent with K.C.C. chapter 4.19, the Strategic Plan priorities, and executive order polices noted in subsections A. through D. of this section.

K. Participation in this agreement will benefit the customers of Sound Transit and the residents of King County.

SECTION 2. The county executive is authorized to execute an interlocal

agreement, substantially in the form of Attachment A to this ordinance, with Sound Transit for the county to provide small contractor and supplier certification services.

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

_____

Larry Gossett, Chair

ATTEST:

_____

Anne Noris, Clerk of the Council

APPROVED this _____ day of _____, _____.

_____

Dow Constantine, County Executive

Attachments: A. ILA Small Contractor and Supplier Certification Services between King County and Sound Transit

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INTERLOCAL AGREEMENT

FOR PROVISION OF SMALL CONTRACTOR AND SUPPLIER CERTIFICATION SERVICES

BETWEEN

KING COUNTY AND SOUND TRANSIT

INTERLOCAL AGREEMENT

FOR PROVISION OF SMALL CONTRACTOR AND SUPPLIER CERTIFICATION SERVICES BETWEEN KING COUNTY AND SOUND TRANSIT

THIS INTERLOCAL AGREEMENT ("Agreement") FOR PROVISION OF SMALL CONTRACTOR AND SUPPLIER CERTIFICATION SERVICES BETWEEN KING COUNTY ("County") AND SOUND TRANSIT is entered on this _ day of _____ _____, 2011. Collectively, the County and Sound Transit are referred to as the "Parties."

RECITALS

WHEREAS, the County operates the Contracting Opportunities Program to provide contracting opportunities for small businesses on County contracts; and,

WHEREAS, the County and Sound Transit and its contractors are encouraged to use certified small businesses as prime contractors, subcontractors and suppliers; and,

WHEREAS, it is in the economic interest of the County and Sound Transit to encourage competition within the supply chain and to increase the number of small contractors and suppliers in their procurements; and,

WHEREAS, the County certifies small businesses as Small Contractor and Supplier (SCS) firms for participation in its Contracting Opportunities Program; and

WHEREAS, Sound Transit and the County desire to enter into an Agreement under which the County will provide SCS certification services; and,

WHEREAS, County Executive Order Con 7-12 calls for partnerships with other public agencies to develop common application forms and common certification standards to make it easier for SCS firms to work with public agencies; and,

WHEREAS, pursuant to RCW 39.34, the Interlocal Cooperation Act, the Parties are each authorized to enter into an agreement for cooperative action.

NOW THEREFORE, the Parties hereby agree:

1. PURPOSE

The purpose of the Agreement is to set forth the terms and conditions under which the County will provide certification services for Small Contractors and Suppliers to Sound Transit.

2. RESPONSIBILITIES

2.1 COUNTY RESPONSIBILITIES

2.1.1 SCS CERTIFICATION PROCESS. The County shall be responsible for the certification process for businesses that have demonstrated an interest in participating or continuing to participate as SCS firms in County and/or Sound Transit procurements. This process includes certification, recertification, and removal and/or decertification of business.

The County will apply the standard procedures in the certification process set forth in Exhibit A attached and incorporated into this Agreement.

2.2 ON-LINE DIRECTORY. The County will host and maintain an Online Directory of Certified SCS Firms ("SCS Directory").

2.2.1 The SCS Directory will include the following search options:

a. Contract Category – categories shall include construction, architectural & engineering, professional/technical consulting and goods & services.

b. NAICS Codes - North American Industry Classification System, searchable the code number and/or using keywords at http://www.census.gov/eos/www/naics/.

c. By Construction Specification Institute Code – Usable for Construction related firms.

d. Business Name / Description –Searchable using name or keywords.

2.2.2 Excel Download – The entire SCS Directory shall be available for download.

2.2.3 County and Sound Transit Logos – Each party agrees that the application form and webpage for the SCS Directory shall display the logo for the County and Sound Transit.

3. SHARED RESPONSIBILITIES

The Parties mutually agree to the following provisions:

3.1 CERTIFICATION APPLICATION. Each Party agrees to use the same SCS certification application form and CPA affidavit. The County shall provide Sound Transit an application form and CPA affidavit for use and distribution to businesses seeking to obtain certification as a Small Contractor and Supplier. No modifications or revisions to the application or the affidavit shall be made by either Party without the written consent of the other which consent shall be obtained a minimum of thirty (30) days prior to the change, unless otherwise agreed by the Parties. The official logo of each Party will appear on the front page of the certification application and the CPA affidavit.

3.2 PROGRAM ADMINISTRATION. Sound Transit and the County may apply different methods, strategies and outreach efforts in administering their respective small business programs separately and apart from this agreement for the County to provide SCS certification services.

3.3 SCS DIRECTORY. Unless mutually agreed by the Parties, each Party agrees to use the same certification SCS Directory that shall be maintained by the County and located at: http://www.kingcounty.gov/exec/BusinessDev.aspx

3.4 INFORMATION SHARING. The Parties will share copies of any documents that may affect the certification status of a certified SCS Firm. The Parties agree to exchange such documents within two business days of their receipt of the documents.

4. ELIGIBILITY AND DIRECTORY STANDARDS. The Parties agree to the following eligibility and directory standards:

4.1 FINANCIAL CONDITIONS. The relevant financial condition for eligibility shall be based on: (1) A threshold for standard business classifications set at fifty percent (50%) of the Federal Small Business Administration (SBA) small business size standards using the North American Industrial Classification System (NAICS); (2) Each owner's personal net worth less than $750,000 and; (3) The business owners' agreement to participate in a minimum of fifteen (15) hours of business development training within twelve months of certification approval.

5. CERTIFICATION. The Parties agree to the following SCS certification process:

5.1 INITIAL CERTIFICATION OF SOUND TRANSIT FIRMS. Sound Transit will submit to the County an initial list of firms for certification review from Sound Transit's business rosters. For each firm identified on the list, Sound Transit shall provide the County with contact information

that shall include an email address for each firm. The County will complete the certification review no later than three months from receipt of the list for all firms contained in it and for which a fully executed certification application and all required supporting documents from the applicant business are provided, if a consultant is retained by the County to complete the reviews. In the absence of a hired consultant to perform the reviews, the certification review for all firms contained in the initial list shall be completed no later than six months from the receipt date of a fully executed certification application and all required supporting documents from the applicant business.

5.2 LENGTH OF CERTIFICATION. The length of initial certification shall not exceed five (5) years.

5.3. ONGOING CERTIFICATION REVIEWS. After the County has completed the certification review for all firms identified on the initial list provided by Sound Transit, the County shall complete all subsequent certification reviews within thirty (30) days from the date of receipt from Sound Transit a fully executed and completed certification application and all required supporting documentation for each applicant business. The County may extend this period once, per application, for no more than an additional fifteen (15) days, upon written notice to Sound Transit explaining the specific reasons for the extension.

5.4 TRANSMITTALS. Sound Transit will act as the initial point of contact for firms that it refers to the County to conduct a certification review. Sound Transit shall submit to the County all required application materials and supporting documentation received from the applicant at the time of first referral. The County will conduct the certification review and issue a written a determination of the firm's acceptance or denial for SCS certification.

6. RECORD KEEPING. The County shall keep all records pertaining to active certification files as required by the County's applicable retention schedules and the County shall accept any costs incurred for this activity. Where there is a disagreement about the determination of the County regarding the acceptance or denial of a firm for SCS certification based upon the certification standards outlined in this Agreement, the County will provide a copy of its written determination to Sound Transit and the applicant firm upon request.

7. REVIEW AGENCY. The County will perform the certification review for all applicant firms to include initial certification, recertification and decertification. Sound Transit will assist the County in defending appeals, challenges, and investigations of third party allegations concerning SCS firms.

8. LEGAL COUNSEL. Each party shall obtain separate legal counsel to address certification matters, as needed. The County shall defend against any challenges to its certification of SCS firms.

9. ADMINISTRATION

The following individuals are designated as representatives of the respective Parties. The representatives shall be responsible for administering this Agreement and for coordinating and monitoring performance under it. In the event such representatives are changed, the party making the change shall notify the other party.

The King County Designated representative shall be the Director of the Finance Business and Operations Division of the Department of Executive Services or his/her designee or successor.

The Sound Transit Designated Representative shall be the Director of its Diversity Office or his/her designee.

10. DURATION AND RENEWAL OF AGREEMENT

This Agreement shall be effective on February 1, 2012 and shall continue through December 31, 2012. Any renewals of this Agreement shall be upon the mutual written agreement of the Parties.

11. COMPENSATION

11.1 SOUND TRANSIT COMPENSATION TO COUNTY. Sound Transit shall compensate the County for its certification services as follows:

11.1.1 Sound Transit shall pay the fixed amount of $4,300.00 as its share of the County's costs for annual maintenance and operation of the SCS database and Directory. If the County enters into a contract with additional parties for maintenance and operation of the SCS database and Directory, the County shall apportion the total annual maintenance and operation costs equally and proportionately among all parties, including Sound Transit.

11.1.2 Sound Transit shall also pay a fixed administrative fee for each SCS certification application that is received by the County for which the County completes a certification review, regardless of whether certification is approved or denied. For the calendar year 2012, Sound Transit agrees to compensate the County a fixed fee of twenty three dollars ($23.00) for each application up to a total maximum amount of $1,916.66.

11.1.3. The parties to this Agreement may agree in writing to utilize a different fee methodology for calculation of the payment referenced in subsection (b) above upon mutual written consent by each party.

11.2 INVOICES. The County shall invoice Sound Transit as follows:

11.2.1 Quarterly for the County's annual maintenance and operations costs up to a maximum total of $4,300 as described in Section 11.1.1, Compensation, of this Agreement.

11.2.2 Quarterly for the recovery cost of the certification fees up to a maximum total of $1,916.66 as described in Article V, Compensation, (b.) of this Agreement.

11.3 PAYMENT TO THE COUNTY. Sound Transit shall pay the amount invoiced and due within thirty (30) days after receipt of an invoice that shall include the following information items:

11.3.1 The firm name of all applicants for which a certification review was conducted during the invoice period, regardless of the whether certification was approved or denied;

11.3.2 Total number of certification reviews completed during the invoice period;

11.3.3 The determination (approval or denial) for each applicant for which the County conducted a certification review during the invoice period;

11.3.4 The certification number for all applicants approved for certification during the invoice period; and,

11.3.5 The total amount of payment requested by the County and the amount remaining of the maximum total amounts under Article V of this Agreement.

12. PERFORMANCE OF AGREEMENT

12.1 COMPLIANCE WITH ALL LAWS. Each party shall comply with all federal, state and local laws, rules, regulations and ordinances applicable to the performance of this Agreement, including without limitation, all those pertaining to confidentiality, disabilities and non-discrimination.

12.2 MAINTENANCE AND AUDIT OF RECORDS. Each party shall maintain books, records, documents, and other materials relevant to its

performance under the Agreement. These records shall be subject to inspection, review, and audit by either party or its designee, and the Washington State Auditor's Office. Each party shall retain all such books, records, documents, and other materials for the applicable retention period under federal and Washington law.

12.3 TREATMENT OF ASSETS AND PROPERTY. No fixed assets or personal or real property will be jointly or cooperatively, acquired, held, used, or disposed of pursuant to this Agreement.

12.4 IMPROPER INFLUENCE. Each party agrees, warrants, and represents that it did not and will not employ, retain, or contract with any person or entity on a contingent compensation basis for the purpose of seeking, obtaining, maintaining, or extending this Agreement. Each party agrees, warrants, and represents that no gratuity whatsoever has been, or will be, offered or conferred with a view towards obtaining, maintaining, or extending this Agreement.

12.5 CONFLICT OF INTEREST. The elected and appointed officials and employees of the parties shall not have any personal interest, direct or indirect, which gives rise to a conflict of interest.

13. INDEMNIFICATION

To the extent permitted by law, the County shall protect, defend, indemnify and save harmless Sound Transit, and its officers, officials, employees and agents, while acting within the scope of their employment, from any and all costs, claims, demands, judgments, damages, or liability of any kind including injuries to persons or damages to property which arise out of, or in any way result from, or are connected to, or are due to any acts or omissions of the County in its performance of this Agreement. The County shall not be required to indemnify, defend, or save harmless Sound Transit if the claim, suit, or action for injuries or damages is caused by the sole negligence of Sound Transit. In the event of any claims, demands, actions and lawsuits, the County upon prompt notice from Sound Transit, shall assume all costs of defense thereof, including legal fees incurred by Sound Transit, and of all resulting judgments that may be obtained against Sound Transit. This indemnification shall survive the termination of this Agreement.

14. DISPUTES

14.1 DISPUTE RESOLUTION PROCESS. The Designated Representatives of the Parties shall use their best efforts to resolve disputes and issues arising out of or related to this Agreement. Each Designated Representative shall notify the other in writing of any problem or dispute

the Designated Representative believes needs formal resolution. This written notice shall include: (1) a description of the issue to be resolved; (2) a description of the difference between the Parties on the issue; and (3) a summary of steps taken by Designated Representative to resolve the issue. The Designated Representatives shall meet within three (3) business days of receiving the written notice and attempt to resolve the dispute. In the event the Designated Representatives cannot resolve the dispute, Sound Transit Deputy Chief Executive Officer or his/her designee and the County Executive or his/her designee shall meet within seven (7) business days of receiving notice from a Designated Representative and engage in good faith negotiations to resolve the dispute.

The Parties agree that they shall have no right to seek relief under this Agreement in a court of law until and unless each of these procedural steps is exhausted; provided that this requirement shall not apply if the applicable statute of limitations will run during the time that may be required to exhaust the procedural steps set forth above.

14.2 GOVERNING LAW. This Agreement shall be governed exclusively by the laws of the State of Washington.

14.3 ATTORNEY FEES. If any legal action or other proceeding is brought for the enforcement of this Agreement or because of an alleged dispute, breach, default, or misrepresentation in connection with any of the provisions of this Agreement, each party shall pay its own attorney's fees incurred in that action, arbitration or proceeding.

15. TERMINATION

Any party may terminate this Agreement without cause upon thirty (30) calendar days by written notice either personally delivered or mailed postage-prepaid by certified mail, return receipt requested, to the party's last known address. If this Agreement is terminated, the Parties shall be liable only for performance rendered or costs incurred in accordance with the terms of this Agreement prior to the effective date of termination.

16. GENERAL PROVISIONS

16.1 NO AGENCY. No joint venture or partnership is formed as a result of this Agreement. No employees, agents or subcontractors of one party shall be deemed, or represent themselves to be, employees of any other Party.

16.2 NO EMPLOYEE RELATIONSHIP. In performing work and services hereunder, the County and its employees, agents, consultants and

representatives shall be acting as independent contractors and shall not be deemed or construed to be employees or agents of Sound Transit in any manner whatsoever. No employee of any Party shall hold him/herself out as, or claim to be an officer or employee of the other Party by reason of this Agreement and shall not make any claim, demand, or application to or for any right or privilege applicable to an officer or employee of the other Party. Each Party shall be solely responsible for any claims for wages or compensation by its employees, agents, and representatives, including consultants, and shall hold the other Party harmless there from.

16.3 NOTICES. All notices or requests required or permitted under this Agreement shall be in writing, shall be personally delivered or sent by certified mail, return receipt requested, postage prepaid, or by facsimile transmission and shall be deemed received three (3) business days following the date when mailed or on the date when delivered or faxed (provided the fax machine has issued a printed confirmation of receipt). All notices or requests shall be sent to the King County and SOUND TRANSIT addressed as follows:

To King County:
King County
Attn: Ken Guy, Director Finance and Business Operations Division
CNK-ES-0350
401 Fifth Avenue, Third Floor
Seattle, WA 98104-1818

To Sound Transit:
Sound Transit
Attn: Leslie Jones, Director, Diversity Program
Union Station
401 S. Jackson St.
Seattle, WA 98104-2826

16.4 NO THIRD PARTY RIGHTS. It is understood and agreed that this Agreement is solely for the benefit of the Parties hereto, and nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any persons other than the Parties.

16.5 CHANGES, MODIFICATIONS, AMENDMENTS AND WAIVERS. The Agreement may be changed, modified, amended, or waived only by written agreement signed by the Parties and adopted in accordance with each Party's legislative procedures. Changes herein which are technical in nature, consistent with the intent of the Agreement and fall within the

scope of their respective authorities may be approved on behalf of the County by the County Executive and on behalf of Sound Transit by its Chief Executive Officer. Any waiver of a term or condition of the Agreement shall apply only to the specific act, occurrence or omission and shall not constitute a waiver as to any other term or condition or future act, occurrence or omission. Waiver of breach of any term or condition of this Agreement shall not be considered a waiver of any prior or subsequent breach.

16.6 ASSIGNMENT. Neither Party may assign its rights or delegate its duties under this Agreement, whether by assignment, further, subcontract or other means. Any such attempted assignment or delegation shall be void and shall constitute a material breach of the Agreement.

16.7 SEVERABILITY. In the event any term or condition of the Agreement or application thereof to any person or circumstances is held invalid, such invalidity shall not affect other terms, conditions, or applications of this Agreement that can be given effect without the invalid term, condition or application. To this end, the terms and conditions of this Agreement are declared severable.

16.8 ENTIRE AGREEMENT. This Agreement contains all the terms and conditions agreed upon by the Parties. No other understandings, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind any of the Parties hereto.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the last date signed below.

SOUND TRANSIT

_____ _____

Joni M. Earl, Date
Chief Executive Officer

KING COUNTY

_____ _____

Dow Constantine, Date
King County Executive

EXHIBIT A

SCS Certification Process

For purposes of this Agreement the County will follow the Small Contractor and Supplier (SCS) review and certification procedures set out below. The Parties may mutually agree to amend or update these procedures from time to time.

(1) Notification and application receipt

i. Upon receipt of an application for SCS certification, the County shall send an email notification receipt to the contact person identified in the certification application to inform him/her of the date the application was received by the County. The notification shall be sent within two (2) business days after the County's receipt of the application.

ii. All applicants for certification must complete and submit an application and the required supporting documentation necessary to conduct the certification review. The County shall process complete applications in the order received.

iii. All applicants shall be required to prepare and submit the certification application in electronic or typewritten hard copy formats. The County will not accept handwritten applications.

(2) Certification review period

i. For all complete applications, the County will complete the certification review within thirty (30) business days from the application receipt date unless otherwise provided herein. The County may extend this period once, per application, for no more than an additional fifteen (15) days, upon written notice to Sound Transit explaining the specific reasons for the extension.

ii. For applicants using the CPA Affidavit method, the County will complete the certification review within ten (10) business days from the application receipt date unless otherwise provided herein.

iii. For all certification reviews estimated to exceed the standard thirty (30)-business day review period, the County will notify the applicant within two (2) days from the County's receipt of the complete application package, to inform the applicant of the estimated time to complete the review. The County shall notify the applicant by email.

(3) Applicant Missing Information

i. For all incomplete application packages, the County will identify any deficiencies and send a request via email to the applicant contact person that includes a request to submit the information requested within thirty (30) calendar days.

ii. Upon receipt of missing items from the applicant, the County will notify the applicant via email with an estimated review completion date that shall not exceed the standard thirty (30) business days.

iii. Failure of the applicant to submit the missing information requested within thirty (30) calendar days from the notification date by the County will result in removal of the application from certification review.

iv. If an applicant has sought certification previously as an SCS from the County and failed to comply with a request from the County to submit information, the applicant must complete and submit a new application to initiate the review process. The County shall process complete applications in the order received unless otherwise provided in this Agreement.

(4) Requests to Expedite the Certification Review Process

i. The County may grant a request to expedite the certification review process if:

a) Sound Transit or a contractor submits a written request to expedite the application; or

b) The Parties to this agreement determine and agree that expediting the review process is the only action to ensure SCS firms an opportunity to participate in the contracting activity or procurement processes administered by the requesting public entity.

ii. All requests to expedite the certification review process must be made in writing and received by the County certification reviewers ten (10) business days prior to a bid opening or proposal due date.

iii. The County may deny requests to expedite the certification review process if any of the following conditions exits:

a) The County receives the request less than ten (10) business days prior to the identified bid opening or proposal due date.

iv. The County will make the final decision on whether or not a request to expedite certification review will be granted.

Exhibit B

Designated Representatives

The County's designated representative shall be the Director of the Finance Business and Operations Division of the Department of Executive Services or his/her designee or successor as follows:

Ken Guy, Director Finance and Business Operations Division
Department of Executive Services
CNK-ES-0300
401 Fifth Avenue
Seattle, WA 98104
Telephone: 206-263-9254
Email: ken.guy@kingcounty.gov

The Sound Transit Designated Representative shall be the Director of its Diversity Office or his/her designee as follows:

Leslie Jones, Director of Diversity Office
401 S. Jackson Street
Seattle, WA 98104
Phone: 206-398-5047
Fax: 206-398-5220
Email: leslie.jones@soundtransit.org

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April 3, 2012

The Honorable Larry Gossett
Chair, King County Council
Room 1200
C O U R T H O U S E

Dear Councilmember Gossett:

I am pleased to transmit legislation that would expand the existing regional collaboration model for small contractors and suppliers certification in King County. Towards this objective, King County and Sound Transit have finalized an interlocal agreement under which the County will provide small business certification services to Sound Transit. The Port of Seattle is already a signatory to a similar agreement for regional service per Ordinance 17050.

This collaborative model demonstrates our commitment to work jointly with other jurisdictions, regional organizations and the private sector to deliver high quality customer service to the residents of King County, consistent with our Strategic Plan. The regional certification service will use a single application and common certification standards to determine the eligibility of a small business to participate on either King County or Sound Transit contracts. It will also employ a common on-line directory of certified Small Contractor and Suppliers (SCS) firms for easy use by prime contractors.

The County certifies small businesses as SCS firms for participation in our Contracting Opportunities Program. Through incentives and requirements, we encourage the use of certified small businesses as prime contractors, subcontractors and suppliers for construction, consulting, and goods and services contracts. Sound Transit and the Port of Seattle have similar programs. The inclusion of Sound Transit as a partner for regional certification service with the County further supports a seamless and single-point of SCS certification.

The interlocal agreement negotiated with the Sound Transit appears as Attachment A to the proposed ordinance. This document has undergone legal review through the Prosecuting Attorney Office and Sound Transit's legal counsel; both have confirmed acceptance of its

terms and conditions. The interlocal agreement defines services and the allocation of costs dependent on the number of parties to the agreement.

The interlocal agreement is also a key element of my procurement reform initiative, launched via Executive Order in March 2010. The initiative focuses on making it easier for firms to do business with King County by reducing cycle time for procurements and increasing opportunities for small businesses.

The expansion of this regional collaboration model for small business certification is a noteworthy demonstration of our vision for building lasting regional partnerships. Our goal is to continue expanding this one-stop certification model to other jurisdictions.

If you have any questions regarding this regional collaboration model for small business certification or the interlocal agreement with Sound Transit, please contact Ken Guy, Director of the Finance and Business Operations Division, at 206-263-9254.

Sincerely,

Dow Constantine
King County Executive

Enclosures

cc: King County Councilmembers
ATTN: Michael Woywod, Chief of Staff
Mark Melroy, Senior Principal legislative Analyst, BFM Committee
Anne Noris, Clerk of the Council
Fred Jarrett, Deputy County Executive, King County Executive Office (KCEO)
Rhonda Berry, Assistant Deputy County Executive, KCEO
Frank Abe, Director of Communications, KCEO
Natasha Jones, Director of Customer Service, KCEO
Carrie S. Cihak, Chief Advisor, Policy and Strategic Initiatives, KCEO
Sung Yang, Chief of Staff, KCEO
Dwight Dively, Director, Office of Performance, Strategy, and Budget (PSB)
Michael Jacobson, Acting Deputy Director, PSB
Ray Moser, Manager, Business Relations and Economic Development Section, PSB
Caroline Whalen, County Administrative Officer, Department of Executive Services (DES)
Ken Guy, Director, Finance and Business Operations Division (FBOD), DES
Wendy Keller, Interim Manager, Procurement, and Contract Services Section, FBOD, DES
Sandy Hanks, Supervisor, Business Development and Contract Compliance, FBOD, DES

REVISED FISCAL NOTE

Ordinance/Motion No. 00-	
Title:	Interlocal Agreement between King County and Sound Transit for Small Contractor and Supplier Certification Services
Affected Agency and/or Agencies:	DES/Finance and Business Operations Division
Note Prepared By:	Eunjoo Greenhouse
Note Reviewed By:	

Impact of the above legislation on the fiscal affairs of King County is estimated to be:

Revenue to:

Fund/Agency	Fund Code	Revenue Source	Current Year	1st Year	2nd Year	3rd Year
Finance/FBOD	5450	Fees	3,667	3,850	4,043	4,245
TOTAL						

Expenditures from:

Fund/Agency	Fund Code	Department	Current Year	1st Year	2nd Year	3rd Year
Finance/FBOD--SCS Database and Directory (Maintenance & Hosting)	5450	0138	11,000	11,550	12,128	12,734
Finance/FBOD--SCS Applications Reviewed	5450	0138	1,917	(tbd)	(tbd)	(tbd)
TOTAL			**12,917**	**11,550**	**12,128**	**12,734**

Expenditures by Categories

	Current Year	1st Year	2nd Year	3rd Year
Intergovernmental Services--IT maintenance and hosting	11,000	11,550	12,128	12,734
Consulting Services--application reviews	1,917	(tbd)	(tbd)	(tbd)
TOTAL				

Assumptions:
Assumes the cost increase of 5% each year

The total annual maintenance and hosting costs will be apportioned equally and proportionately among all parties. Sound Transit will reimburse the County for 1/3 of the cost of IT application maintenance and hosting, while Port of Seattle reimburses the other 1/3 of the cost. Consequently, of the $11,000 fixed cost above, $3,667 will be reimbursed by Sound Transit on an annual basis, the Port's share will be adjusted to reflect $3,667, and the county will fund the remainder.

The SCS applications are reviewed using consultant resources at a fixed fee of $23 per review and a total cost of $1,917 in 2012. After experience in 2012, this figure will be mutually adjusted by the parties based on the agreement.

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KING COUNTY AUDITOR'S OFFICE
HIGHLIGHTS OF 2011 ACCOMPLISHMENTS

March 2012

King County

Cheryle A. Broom
King County Auditor

ADVANCING CONTINUOUS IMPROVEMENT IN COUNTY GOVERNMENT

In 2011, the Auditor's Office continued to be a leader in promoting improvements in performance, accountability, and transparency in King County government. Two audits in particular contributed to meeting our mission by providing timely and useful information to the County Council.

As noted in the box below, the Performance Audit of Solid Waste Transfer Station Capital Projects suggested modifications to the Solid Waste Division's (SWD) rate model for improved accuracy. Further, the audit recommended that SWD update its facility plans for future planned transfer stations and its estimates of capacity, demand, costs, and other design features. SWD reports that it has reduced the estimated capacity of its next facility by at least 25% and construction costs by $7.9 to $9.7 million.

The Performance Audit of the Sheriff's Office looked at staffing, workload, and compensation. While staffing reductions for the Patrol Division were relatively proportional to the reduction in calls for service, scheduled patrol staffing posts did not decrease as much, resulting in an increase in the use of overtime to cover those posts.

Compared to six other large sheriff departments in Washington state, the Sheriff's Office has relatively high staffing, compensation, and costs. Furthermore, staffing cost growth has accelerated since the adoption of the 2008-2012 collective bargaining agreement, which resulted in an estimated additional cost in 2010 of almost $12 million.

The Capital Projects Oversight (CPO) Program continued to track the progress of the $1.8 billion Brightwater treatment project and the $87 million Accountable Business Transformation program. It also conducted ongoing oversight of the county's move to the Sabey Data Center, the completion of the Ninth and Jefferson Building at Harborview Hospital, and the planning phase for a South Regional Roads Maintenance Facility. CPO also issued reports on Capital Project Prioritization and Project Management by the Facilities Management Division.

The Auditor's Office continued to convene the Countywide Performance Management Work Group and advise on the development and implementation of the county's performance management and accountability system. It also oversaw the Countywide Community Forums programs, whose neighborhood meetings of county residents engaged 2,500 participants in 2011, a record high, in discussing and providing feedback on policy issues.

An indicator of success in meeting the Auditor's Office mission is implementation of our recommendations. The scorecard on page four illustrates our positive track record.

Cheryle A. Broom

PERFORMANCE AUDIT OF SOLID WASTE TRANSFER STATION CAPITAL PROJECTS

The audit found that, on the whole, the SWD's financial plan is comprehensive, sound, and based on reasonable financial assumptions. One area not yet addressed in the plan relates to additional future rent payments to the county for SWD's use of the Cedar Hills Regional Landfill (Cedar Hills). SWD will be able to update the plan once a new appraisal is completed. Including future rents in the plan will affect the rates, but not necessarily the 2012 rate. In addition, this report provides options for cost savings and revenue enhancement. To address these issues, we made three recommendations related to using appropriate economic assumptions, life-cycle cost analysis, and long-term investment strategies.

The audit also determined that the transfer system plan was developed through an iterative and collaborative process; and regional decisions on service levels and similar decisions made through that planning process have, in some cases, increased costs. These decisions contributed to King County's transfer stations having higher capital costs per ton, in general, than those of other jurisdictions we surveyed. We recommended that SWD update the transfer system and individual facility plans. SWD reports that its reassessment and value engineering analysis of the Factoria Station has identified savings in the range of $7.9 to $9.7 million in construction costs. The remaining transfer stations will undergo a similar review.

King County Sheriff's Office Performance Audit

The audit reviewed the operations of the Sheriff's Office identifying opportunities for efficiencies and cost savings. Over the past several years, the number of calls for service to the King County Sheriff has declined by 25%. This reduction in workload is largely attributable to annexations and incorporations, since the Sheriff's Office provides local police services in unincorporated areas only. During the same period, the number of patrol deputies has been reduced by 28%, both in response to annexations and incorporations and due to countywide budget cuts. The audit found that despite the 28% reduction in patrol officer staffing, the number of scheduled patrol posts has only been reduced by 12%. Because the reduction in patrol staffing has been much greater than the reduction of scheduled patrol posts, the amount of overtime needed to cover patrol posts has increased significantly.

Also, because the reduction in workload was greater than the reduction in scheduled patrol posts, response times to calls for service have decreased, and more time is available for proactive policing activities. However, the Sheriff's Office does not set goals for, or measure the effectiveness of, proactive policing activities.

The audit also found that staffing and compensation levels, and overall costs are relatively high in King County compared to other large sheriff departments in Washington state. Staffing cost growth in the King County Sheriff's Office accelerated following the adoption of the 2008-2012 collective bargaining agreement which included several costly provisions in addition to 5% annual salary increases.

The King County Sheriff's Office provides some police services (e.g., SWAT, Marine Patrol) on a countywide basis. The Sheriff's Office charges cities for some services provided within cities, and others are provided free-of-charge. We found that the criteria for determining whether services are provided for a fee or free-of-charge are informal and, in some cases, inadequate.

Audit of Emergency Medical Services Levy

The audit found the EMS Division managed its financial activities in accordance with the 2010 EMS Levy financial plan. Actual revenues exceeded the adopted budget by $2.2 million and expenditures were less than the budget by $1.9 million resulting in a $4.1 million positive operating variance. The ending fund balance was above the 69% threshold set in Ordinance 15861 adopting the voter-approved levy.

The dispatch fee schedules established by independent agencies were based on an acceptable methodology and reflected the dispatch agencies' respective operating costs. However, the revised fee schedule for one dispatch agency resulted in significant dispatch cost increases for the duration of the current levy cycle.

The audit also identified opportunities to improve the precision of the current and future dispatch fee schedule by establishing and monitoring dispatch productivity standards for EMS dispatch services. Such standards will ensure that call taking and dispatching processing times are available and can be used to allocate costs equitably among EMS/Fire/Police user agencies in developing future fee schedules.

Transit Service Guidelines Audit Follow-Up

The 2009 Performance Audit of Transit found that Transit did not have adequate guidance in place to assist in making service development decisions. The audit recommended that Transit develop service guidelines that would be formally adopted by the King County Council and then serve as a policy guide for both Transit and stakeholders. The follow-up review in 2011 found that Transit has been diligent in the process to implement the recommendation, and that it had met the criteria established for having guidelines that are current, concise, transparent, and action-oriented.

Capital Projects Oversight Program

In 2011, the Capital Projects Oversight Program (CPO) continued or completed oversight on selected major capital projects. CPO provided consultation during the county's high-risk determination process for capital projects estimated to cost $10 million or more. We also advised council policy staff on capital project legislation, monitored the executive branch's response to adopted ordinances on capital policies and procedures, and completed a special study on capital project prioritization.

The Auditor's Office conducted a review of the CPO Program during the year, which resulted in a strategic plan goal to increase the usefulness of CPO's work by providing timely and relevant analysis and information to policy- and decision-makers. Ongoing oversight on the following major capital projects is resulting in improved outcomes.

Accountable Business Transformation (ABT)

Oversight continues on this $87 million program to replace the county's enterprise information systems and streamline finance, payroll, and budget business processes. CPO 2011 oversight assessed the effectiveness of ABT's strategies to mitigate risks to implementing the new finance and payroll/time and labor systems scheduled to go live on January 3, 2012. Oversight by CPO recommended greater communication with county agencies on finance system problems anticipated at go live to enable agencies to plan for business impacts; clarification of ABT's role in fixing system defects during its 90-day stabilization period after go live; and communicating with the ABT Management Team to prepare them for potential use of the ABT contingency budget. CPO also continued to emphasize the need for greater attention to recruiting and retaining staff in order to meet implementation schedules.

Brightwater Wastewater Treatment Program

CPO continues oversight on this $1.8-billion new wastewater treatment plant and conveyance system. In 2011, CPO oversight provided council with assessment of the adequacy of remaining contingency funds and documentation of project costs, including those that are disputed because of delays in conveyance tunnel mining. CPO also highlighted the remaining cost and schedule risks as construction activity nears completion.

South Regional Roads Maintenance Facility

CPO continues to monitor this $40 million+ project to consolidate two county road maintenance facilities. Due to uncertain revenues, the executive branch is limiting its current work to completing the preliminary design phase and is exploring using a public-private partnership. CPO recommended that the executive branch verify the project is consistent with the updated Facilities Master Plan expected in 2012 for the Road Services Division before proceeding with any work beyond the preliminary design phase.

CPO completed work on the following projects during the year, resulting in lessons learned and recommendations for the county's capital improvement program:

Data Center Relocation

CPO completed a final oversight report which highlighted the successful relocation of the county's main data center facility, a $20-million project. The report included lessons learned on how to improve project management and recommendations on reporting staff labor charges on capital projects and authorizing real estate lease acquisitions and amendments. The County Executive pursued additional data server relocations to the new facility to fully use the new facility capacity, an issue initially highlighted by CPO.

Facilities Management Division (FMD) Project Delivery Management

CPO conducted a special study of FMD's management of major maintenance, building repair and replacement, and parks projects—programs totaling about $88 million in appropriations. The report's recommendations cited the need to improve initial and baseline project estimates, standardize project-numbering practices, develop meaningful performance measurements to inform management decisions, and improve accuracy for appropriation requests.

Capital Project Prioritization Criteria

CPO completed a special study providing a road map for developing a countywide capital project prioritization process but recommended against implementing this approach until a cost-benefit analysis is completed.

Community Forums Citizen Engagement Program

The Countywide Community Forums (CCF), an independently run and funded public participation program overseen by the Auditor's Office, held three rounds of forums in 2011. In the spring, 488 residents learned about, discussed, and provided feedback on the King County Strategic Plan's "fair and just" principle. An additional round in June asked residents of unincorporated King County about their views on a proposed new framework for public engagement in the county. In the fall, residents were, for the third year, asked for their values, priorities, and ideas on the county budget.

For every round of forums, the independent coordinators have increased their outreach to different communities. Over 1,400 residents, a record for the program, participated in the budget round. They included county residents who do not often engage in the public process, such as homeless or formerly homeless men and women, low income residents, and people with disabilities.

Participation in CCF programs has continued to grow. Total attendance in 2009 was 863 participants; 1,072 in 2010 and 2,569 in 2011.

Countywide Performance Management Work Group

The Performance Management Work Group (PMWG), a collaborative forum lead by the King County Auditor, advises on and promotes a countywide performance management and accountability system.

Following the adoption of the first countywide strategic plan by the King County Council in July 2010, the PMWG's focus shifted from planning and development to working closely with the Office of Performance, Strategy and Budget in support of the One King County approach to the implementation of the strategic plan.

During the course of the year, different offices presented their own strategic planning accomplishments, and new developments in the field of performance management were discussed.

The PMWG provides a mechanism for discussing the evolving performance management framework by all parties and strives to enhance communication, strategic plan alignment, and effective implementation.

Select new Projects for 2012

Emergency Medical Services Levy Audit

Review the EMS Division 2011 revenues and expenditures to ensure compliance with the EMS Levy financial plan and confirm efforts to implement the recommendations from 2011's financial review.

Performance Audit of Sewer Overflows

Examine adequacy of policies, capital plans, financial plans, rate models, and cost estimates to build major combined sewer overflow projects in the county.

Performance Audit of IT Project Management

Evaluate King County's management of technology projects and initiatives to identify opportunities for improved efficiency and effectiveness, and cost-effectiveness.

Performance Audit of Risk Management Office

Review the activities and practices of the King County Office of Risk Management to assess the effectiveness of the county's risk management in loss prevention and reduction and protecting the assets of King County.

Capital Projects Oversight Program

Assess the reliability of capital project data in the county's new finance and budget systems. Leverage information from the executive branch's new Project Information Center and quarterly dashboard reports to evaluate capital program performance and trends and to identify projects to consider for increased legislative scrutiny.

KCAO Performance Measures Scorecard

2011 Work Program (15-month timeframe)	
Number of audits completed	14
Number of audits carried over to following year	2
Number of Capital Projects Oversight (CPO) activities completed and final reports published	4
Number of CPO status reports on three ongoing project oversight activities	9

Audit Fiscal Impacts			
3-Year Total	**One-time Fiscal Impact**	**Ongoing Fiscal Impact**	**Potential Fiscal Impact**
2007-2009	$ 105,008,475	$ 2,036,000	$ 91,000,000
2008-2010	$ 105,459,475	$ 1,805,000	$ 111,000,000
2009-2011	$ 116,464,475	$ 2,522,000	$ 118,856,000

Audit Recommendation Summary			
3-Year Total	**% Implemented**	**% Pending**	**% Not Implemented**
2007-2009	81%	2%	17%
2008-2010	75%	7%	18%
2009-2011	61%	21%	18%

Capital Projects Oversight Program Recommendation Summary			
3-Year Total	**% Implemented**	**% Pending**	**% Not Implemented**
2008-2010	79%	16%	5%
2009-2011	49%	44%	8%

Ideas Welcomed

Please contact our office if you have any questions or suggestions. Find us on the Web for more information on our audits and other oversight work.

King County Auditor's Office ❖ 516 Third Avenue ❖ Room W-1033 ❖ Seattle, WA 98104-3272
206-296-1655 ❖ TTY 206-296-1024 ❖ http://www.kingcounty.gov/auditor

Cheryle A. Broom, *CGFM, CIG, County Auditor*
Ron Perry, *Deputy County Auditor*

Justin Anderson, *JD, Senior Management Auditor*	**Tina Rogers**, *PE, Capital Projects Oversight Manager*
Susan Baugh, *CGFM, Senior Principal Management Auditor*	**Yaeko Rojnuckarin**, *Office Manager*
Larry Brubaker, *Senior Principal Management Auditor*	**Chantal Stevens**, *Performance Management Analyst and Countywide Community Forums Program Manager*
Brian Estes, *CGFM, Senior Principal Management Auditor*	**Bob Thomas**, *Senior Principal Management Auditor*
Jan Lee, *Audit Assistant*	**Ben Thompson**, *Principal Management Auditor*
Laura Ochoa, *Legislative Secretary*	**Kymber Waltmunson**, *CIA, CGAP, Senior Principal Management Auditor*
Laina Poon, *PMP, Senior Management Auditor*	**Tom Wood**, *Capital Projects Oversight Analyst*

Alternative Formats Available Upon Request

King County

Highlights of 2011 Accomplishments

King County Auditor's Office

Cheryle A. Broom, King County Auditor
Ron Perry, Deputy Auditor

Government Accountability, Oversight and Financial Performance Committee

April 24, 2012

Highlights of 2011 Accomplishments

King County Auditor's Office

2011 Highlights

- Identified $8 to $9.7 million in construction cost savings at Factoria Transfer Station
- Identified staffing, workload, and compensation issues in Sheriff's Office
- Continued oversight of ABT and Brightwater projects
- Heard from more than 2,500 participants at Countywide Community Forums

Fiscal Impacts

3-Year Total	One-time	Ongoing	Potential
07-09	$105,008,475	$2,036,000	$91,000,000
08-10	$ 105,459,475	$1,805,000	$111,000,000
09-11	$116,464,475	$2,522,000	$118,856,000

Highlights of 2011 Accomplishments

Audits Recommendation Summary				Capital Projects Oversight Recommendation Summary		
3-Year Total	% Implemented	% Pending	% Not Implemented	% Implemented	% Pending	% Not Implemented
07-09	81%	2%	17%	N/A	N/A	N/A
08-10	75%	7%	18%	79%	16%	5%
09-11	61%	21%	18%	49%	44%	8%

2011 Work Program	
Number of Audits Completed	14
Number of Audits Carried Over	2
Number of Capital Project Final Oversight Reports	4
Number of Capital Project Oversight Status Reports	9

Summary of Performance Audits

- King County Sheriff's Office
  - Findings: Staffing not tied to workload, and costs increasing
  - Recommendations: Improve staffing plan and consider all forms of compensation
- Solid Waste Transfer Station Capital Projects
  - Findings: Solid Waste Division's financial plan is sound but improvements could be made
  - Recommendation: Use appropriate economic assumptions

Summary of Audits

- Emergency Medical Services Levy
  - Findings: Financial activities managed well but revised fee schedule for single dispatch agency resulted in significant cost increases
  - Recommendations: Establish and monitor dispatch productivity standards
- Transit Audit Follow-Up
  - Bus service efficiency improvements exceed savings targets (80,700 hours = $7.2M)
  - New service guidelines follow best practices

Capital Projects Oversight Program

- Accountable Business Transformation (ABT)
  - Strengthened communication with and support for county agencies to ensure readiness for new systems
  - Mitigated program risks with earlier and more effective recruiting and staff retention incentives
- Brightwater Wastewater Treatment
  - Provided County Council with assessment of remaining contingency funds and highlighted remaining cost and schedule risks

Capital Projects Oversight Program

- Data Center Relocation
  - Identified lessons learned for how to improve project management and report staff labor charges for future projects
- Capital Projects Prioritization Criteria
  - Provided draft criteria and a road map for considering a countywide capital project prioritization process

Other Projects

- Countywide Community Forums
  - Drew more than 2,500 participants
  - Included residents who do not often engage in the public process
- Performance Management Work Group
  - Worked closely with Office of Performance, Strategy and Budget supporting implementation of the County's strategic plan
  - Discussed strategic plans and new developments

Collaboration Appreciated

- Accomplishments due to support and assistance from:
  - King County Council and council staff
  - King County agencies
  - Countywide Performance Management Work Group
  - Public and other interested parties
  - County Auditor's office staff team

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