

Welcome

Local Government Partnership Meeting

Our meeting starts soon.

We are all muted until we begin.

If you do not hear the hold music, try connecting your audio via phone.

Click More Options ...



> Switch Audio > Call me at (enter your phone number) > Switch Audio





Introduction

John Ryser

Deputy Director of Department of Revenue



Housekeeping...

- Participants will be muted during each presentation.
- If you have a question or comment, enter the question into chat.
 - Click Chat and send questions to All Panelists.
- Presentations will be posted after the meeting ends.
- This meeting will not be recorded.
- If you need assistance during the presentation, please email Kelly at kellym@dor.wa.gov.



Agenda

9:00 – 9:10	Welcome and opening remarks
9:10 – 9:35	Economic & Revenue Forecast Council
9:35 – 10:00	Taxpayer Account Administration Update
10:00 - 10:20	Legislation and American Rescue Plan Overview
10:20 - 10:40	Legislation, Destination Sales Tax Update and Revenue Forecast
10:40 – 11:00	Break
11:00 – 11:30	2021 DOR Legislation
11:30 – 12:00	New Unclaimed Property Website
12:00 – 12:30	

Revenue Review

Presented to Economic and Revenue Forecast Council

Steve Lerch
Executive Director

June 23, 2021





Summary

- U.S. GDP growth, WA personal income growth are higher this year and in 2022 compared to the March forecast
- WA residential building permits forecast is higher than in March
- Forecast risks include COVID-19 and higher inflation
- The forecast of funds subject to the budget outlook is increased by \$838 million for the 2019-21 biennium and \$1,798 million for 2021-23 biennium



Since the March forecast...

Positives:

- COVID cases, hospitalizations and deaths have continued to decline
- U.S. employment has increased by 1.6 million jobs
- WA employment has increased by 37,300 jobs
- Residential real estate transactions remain strong

Negatives:

- Inflation is higher
- New COVID variants
- Supply chain issues not fully resolved in some sectors



Data updates since preliminary forecast

U.S.

- May employment: +559,000 jobs
- May unemployment rate decreased to 5.8% from 6.1% in April
- June Blue Chip GDP forecast: 2021 increased from 6.6% to 6.7%;
 2022 unchanged at 4.4%
- May Consumer Price Index: +5.0% over May 2020

Washington

- May employment: +8,900 jobs
- May unemployment rate decreased to 5.3% from 5.4% in April



Forecast risks

Upside

- COVID cases decline faster, consumer response to fiscal stimulus is stronger than in baseline forecast
- Congress could pass infrastructure or additional stimulus legislation.

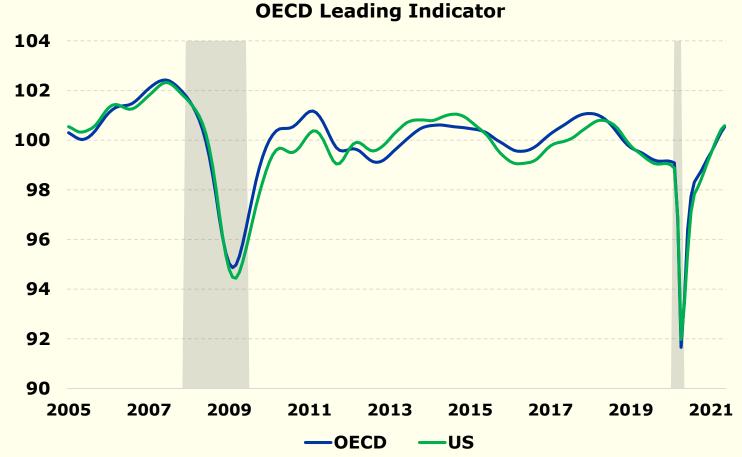
Downside

- More infectious COVID variants lead to increased cases and hospitalizations, slowing pace of recovery
- Slower supply chain recovery and growth in labor supply lead to higher than expected inflation



The OECD leading economic index is above its prepandemic level

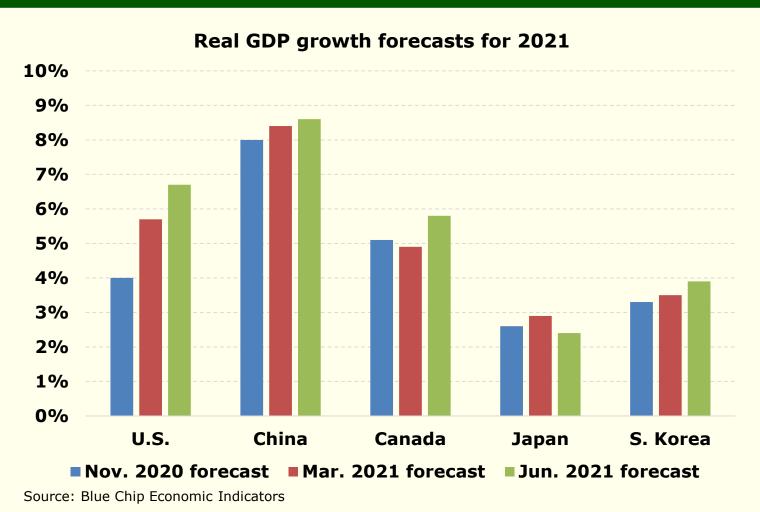
The index is designed to have a long-run average of 100



Source: Organization for Economic Cooperation and Development; data through May 2021



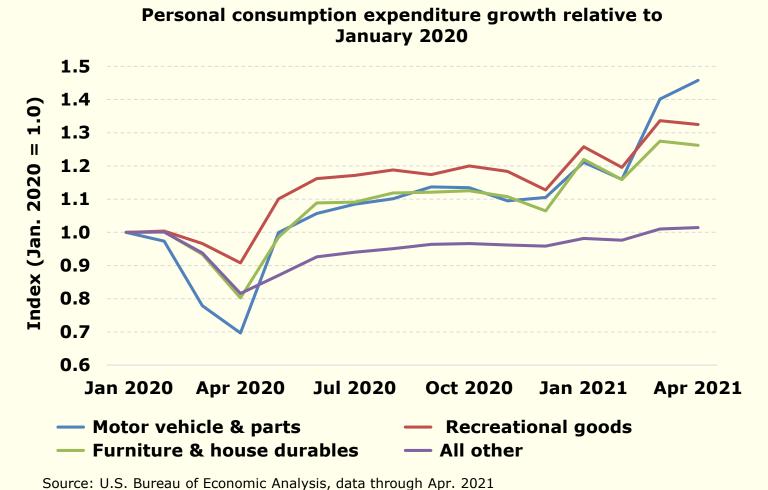
Blue Chip forecasts of 2021 GDP growth have been revised up for U.S., China, Canada, South Korea





The pandemic shifted consumption towards consumer durables, away from services

"All other" includes groceries, clothes, gasoline, household supplies and all household expenditures on services.



Revenue Review June 23, 2021

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U.S. retail trade sales dipped 1.3% in May

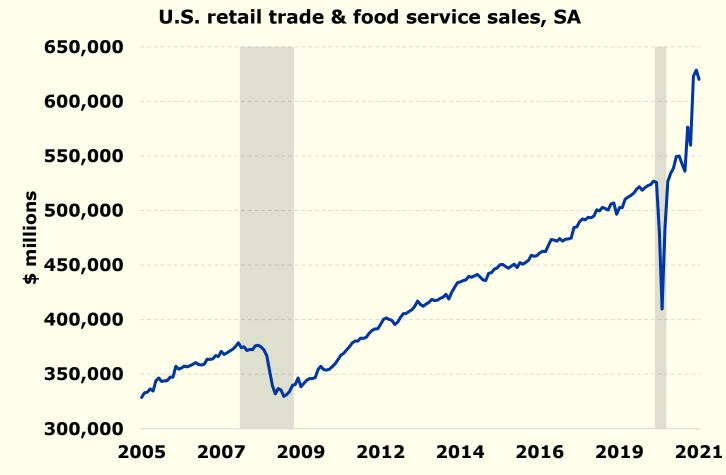
Sectors with above-average sales declines in May:

Building material & garden equipment, supplies: -5.9%

Motor vehicles & parts: -3.7%

Electronics & appliances: -3.4%

Revenue Review June 23, 2021

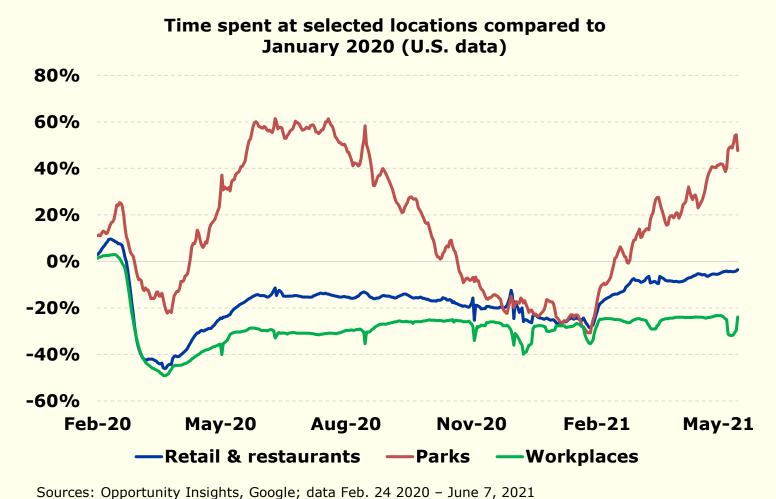


Source: U.S. Census Bureau; data through advanced May 2021



Time spent at retail stores, restaurants, workplaces remains below pre-pandemic levels

As of June 7 2021, time spent outside the home was 5% below Jan. 2020 level



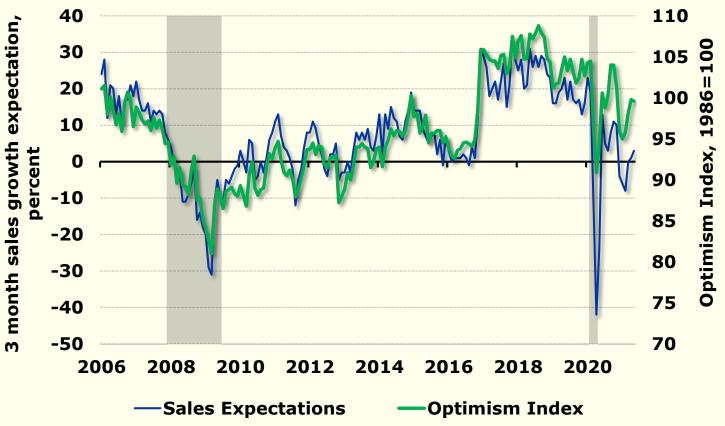
Revenue Review June 23, 2021

1 Teb. 24 2020 - Julie 7, 2021



Small business optimism, sales expectations have trended up since March





Revenue Review

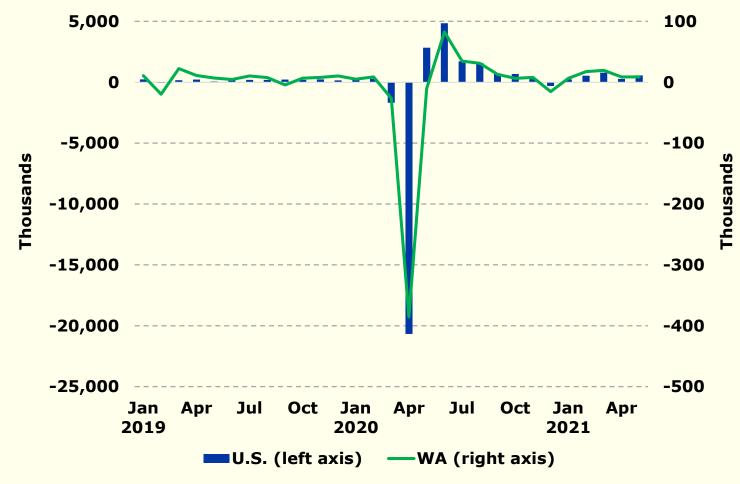


After declining in December, U.S. and Washington employment have increased so far this year

May 2021 employment compared to February 2020:

U.S. = -7.6million

WA = -200,000



Source: ERFC, U.S. Bureau of Labor Statistics, Employment Security Dept.; data through May 2021



GDP is higher throughout the forecast as Blue Chip growth forecast increased for 2021 & 2022

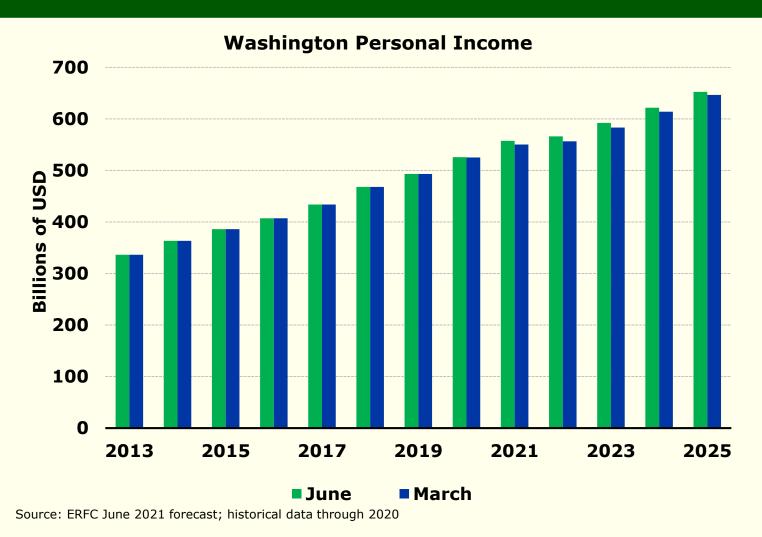


Revenue Review June 23, 2021

Slide 16



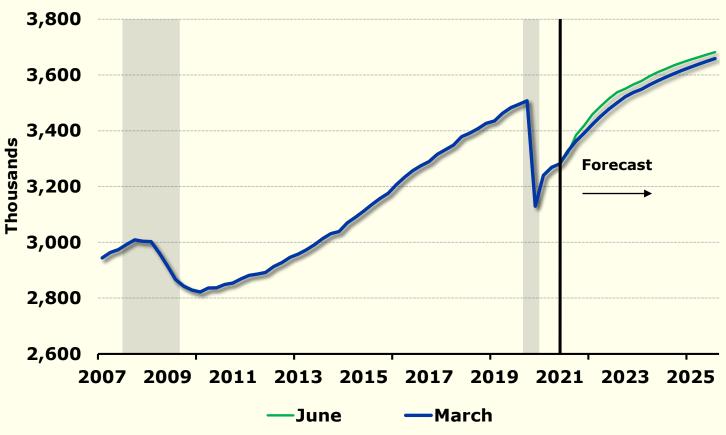
Washington personal income is also higher in 2021 and 2022 compared to March forecast





WA employment is slightly higher than in March forecast; growth expected to average 2.2% for 2021 - 2025

Washington Nonfarm Payroll Employment

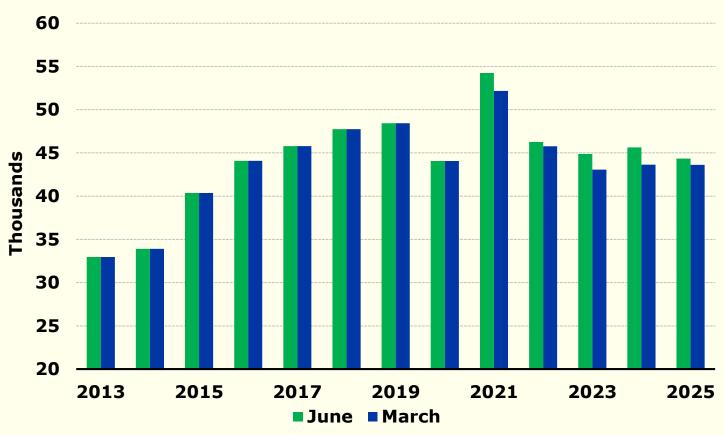


Source: ERFC June 2021 forecast; historical data through Q1 2021



WA housing permits in 2021 Q1 hit 42+ year high; higher through 2025 compared to March forecast

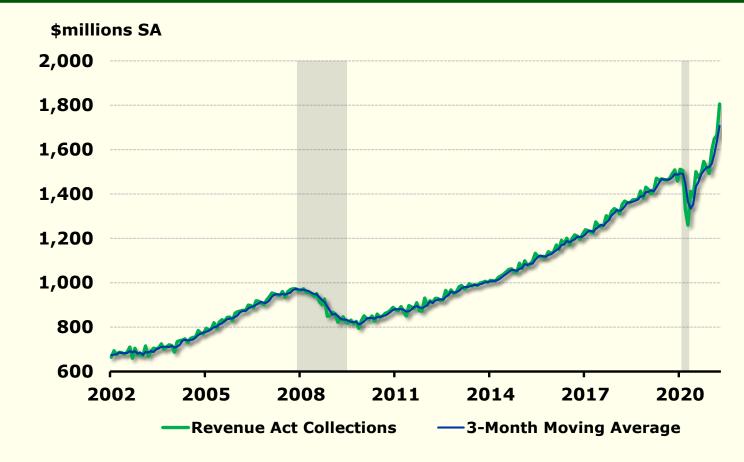
Washington Housing Permits



Source: ERFC June 2021 forecast; historical data through 2020



Revenue Act collections have increased for four straight months; receipts for April activity were 8.4% above March



^{*} Adjusted for large one-time transactions, amnesty payments, reporting frequency change and deferred payments, current definition of Revenue Act
Source: DOR and ERFC; monthly data through April 2021 activity



Although down from December 2020, real estate transactions remain at very high levels

\$10 M+ transactions have averaged over \$700 million per month so far this year; residential transactions remain strong.

Seasonally Adjusted Taxable Real Estate Excise Activity

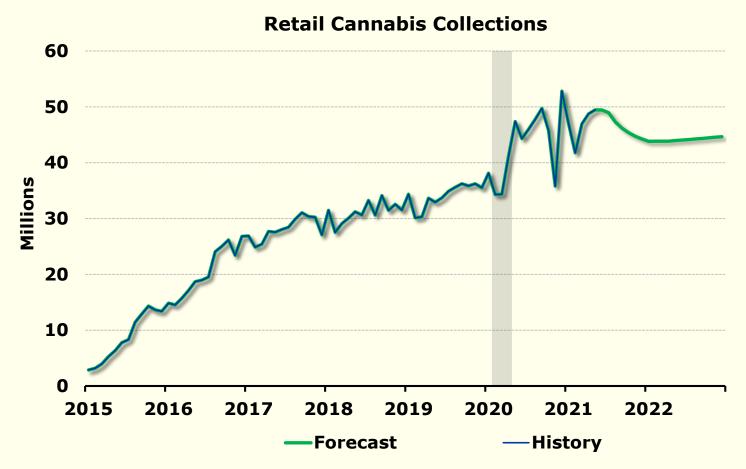


Source: ERFC; Monthly data through May 2021 estimate



Cannabis revenues have spiked since April

Collections came in 15.8% above the March forecast



Source: ERFC June 2021 forecast; historical data through May 2021



Cannabis excise tax and license fee estimates

Total change since Mar forecast:

• 2019-21 +\$20 M

• 2021-23 +\$61 M

• 2023-25 +\$39 M

\$Millions	Cannabis Forecast		
	<u>2019-21</u>	<u>2021-23</u>	<u>2023-25</u>
GF-S share of excise tax and license fees	\$361	\$400	\$420
Non-GF	\$648	\$692	\$713
Total	\$1,009	\$1,092	\$1,133

Revenue Review June 23, 2021

Detail may not add to total due to rounding Source: ERFC June 2021 forecast; historical data through May 2021



Forecast changes, all funds: 2019-2021 biennium, cash basis

\$Millions	Mar 2021 Forecast*	<u>Legislative</u> <u>Change</u>	<u>Forecast</u> <u>Change</u>	<u>Jun 2021</u> <u>Forecast</u>	<u>Total</u> <u>Change</u> #
General Fund-State	\$50,041	(\$2)	\$810	\$50,848	\$808
Education Legacy Trust Account	\$1,628	\$0	\$2	\$1,630	\$2
WA Opportunity Pathways Account	\$320	\$0	\$16	\$336	\$16
Workforce Education Investment Account	\$345	\$0	\$12	\$358	\$12
Total	\$52,334	(\$2)	\$840	\$53,172	\$838

Revenue Review June 23, 2021

^{*}Forecast for the 2019-21 biennium adopted March 17, 2021

[#] Detail may not add to total due to rounding



Forecast changes: all funds, 2021-23 biennium, cash basis

\$Millions	Mar 2021 Forecast*	<u>Legislative</u> <u>Change</u>	<u>Forecast</u> <u>Change</u>	<u>Jun</u> 2021 Forecast	<u>Total</u> Change#
General Fund-State	\$54,372	(\$101)	\$1,340	\$55,611	\$1,239
Education Legacy Trust Account	\$1,286	\$500	\$6	\$1,793	\$506
WA Opportunity Pathways Account	\$331	\$0	\$18	\$349	\$18
Workforce Education Investment Account	\$626	\$0	\$35	\$661	\$35
Total	\$56,615	\$399	\$1,399	\$58,413	\$1,798

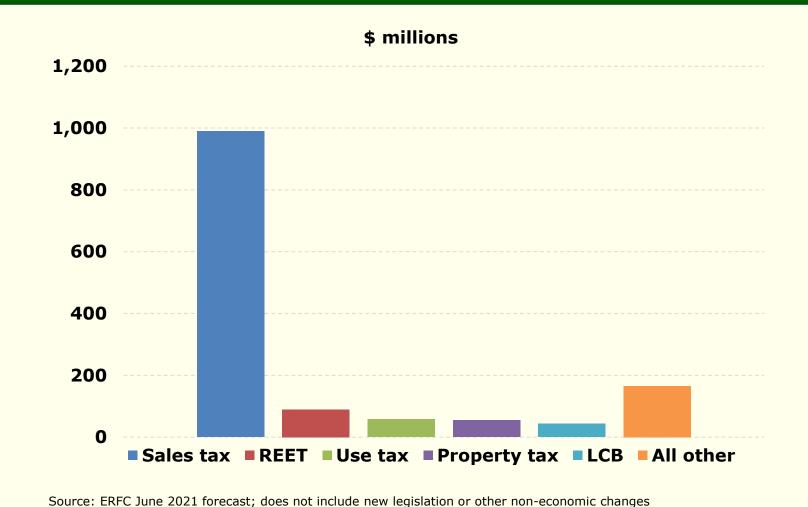
Revenue Review June 23, 2021

^{*}Forecast for the 2021-23 biennium adopted March 17, 2021

[#] Detail may not add to total due to rounding



2021- 2023 biennium NGF-S forecast changes by source



Revenue Review June 23, 2021

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2021 Revenue Legislation \$millions (excluding Governor vetoes)

	Biennium		
	<u>19-21</u>	<u>21-23</u>	<u>23-25</u>
General Fund-State			
Capital Gains Tax (5006) (B&O tax credit)	0.0	(85.0)	(188.0)
Captive Insurance (5315)	0.0	34.2	4.7
SST mitigation payments (1521)	0.0	(12.2)	(7.8)
Liquor & cannabis board fees (5272)	(2.6)	(7.7)	0.0
Other Legislation	0.0	(15.2)	(15.9)
Budget Driven Revenue (LCB and Lottery)	0.2	(15.2)	(11.2)
Total GF-S	(2.3)	(101.1)	(218.3)
Education Legacy Trust Account			
Capital Gains Tax (5096)	0.0	500.0	1,028.0
Workforce Education Investment Account			
Behavioral health admin orgs (1296)	0.0	(0.1)	(0.2)
Total all funds	(2.3)	398.8	809.5



2019-21 Biennium alternative General Fund-State forecasts

\$Millions (cash basis)	2019-21 Biennium	Difference From the baseline#
June 2021 Baseline (50%)	\$50,848	
June 2021 Alternative Forecasts		
Optimistic (25%)	\$50,952	\$104
Pessimistic (25%)	\$50,767	(\$81)
Probability Weighted Average	\$50,854	\$6
GCEA*	\$50,877	\$28

^{*}Based on the Governor's Council of Economic Advisors' economic assumptions #May not add to total due to rounding



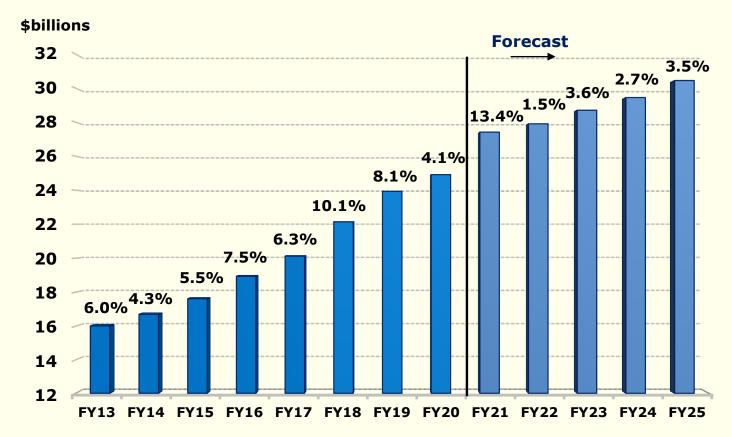
2021-23 Biennium alternative General Fund-State forecasts

\$Millions (cash basis)	2021-23 Biennium	Difference From the baseline#
June 2021 Baseline (50%)	\$55,611	
June 2021 Alternative Forecasts		
Optimistic (25%)	\$59,055	\$3,444
Pessimistic (25%)	\$52,220	(\$3,391)
Probability Weighted Average	\$55,625	\$13
GCEA*	\$56,182	\$571

^{*}Based on the Governor's Council of Economic Advisors' economic assumptions #May not add to total due to rounding



Forecast of funds subject to the budget outlook process* by fiscal year



^{*}Funds subject to the budget outlook process are General Fund-State plus Education Legacy Trust, Washington Opportunities Pathway and Workforce Education Investment Accounts Source: ERFC forecast, June 2021



Conclusion

- U.S. and WA economic activity are stronger than expected in March
- WA retail sales are expected to be 14% higher in CY 2021 compared to 2020; growth will slow but totals will remain above March forecast
- COVID, inflation pose forecast risks
- Total state revenues are expected to grow 15.4% between the 2017-19 and 2019-21 biennia and 9.9% between the 2019-21 and 2021-23 biennia



Questions





Local Sales Tax

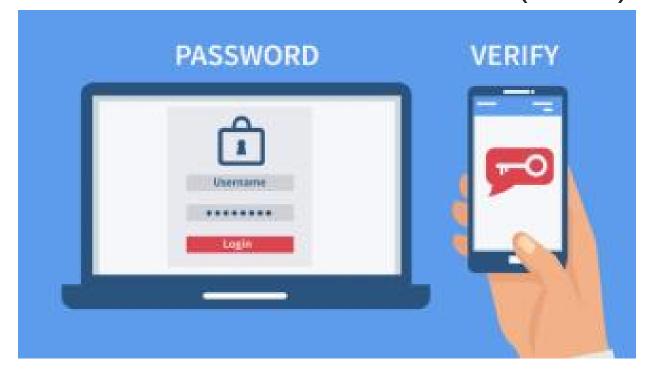
Ashley Boss, Tax Administration Manager

Taxpayer Account Administration

July 2021



Multi Factor Authentication (MFA)



- New security feature for all My DOR and SAW users
 - Verify your email and mobile number are correct.



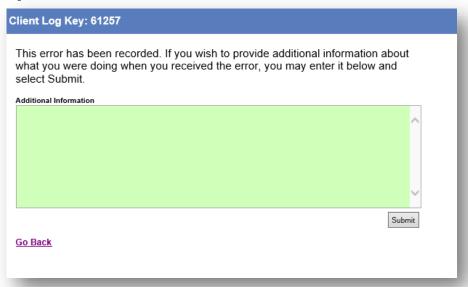
Access to the Partner Portal



Tax and License Secrecy Clause Confidentiality Agreement

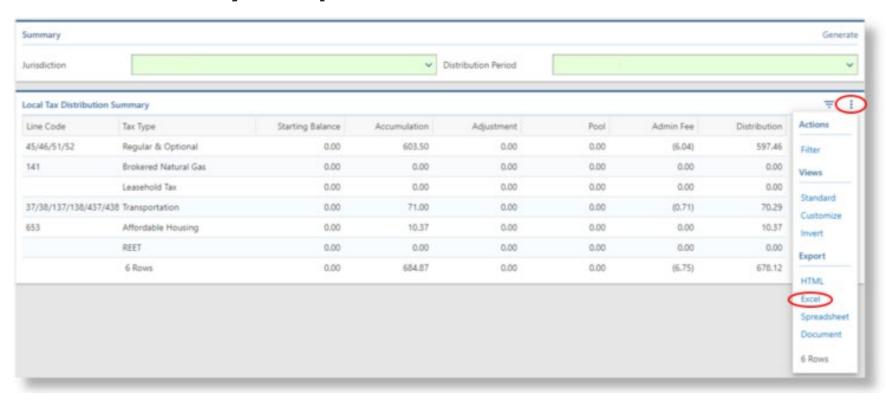
This form must be completed and signed by individuals with access to Confidential Information in the custody and control of the Department of Revenue, and approved by the appropriate designated authority.

Inactivity Lockout



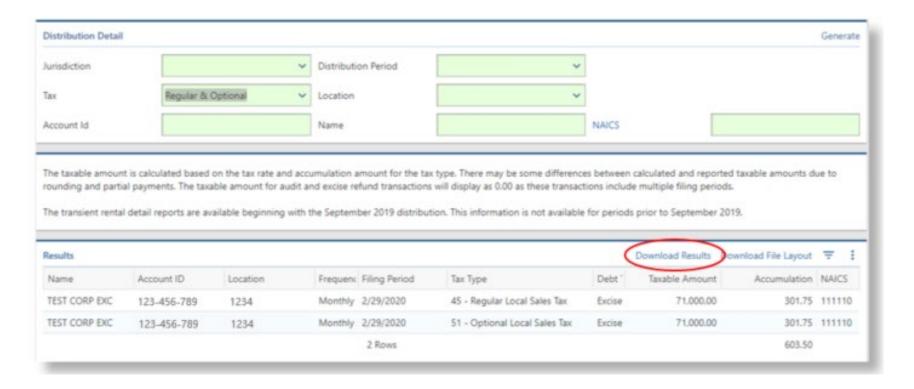


Local Tax Summary Report



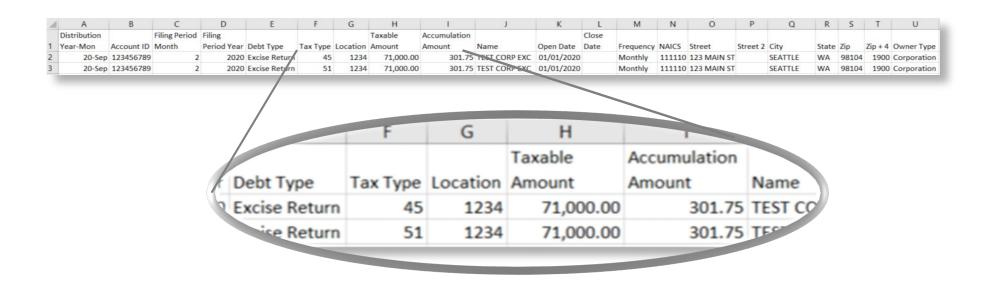


Distribution Detail Report





Distribution Detail Report



- Displays what accumulates to your jurisdiction
- Separate lines for Regular/Optional

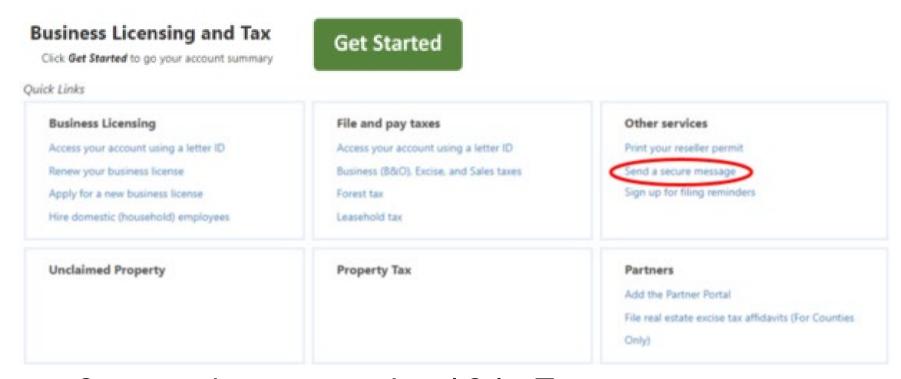


New Tribal Location Codes

- Confederated Tribes of the Chehalis Reservation
 Kalispel Tribe of Indians
 Nisqually Indian Tribe
 Squaxin Island Tribe
 Suquamish Tribe
 Swinomish Indian Tribal Community
 Tulalip Tribes
- Your local tax distribution amounts are not impacted.
- You may notice new location codes on your reports.



Local Tax Questions



- Secure web message to Local Sales Tax topic
 - Account specific questions
 - Portal access questions



Reports Available to Public

Statistics & reports

Create a report

Use our Create a report tool to create customized reports specific to your needs! With this tool you can get:

State and local taxable retail sales

Statewide gross business income

Quarterly Business Reviews

Local Sales Tax Distributions



Privacy Information

- Local Government Liaison at Office of Privacy and Data Protection
 - Zack Hudgins
 - 0 360-407-8682
 - o Zack.hudgins@ocio.wa.gov
- https://watech.wa.gov/privacy/gov-agency-resources



Helpful Links

- Dor.wa.gov/localjurisdiction
 - Local Tax Reference Guide
 - Partner Portal access instructions
- Statistics and Reports
- Retail Taxes Compacts
- Local Sales and Use Tax



Contact information

- Local Tax Teams 360-705-6179
- Ashley Boss Ashley B@dor.wa.gov
- Jessica Hicks JessicaH@dor.wa.gov



Questions?



2021 Legislative Highlights & Cities ARPA funding updates

July 22, 2021



AWC's Government Relations Team

Candice Bock

Government Relations Director

Issue areas: economic development; federal; finance & budget; Issue areas: energy; finance & budget; public works &

human resources, labor relations & pensions; open

government

Brandy DeLang

Government Relations Advocate

Issue areas: public works & infrastructure; energy;

telecommunications; transportation; utilities

Carl Schroeder

Government Relations Advocate

Issue areas: building codes; environment & natural resources;

housing & homelessness; land use & planning;

Sharon Swanson

Government Relations Advocate

Issue areas: cannabis; emergency management & cybersecurity; general government; human services &

behavioral health; liability; open government; public safety &

criminal justice

Maggie Douglas

Legislative Policy Analyst

infrastructure; telecommunications; transportation; utilities

Matt Doumit

Legislative Policy Analyst

Issue areas: human resources; labor relations; pensions

Jacob Ewing

Legislative Policy Analyst

Issue areas: cannabis; economic development; emergency management & cybersecurity; general government; human services & behavioral health; liability; open government; public safety & criminal justice

Shannon McClelland

Legislative Policy Analyst

Issue areas: building codes; environment & natural resources;

housing & homelessness; land use & planning

Emma Shepard

Strategic Content Analyst

Brianna Morin

Government Relations Assistant



Legislative Session: City legislative priorities & outcomes

Read about the Legislature's action on each of our legislative priorities, both pros and cons.



State-shared revenues:

Pro: Added **\$10** million to cannabis revenue sharing. This brings the total up to **\$40** million, matching what was promised to cities and counties in 2015.

Pro: Funded remaining state-shared revenues at expected levels.

Pro: Created a new **\$20 million** city assistance fund for one-time costs associated with policing and criminal justice reforms.

Transportation revenue package: Adopt a new transportation revenue package that emphasizes maintenance/preservation funding and provides an equitable level of local funding and additional local revenue options for cities.

Pro: Made investments in the current budget that were better than expected thanks to federal ARP funds used to backfill lost transportation revenues, which experienced significant declines due to COVID-19. Previously agreed upon projects were funded and investments were maintained in several important programs:

- Transportation Improvement Board: \$224 million
- · Safe Routes to Schools: \$36.7 million
- Bicycle and Pedestrian Safety Grants: \$32.6 million

Con: Did not pass a transportation revenue package, despite efforts by both House and Senate Transportation leaders.



Fiscal flexibility: Provide cities greater flexibility to use funds from existing revenue sources to manage the impacts of the current lownturn

Pro: Passed **HB 1069** allowing temporary flexibility with certain existing restricted revenues, including the Real Estate Excise Tax (REET).

Con: Heard but did not act on **HB 1362** that would allow up to a 3% increase to the property tax cap, based on population and inflation.



Pro: Provided **\$1 billion** for rental and utility assistance.

Pro: Passed **HB 1277** that adds \$100 to document recording fees to provide **\$292** million in homelessness prevention and rapid rehousing programs.

Pro: Created the Eviction Prevention Rental Assistance Program through **HB 1277**.

Pro: Provided **\$187** million for foreclosure prevention assistance.

Pro: Appropriated \$31 million for SB 5160's eviction prevention services, including:

- Tenant protections from pandemic nonpayment of rent under the moratorium
- · The requirement to offer a payment plan
- · A court-based eviction resolution program



Statewide policing reforms:

Support local control over city law enforcement policies to meet the needs of each community, while recognizing

Pro: Passed **HB 1054** and **HB 1310** creating statewide standards for use of force that also protect the rights of local jurisdictions to enact more restrictive standards.

Pro: Passed SB 5051 that:

- Expands grounds for decertification of law enforcement officers to include use of force violations:
- Establishes a database to track officers who have been fired for misconduct; and
- Creates a requirement that officer misconduct investigations be completed once begun.

Pro: Passed **SB 5066**, establishing a duty to intervene for all law enforcement officers who witness excessive use of force or misconduct by a fellow officer.

Pro: Passed **SB 5055** to reform police grievance arbitration with new arbitrator requirements within the Public Employment Relations Commission (PERC).

Pro: Invested **\$814,000** in three pilot programs to assist with behavioral health and suicide prevention services for law enforcement officers.

Pro: Funded 15 classes for the Basic Law Enforcement Academy.

Con: Did not fund the Criminal Justice Training Commission (CJTC) training app. Funding would have lowered expenses for local jurisdictions by reducing travel and time away from regular duties.

Con: Failed to fund the impacts on cities of **SB 5476** (*Blake* response) for the prosecution of misdemeanors and the costs of diverting people to treatment.



Other significant issues: Cities identified several significant policies

Pro: Authorized a property tax-based Tax Increment Financing tool to fund public infrastructure that helps drive economic development.

Pro: Funded the Public Works Trust Fund with \$129 million for competitive loans and provided other needed infrastructure funding. This is the largest investment since the 2009-11 biennium.

Pro: Provided more than **\$400 million** for broadband enhancement programs.

Pro: Enhanced and provided broader access to the Multifamily Tax Exemption program through **SB 5287**.

Pro: Provided unprecedented levels of funding for homeless and affordable housing programs and services, including:

- \$175 million for the Housing Trust Fund
- Nearly \$120 million in capital investments for rapid rehousing grants and housing and homelessness projects
- \$42 million for utility improvement or connection grants to local entities to support affordable housing

Con: Failed to act on **HB 1056** to make needed modifications to the emergency provisions of the Open Public Meetings Act.

Con: Failed to pass **HB 1117** and **HB 1099**, reforms to the Growth Management Act (GMA) on salmon recovery and climate.

Con: Failed to fund amendments to GMA Housing Element in **HB 1220**.

Biennial Budget Highlights



Operating:

- State shared revenues including full funding of cannabis revenue
- \$20 million assistance to cities for police reform costs
- Establishes Office of Independent Investigations
- Funding for *Blake* response no direct city funding
- Rental & utility assistance, foreclosure & eviction prevention funding



Capital:

- PWTF increased to \$129 million
- \$400 million in new funding for broadband expansion
- Energy efficiency upgrades for public buildings
- Increase in Housing Trust Fund
- Investments in low-income housing and shelters



Transportation:

- Significant revenue shortfall
- Funding for fish passage barriers
- Funds previously agreed upon projects
- Maintains funding for several programs; TIB, Safe Routes to Schools; Bicycle and Pedestrian Safety Grants
- Two studies: JTC City
 Transportation equity study &
 City-owned Fish Passage Barrier
 Identification



Looking ahead to 2022

- 60-day session
- Election year
- Federal funding & supplemental budgets
- Transportation package?
- Continued remote access?
- Planning funding?



Cities & The American Rescue Plan Act (ARPA)

- \$1.9 trillion relief package that was passed in mid-March. Includes direct funding for American cities in response to the COVID-19 pandemic, up to \$1.1 billion for Washington cities.
 - Cities will receive first tranche this year. Second tranche will arrive in 2022.
 - Entitlement cities will receive funds directly from Treasury. Non-entitlement cities will receive funds through the state.
 - AWC has been consistently communicating updates with our members about accessing funds and spending requirements/restrictions.



How can ARPA funds be spent?

- 1. Public health response to COVID-19 emergency
- 2. Address the negative economic impacts caused by the public health emergency (public assistance)
- 3. Replace lost public sector revenue
- 4. Provide premium pay for essential workers
- 5. Invest in water, sewer, and broadband infrastructure



Cities' Reporting Requirements

- More details on reporting requirements are forthcoming.
- Nonentitlement cities will submit annual reports to Treasury by October 31 of each year.
- 2021 report will cover from the date of award to September 30, 2021.
 Report due October 31, 2021.
- Financial records and supporting documents must be kept for five years after all funds are expended.
- Cities will need to register with SAM.gov.



What's next with ARPA

- There are still a lot of questions without answers still seeking clarification to the rules
- There are available federal funds for a variety of programs avoid duplication and look for funding gaps
- Don't spend all your money right away
- Collect community input
- Document, document, document
- Remember the Congressional delegation





Questions?



Local Government Partnership

Meeting

Washington State Department of Revenue

July 2021

Eric Johnson, Executive Director

Washington State Association of Counties







Washington State Association of Counties

- Created in 1906
- Primarily serve the elected county commissioners, councilmembers, and executives from all of Washington's 39 counties.
- Provides a variety of services to counties, including advocacy, professional development, public-private business partnerships, and a forum to network and share best practices.
- Work with affiliate organizations representing:

County Road Engineers Local Public Health Officials County Administrators

Solid Waste Managers County Human Service Administrators

Planning Directors Clerks of County Boards/Councils County I

County Government Washington State

STATE AGENT	COUNTYWIDE/REGION	LOCAL GOV'T
Prosecuting Attorney	Specialized Law Enforcement	Law Enforcement (Sheriff)
Public Defender	District Court	Roads & Bridges
Superior Court (Judges and Clerk)	Domestic Violence	Land Use Planning (GMA)
luvenile Court	Medic 1 Ambulance	Zoning
lail/Corrections	E-911 & Central Dispatch	Building Permits
Juvenile Detention and Probation	Transit Programs	Parks & Recreation
Medical Examiner/Death Investigation (Medical Examiner/Coroner)	County Airports	Garbage & Recycling
Behavioral Health	Public Health Services	Surface Water Management
Developmental Disabilities	Aging & Senior Services	Sewer Service
Public Health	Housing Programs	Water Service
Elections (Auditor)	Housing Repair Assistance	Noxious Weed Control
Treasurer Functions	Energy & Weatherization	Environmental Health
Document Recording (Auditor)	Veterans Assistance	Stormwater Management
Vital Statistics (Public Health)	Cooperative Extension	
Property Tax Administration (Treasurer and Assessor)	Emergency Management	General Government -
Vehicle & Marriage Licenses (Auditor)	Search and Rescue	Information Services
	Sewer Service & Treatment	Facilities
	Growth Management Policies	Human Resources
	Watershed/Flood Plans	Administration
	Solid Waste Management	
	Economic Development	
	Tourism & Facilities	
	Arts Commission	
	County Fair	



County Demographics

LEGEND

Population of 150k+

Population of 50k - 149k

Populations of 49k or less

Highest Population 2019 Est. - 2,252,782

Lowest Population 2019 Est. - 2,225

Charter County

Largest County 5,268 Square Miles

Smallest County 175 Square Miles Some people live in a city... but *EVERYONE* lives in a county!



County Government History Washington State

Article XI, § 4 COUNTY GOVERNMENT AND TOWNSHIP ORGANIZATION. The legislature shall establish a system of county government, which shall be <u>uniform</u> throughout the state except as hereinafter provided...

Article XI, § SECTION 5 COUNTY GOVERNMENT. The legislature, by general and uniform laws, shall provide for the election in the several counties of boards of county commissioners, sheriffs, county clerks, treasurers, prosecuting attorneys and other county, township or precinct and district officers, as public convenience may require, and shall prescribe their duties, and fix their terms of officers washington state association

County Government History Washington State

Article XI of the state constitution was amended:

In 1948 to provide the option for counties to adopt
 "home rule" charters to provide their own form of
 government.

 In 1972 state constitution amended to permit "home rule" charters for combined city and county municipal corporation known as a "city-county."



Uniform System - Executive Branch

Auditor

Assessor

Coroner

*Clerk of Superior Court

*Prosecuting Attorney

*Sheriff

*Treasurer

*County Commissioners

By Statute, These are Partisan Offices



Washington's Charter Counties

King (1969)

Clallam (1979)

Whatcom (1979)

Snohomish (1980)

Pierce (1981)

San Juan (2005)

Clark (2014)





Charter Counties - Executive Branch

Charter Defines. Many Options/Alternatives

Prosecuting Attorney – Must Remain Elected

Appointed, combined, functions split, remain elected:

Auditor – or Elected Election Director (King)

Assessor – Assessor/Treasurer (Combined in Pierce)

Clerk of Superior Court

Coroner – Elected or Appointed Medical Examiner System

Sheriff

Treasurer

Elected or appointed County Executive/Managent STATE ASSOCIATION OF COUNTIES

Community Development Director (Clallam)

2021 Legislative Session

- Blake Decision Implementation Funding (SB 5476)
- Fiscal
 - Flexibility (HB 1069)
 - WDFW PILT Payment (SB 5159)
- Infrastructure and Investment
 - Fish Passage Barrier Removal
 - Broadband (and Authority)
 - Public Works Assistance Account
 - Local Solid Waste Fund
 - Water Banking
 - Forest Health (HB 1168)
 - Affordable Housing for All (HB 1277)

- Jail Medicaid Services (HB 1348)
- Public Health
 - \$1.5 Billion Covid Response
 - \$147 million Foundational Public Health Services Funding
 - Group B Water System
- Behavioral Health
 - 988 System Implementation (HB1477)
 - \$517 million Diversion, Community Support and Crisis Systems



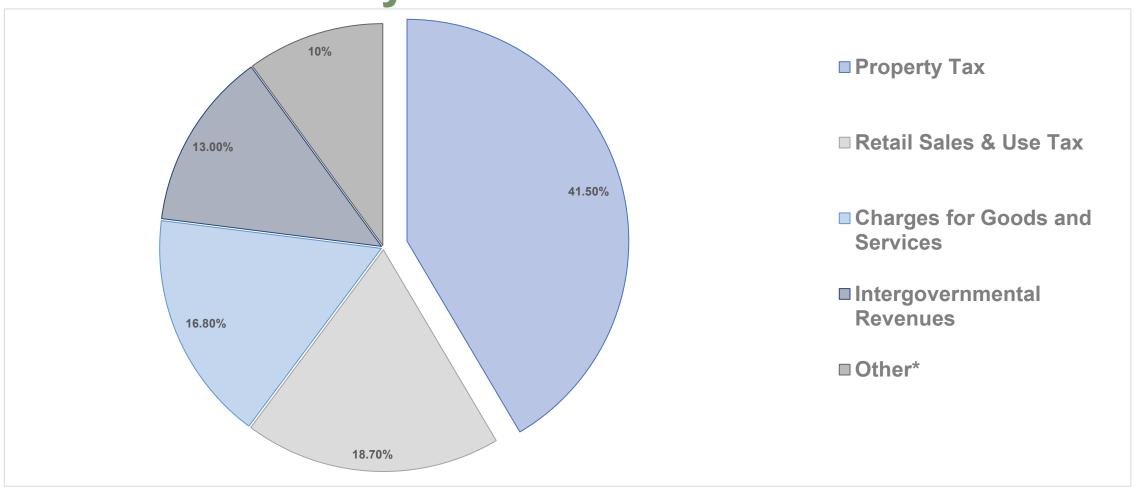
2022 Legislative Session Issues for Counties

- Unfunded Mandates
- Indigent Defense Funding
- Blake Decision Implementation Funding
- Fiscal
 - Property Tax Limit Modification (HB1362)
 - Extending the rural counties 0.09
 percent sales and use tax, credited
 against the state rate, to fund certain
 public facilities and economic
 development activities. (SH 1333)

- Infrastructure and Investment
 - Fish Passage Barrier Removal
 - County Road Funding
- GMA/Land Use
- Public Health
 - Covid Response
- Behavioral Health
 - Community Based System Funding



County General Fund Revenue





Department of Revenue – Discussion Issues

- Destination Based Sales Tax Update
 - Lessons Learned
 - Trends
 - What to Expect
- Forecasting
- Strong County FY 2021 Sales Tax Revenue Collection

Contact Information



Eric Johnson

Executive Director

360.481.2241



ejohnson@wsac.org

② 206 10th Ave SE, Olympia, WA 98501-1311



/wacounties

360.753.1886



@wacounties



www.wsac.org



@wacounties



Take a Break!



Be back in 20 minutes!

We'll start again at

11:00

We are all muted until we return.



2021 Excise Tax Legislation

Trice Konschuh, Tax Policy Specialist

TriceK@dor.wa.gov

July 2021



ESHB 1070

Modifying allowed uses of local sales tax revenue for affordable housing and related services to include the acquisition and construction of affordable housing and facilities

SHB 1095

Concerning the taxation of governmental financial assistance programs



SHB 1107

Expanding certain nonresident vessel permit provisions

SHB 1155

Concerning local sales and use tax for emergency communication systems and facilities



SHB 1279

Modifying the Washington Main Street Program incentive to respond to the economic impacts of the COVID-19 pandemic

ESHB 1297

Concerning working families tax credit



E2SHB 1477

Implementing the national 988 system to enhance and expand behavioral health crisis response and suicide prevention services

SHB 1514

Addressing transportation demand management



ESHB 1521

Streamlined Sales and Use Tax Agreement-Local sales tax mitigation payments

ESSB 525 I

Modifying tax and revenue laws in a manner that is not estimated to affect state or local tax collections, by easing compliance burdens for taxpayers, clarifying ambiguities, making technical corrections, and providing administrative efficiencies



Questions?





2021 Property Tax Legislation

Pete Levine, Tax Policy Specialist

PeteL@dor.wa.gov

July 2021



HB 1034

Concerning park and recreation district levies

ESHB 1189

Authorizing tax increment financing for local governments



EHB 1271

Ensuring continuity of operations in the offices of county elected officials during the current COVID-19 pandemic and future public health crises

SHB 1309

Concerning the dates of certification of levies



ESHB 1332

Concerning property tax deferral during the COVID-19 pandemic

SHB 1355

Concerning noxious weeds



EHB 1386

Modifying the property tax exemption for the value of new construction of industrial/manufacturing facilities in targeted urban areas

ESHB 1410

Protecting taxpayers from home foreclosure



SHB 1438

Expanding eligibility for property tax exemptions for service-connected disabled veterans and senior citizens by modifying income thresholds for eligibility to allow deductions for common health care-related expenses

E2SSB 5287

Concerning affordable housing incentives

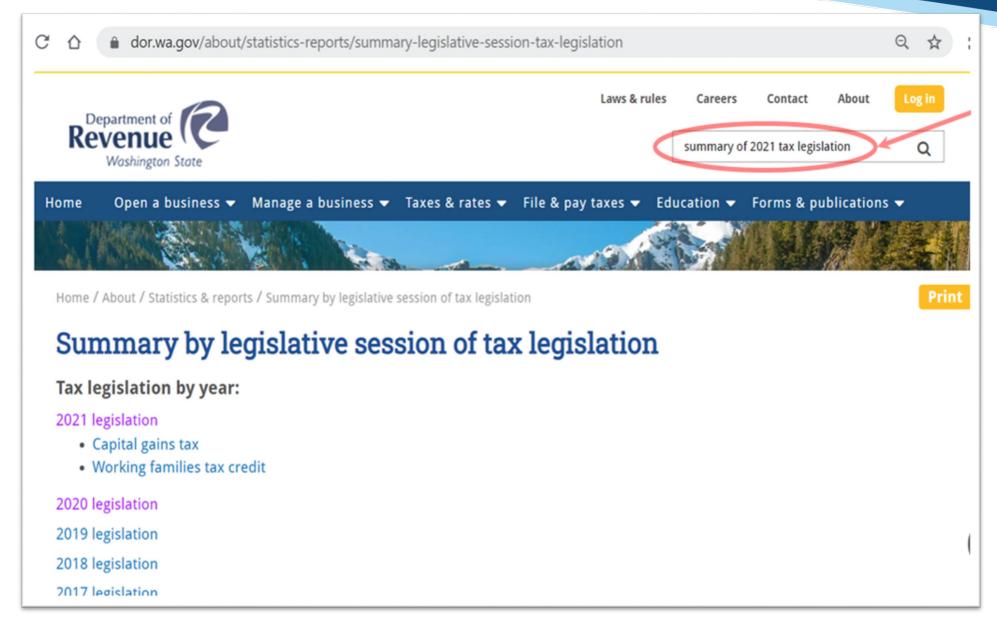


ESB 5454

Providing property tax relief to Washington citizens who lost their homes in the labor day fires. (REVISED FOR ENGROSSED: Creating a property tax exemption for homes damaged by natural disasters.)



Questions? / More Information





New Unclaimed Property Website

Barbie Proffitt, Unclaimed Property Manager Tom Garden, Unclaimed Property Manager July 2021



Unclaimed Property Reporting



What is new or changed?

- New website.
- Online help videos.
- No login to submit report.
- o Early reporting.
- Manual online reporting.



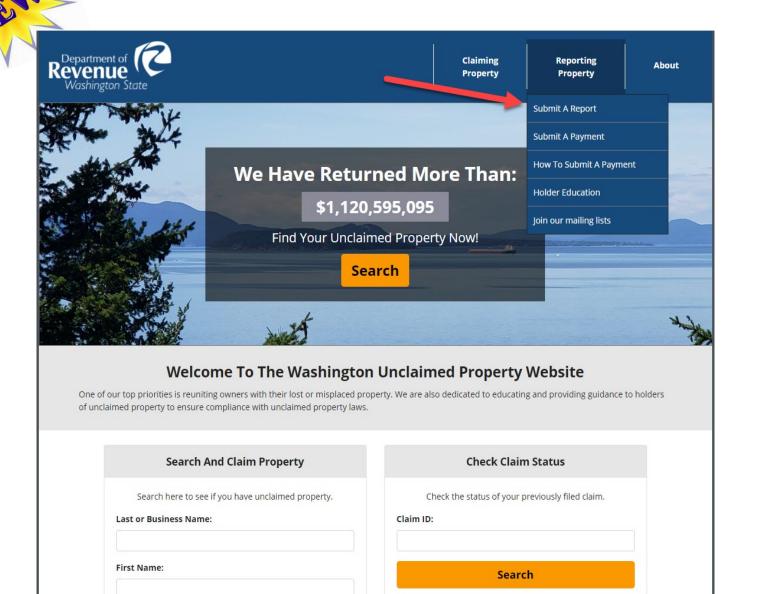
Unclaimed Property Reporting

- Last activity date now starting transaction date.
- Starting transaction date required.

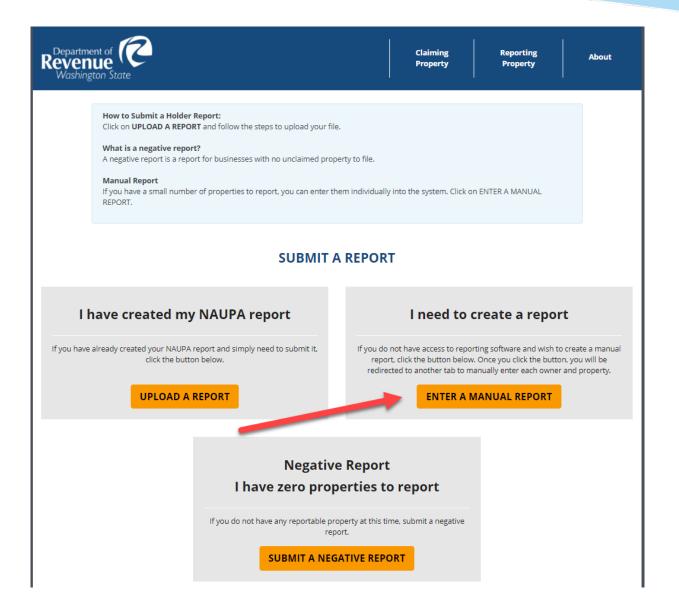
Example - 2021 Report

Property Type	Abandonment Period	Starting Transaction Date Range
Payroll & Utilities	1 year	7/1/2019 - 6/30/2020
Public Agencies	2 year	7/1/2018 - 6/30/2019
Most other Property	3 year	7/1/2015 - 6/30/2018









MANUAL ONLINE REPORTING



ENTER HOLDER INFORMATION

Warning

Holders will have one opportunity to enter their unclaimed property data and send to the Department of Revenue. We recommend using this Manual Online Reporting Tool to enter a small number of owners and properties only.

If you have more than ten owners to report please consider filing electronically. If you time out during this process, you will have to start over.

Holder Information Please enter all required information below * Holder Name: UCPR Testing Company * Holder Tax ID: 916001118 Incorporated State: Washington Incorporated Date: → YY ▼ DD MM NAICS Code Charter: 113310 * Report Contact Name: John Doe





MANUAL ONLINE REPORTING



REPORT SUMMARY PAGE

Final Review >

Each 'Record' should contain an owner or owners and one property. A 'Record' is an association between owner(s) and their property.

Holder Info:

Edit Holder

Contact Name: John Smith

Contact State: WA

Holder Name: Test Holder 1 Holder Tax ID: 858858858
Contact Address 1: 6400 Linderson Contact City: Tumwater

Way SW

Contact Zip: 98501 Contact Phone: (360) 705-6045 Contact Email: Johnsmith@email.com

Summary Record:

No. of Owners: 0 No. of Shares: 0 Amount Reported: \$0.00 No. of Properties: 0 No. of Shares Due: 0 Amount Due: \$0.00 No. of Tangibles: 0

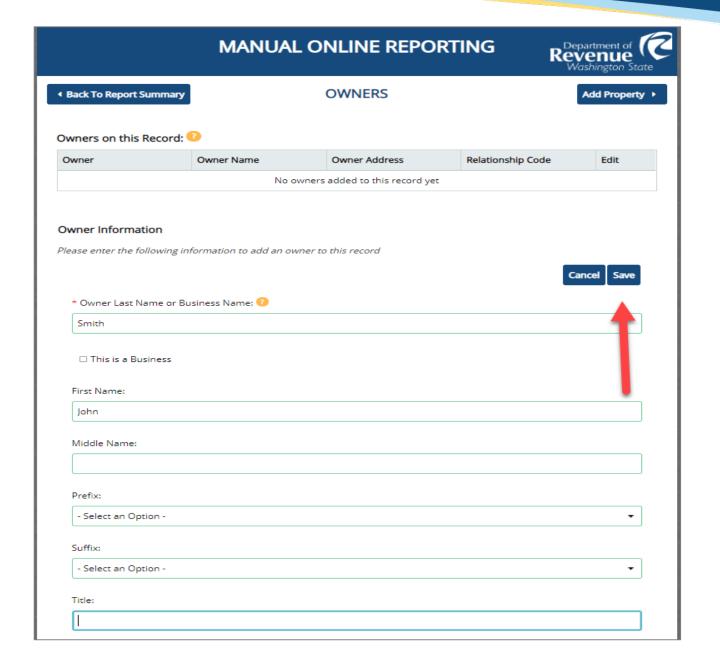
There are currently 0 records created. To create an owner record, please click "Create A Record".



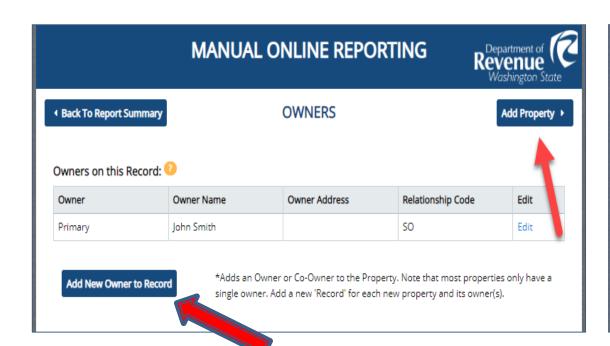
Create A Record







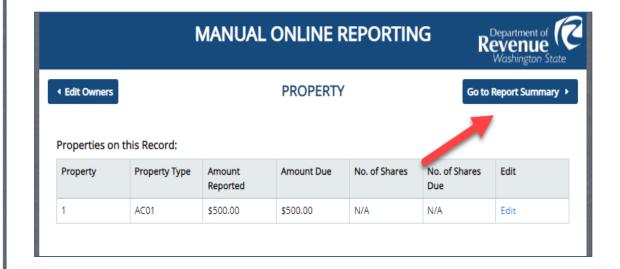






MANUAL ONLINE REPORTING Revenue (Washington State **PROPERTY** Go to Report Summary > **◆ Edit Owners** Properties on this Record: No. of Shares No. of Shares Edit Property Type Amount Amount Due Property Reported Due No properties added to this record yet **Property Information** Please enter the following information to add a property to this record Cancel Save * Property Type: 🕡 AC01 - Checking Accounts * Starting Transaction Date: 1 ₹ 2017 Ending Transaction Date: ▼ DD ▼ YY MM * Amount Reported: \$ 500.00 Deduction Type: - Select an Option -





MANUAL ONLINE REPORTING



REPORT SUMMARY PAGE



Final Review >

Each 'Record' should contain an owner or owners and one property. A 'Record' is an association between owner(s) and their property.

Holder Info:

Holder Name: UCPR Testing Company Contact Address 1: 6400 Linderson

Way SW

Contact Zip: 98501

Holder Tax ID: 916001118

Contact City: Tumwater

Contact Phone: (360) 705-6045

Edit Holder

Contact Name: John Doe Contact State: WA

Contact Email: johnd@email.com

Summary Record:

No. of Owners: 1 No. of Properties: 1 No. of Tangibles: 0

No. of Shares: 0 No. of Shares Due: 0 Amount Reported: \$500.00 Amount Due: \$500.00

Create A Record

Record #1

Owners:

Owner	Owner Name	Owner Address	Relationship Code
Primary	John Smith		SO

Properties:



Add / Edit Owners

Property	Property Type	Amount Reported	Amount Due	No. of Shares	No. of Shares Due
1	AC01	\$500.00	\$500.00	N/A	N/A



MANUAL ONLINE REPORTING



◆ Back to Report Summary

SUMMARY





You will not be able to return to edit your report once the file is submitted.

Please review your submission and check each of the boxes to confirm that the summary record reflects the records included in your submission.

By clicking "Submit" you are confirming that the information displayed below is correct and no further action is required.

*Optional: You may download a copy of your NAUPA file for your personal records. You will not need to submit this copy to the state.

Download NAUPA File

Holder Info:

Holder Name: Test Holder 1

Contact Address 1: 6400 Linderson

Way SW

Contact Zip: 98501

Holder Tax ID: 858858858 Contact City: Tumwater

Contact Phone: (360) 705-6045

Contact Name: John Smith Contact State: WA

Contact Email: Johnsmith@email.com

Summary Record:

☑ No. of Owners: 1

✓ No. of Properties: 1✓ No. of Tangibles: 0

✓ No. of Shares: 0
✓ No. of Shares Due: 0



✓ Amount Reported: \$500.00
✓ Amount Due: \$500.00

- Record # 1

Owners:

Owner	Owner Name	Owner Address	Relationship Code
Primary	John Doe	6400 Linderson Way SW	SO





Note: This is your last opportunity to print a summary for your records.

X

FINAL REVIEW

Report Successfully Submitted For Processing

Print Summary

To Pay By:

- ACH Debit (E-Check), debit card, or credit card payment, click HERE.
 - You will be charged a 3.5% transaction fee for paying with a debit or credit card.
- ACH Credit or wire transfer, click How To Make A Payment.
- Check, print this holder summary and mail it to our office along with the check. Failure to pay electronically will result in a 5% penalty. You will receive a bill charging you the 5% penalty.

Department of Revenue

Unclaimed Property

PO Box 34053

Seattle, WA 98124-1053

The reporting process is complete. Return to the Home Page.

Please click "Print Summary" to retain a copy of this page for your records.

Holder Info:

Holder Name: Test Holder 1
Contact Address 1: 6400 Linderson

Way SW

Contact Zip: 98501

Holder Tax ID: 858858858

Contact City: Tumwater

Contact Phone: (360) 705-6045

Contact Email: Johnsmith@email.com

Contact Name: John Smith

Contact State: WA

Summary Record:

Payment options

- ACH debit (e-check).
- Debit card.
- Credit card.
- ACH credit or wire transfer.
- Check (5% penalty applies).



Note: This is your last opportunity to print a summary for your records.

6/14/2021 3:20:01 PM

Report Successfully Submitted For Processing

To Pay By:

- ACH Debit (E-Check), debit card, or credit card payment, click HERE.
 - o You will be charged a 3.5% transaction fee for paying with a debit or credit card.
- ACH Credit or wire transfer, click How To Make A Payment.
- Check, print this holder summary and mail it to our office along with the check. Failure to pay electronically will result in a 5% penalty. You will receive a bill charging you the 5% penalty.

Department of Revenue

Unclaimed Property

PO Box 34053

Seattle, WA 98124-1053

The reporting process is complete. Return to the Home Page.

Please click "Print Summary" to retain a copy of this page for your records.

Holder Info:

Holder Name: Test Contact Address 1: 6400 Linderson Holder Tax ID: 151151151 Contact City: Tumwater Contact Name: RTim Contact State: WA

Way SW

Contact Zip: 98501 Contact Phone: (360) 705-6045

Contact Email: josephg@dor.wa.gov

×

Summary Record:

No. of Owners: 1 No. of Properties: 1 No. of Shares: 0 No. of Shares Due: 0 Amount Reported: \$500.00 Amount Due: \$500.00

No. of Tangibles: 0

Record # 1

Owners:

Owner	Owner Name	Owner Address	Relationship Code
Primary	Doe		50

Properties:

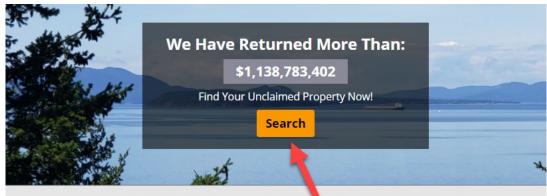
Property	Property Type	Amount Reported	Amount Due	No. of Shares	No. of Shares Due
1	CK01	\$500.00	\$500.00	N/A	N/A

6/14/2021 3:20:01 PM





Claiming your unclaimed property



Welcome To The Washington Unclaimed Property Website

One of our top priorities is reuniting owners with their lost or misplaced property. We are so dedicated to educating and providing guidance to holders of unclaimed property to ensure compliance with unclaimed property laws.

Search And Claim Property	Check Claim Status
Search here to see if you have unclaimed property. Last or Business Name:	Check the status of your previously filed claim. Claim ID:
First Name:	Search
City:	Reporting
ZIP Code:	If you are a Holder, choose the option below to securely upload your NAUPA file.
Property ID:	File A Report
Search	

SEARCH This free and secure service to search for and claim lost funds is provided by the State of *Last or Business Washington's Unclaimed Property Program. Search Instructions First Name: . If you received a postcard, enter the Property ID number from the postcard in the Property ID field and click SEARCH. . Otherwise, enter your last name or your business name in the Last or Business Name Narrow your search with the following fields: field and click SEARCH. . To narrow your results, enter your first name, city, and zip code. Click SEARCH. City: · Click HERE if you did not find your expected results. Zip Code: Claiming Property

*Property ID:

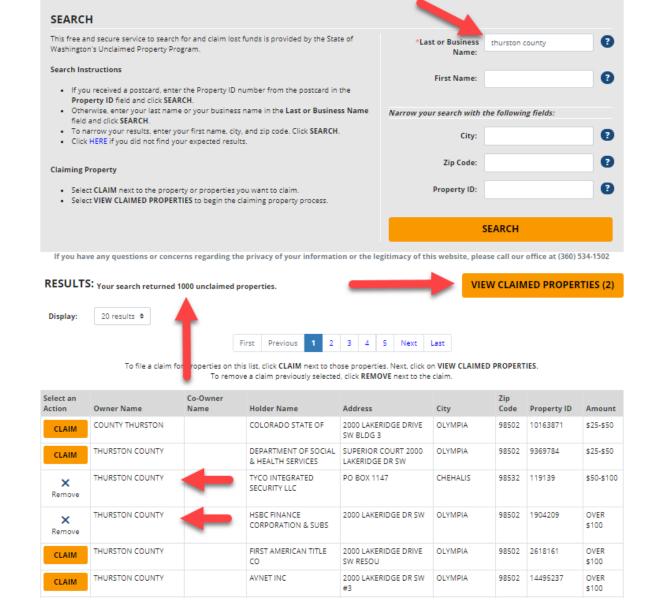
SEARCH

If you have any questions or concerns regarding the privacy of your information or the legitimacy of this website, please call our office at (360) 534-1502

Select CLAIM next to the property or properties you want to claim.
 Select VIEW CLAIMED PROPERTIES to begin the claiming property process.

Search Example

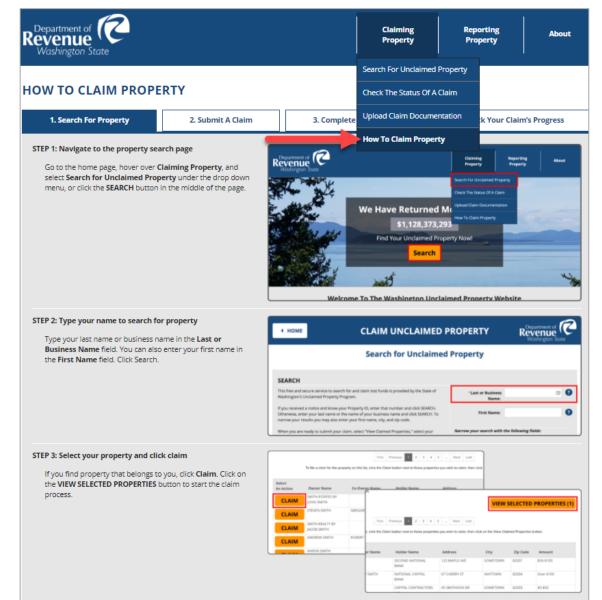
Search for Unclaimed Property

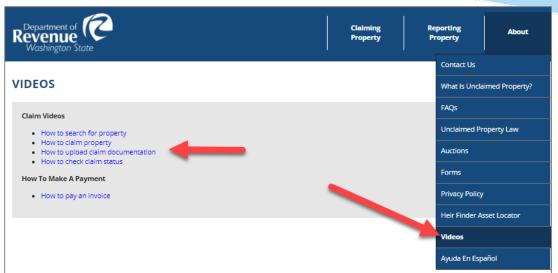


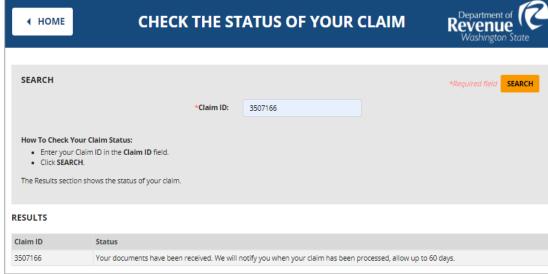




Enhanced Website Assistance Claiming Your Cash









UCP Website Changes – Local Government Impacts

- Non-remitted properties on website <u>indefinitely</u>
- Local Government pays unclaimed property = Contact UCP Team ASAP





Business Licensing Service (BLS) Partnership Update

Eric Jones

July 2021



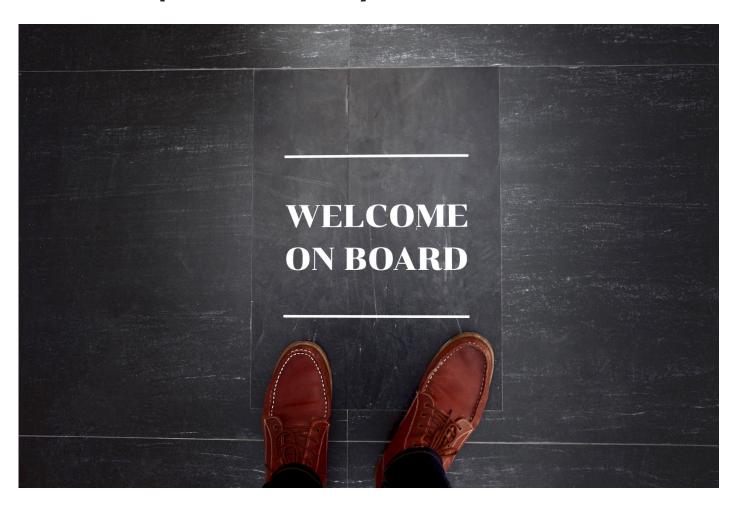
Agenda

- Onboarding
- System access
- Communication
- Change requests
- Questions





200+ partners by summer 2022





Cities joining in 2021

- Aberdeen
- Algona
- Arlington
- Bingen
- Bremerton
- Bucoda
- Cathlamet
- Cosmopolis
- Electric City
- Elma

- Goldendale
- Hoquiam
- Kittitas
- Mabton
- Mattawa
- Montesano
- Moxee
- N. Bonneville
- Ocean Shores Toledo
- Pacific

- Waitsburg
- Pomeroy Warden
- Rainier Westport
- Redmond
- Rock Island
- Roslyn

Pe Ell

- Royal City
- South Prairie
- Vader

- Wilbur
- Wilkeson
- Wilson Creek
- Winlock
- Zillah



Cities joining in 2022

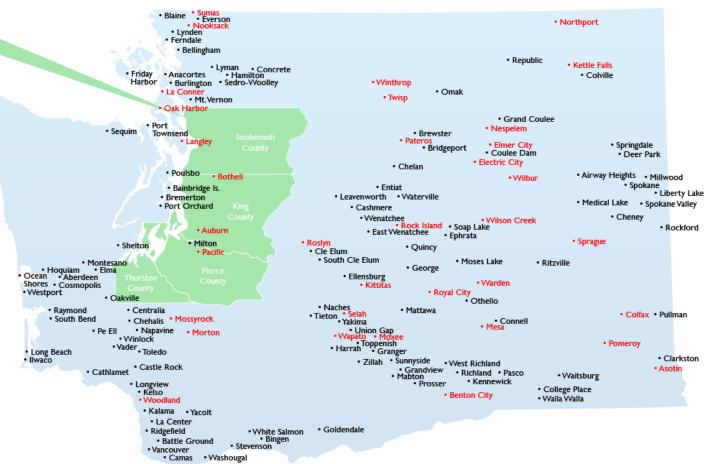






176 BLS city partners as of July 22, 2021

Snohomish County Pierce County Blaine Sumas Everson Bonney Lake Brier Buckley Lynden Darringon Carbonado Ferndale Edmonds DuPont · Bellingham Gold Bar Eatonville Granite Falls Edgewood Friday Anacortes Lake Stevens Burlington
 Sedro-VVoolley Lynnwood Fircrest La Conne Marysville Gig Harbor Mt.Vernon Mill Creek Lakewood Orting Monroe Mountlake Terrace Pacific Port Seauim Mukilteo Puyallup Townsend Snohomish Roy Ruston Stanwood Sultan South Prairie Woodway Steilacoom Poulsbo Sumner University Place · Bainbridge Is. • Bremerton King County Wilkeson Port Orchard Black Diamond **Thurston County** Burien Auburn Carnation Bucoda Lacey Clyde Hill Milton Olympia Covington Pacific Rainier Duvall Montesano Tenino Hoquiam Elma
 Ocean Aberdeen Enumclaw Federal Way Tumwater Shores • Cosmopolis Yelm Issaguah Westport Oakville Kenmore Kirkland Raymond Centralia Maple Valley South Bend Chehalis
 Mossyrock Mercer Island • Pe Ell Newcastle Winlock · Vader • Toledo Normandy Park Long Beach North Bend • Ilwaco Redmond Castle Rock Cathlamet Sammamish SeaTac Longview
 Kelso Tukwila Woodland Woodinville • La Center Ridgefield White Salmon Bingen Battle Ground Stevenson Full city partner Vancouver Future city partner North Bonneville



228 cities with a local license

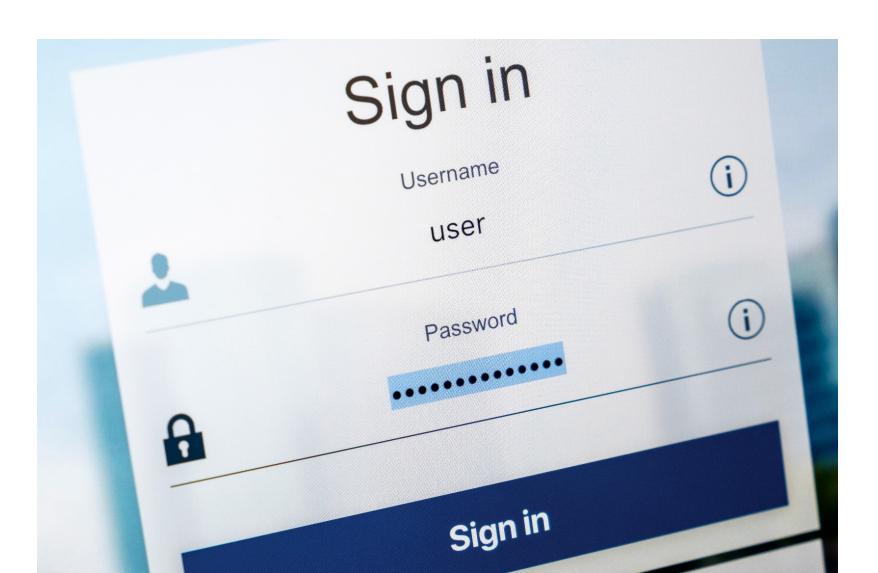


BLS earns national recognition



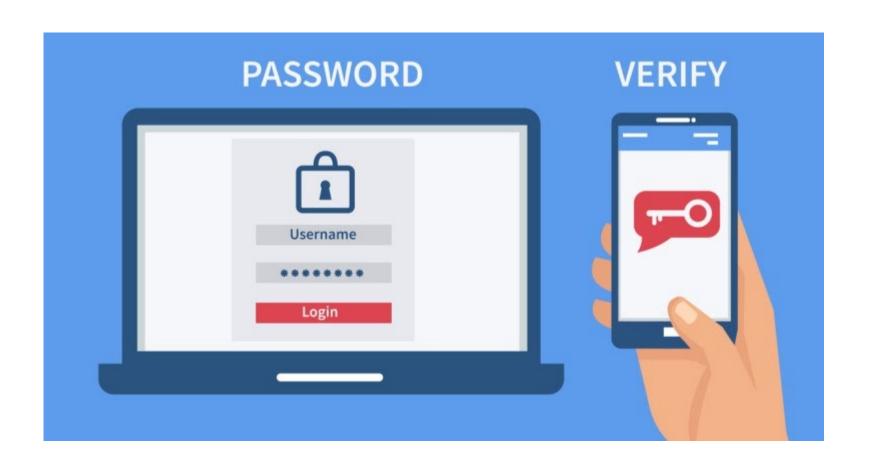


System access



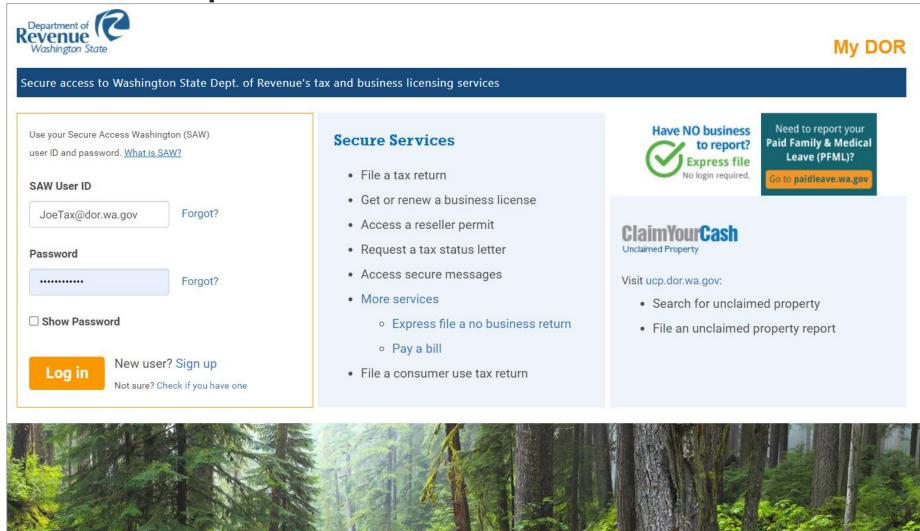


New Authentication for My DOR





ATLAS access process





Training





Communication





BLS Partner Post delivery



The BLS Partner Post

Timely updates for Washington state's business licensing partners.

Tuesday, June 29, 2021

BLS Partner Post: June 2021 Update

Revenue's Local Government Partnership Meeting set for July

The Department of Revenue's Local Government Partnership Meeting is going virtual again this year. The annual meeting for cities, towns, and others is set for Thursday, July 22 via WebEx. Registration is required for this free meeting. The Association of Washington Cities and the state Economic Forecast Council will provide updates along with Revenue division. Visit dor.wa.gov/lgpmeeting to register and see the full agenda.



Subscribe by email

Email address...

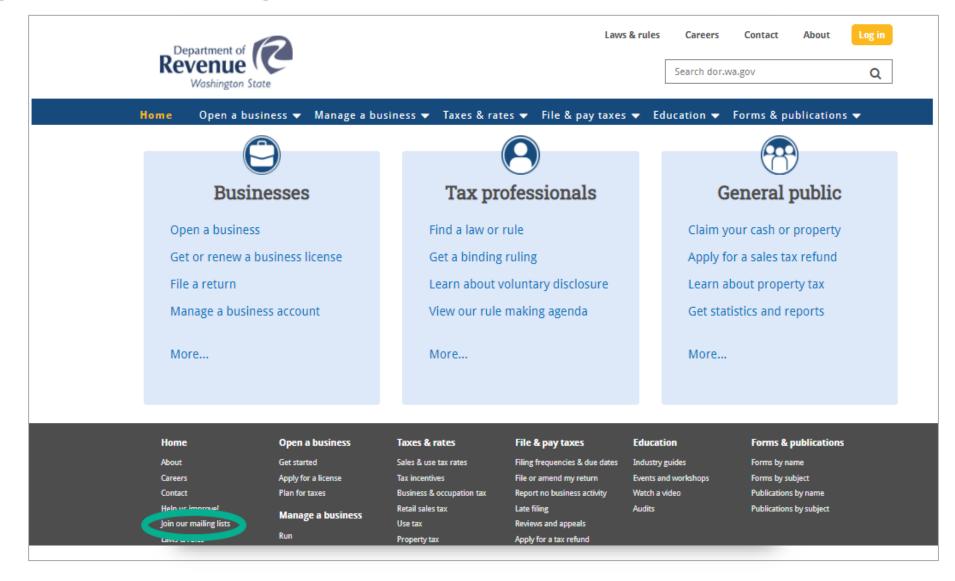
Blog Archive

Blog Archive

BLS Partner Post

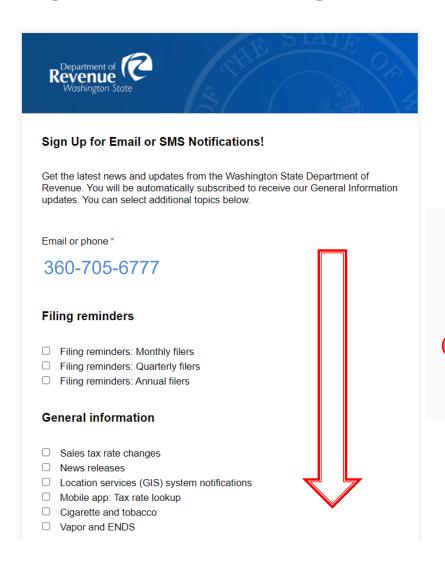


Updated mailing list





Updated mailing list



GOVDELIVERY

Agency partners

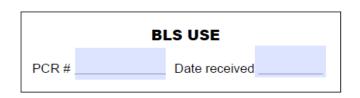
- BLS agency partners
- BLS city/town partners
- Local government partnership
- Location services (GIS) system notifications



System change requests



Department of Revenue Business Licensing Service (BLS) Partnership Services PO Box 47475 Olympia, WA 98504-7475 Dorblspartner@dor.wa.gov 360.705.6777



BLS Partner Change Request



Subject to review and acceptance by BLS

Name of Local Government or State Agency Licensing Program Submitting Request:			
Contact Person Name:	Title:	Phone:	Email:
This request is for (mark all that apply):			



BLS Support

- Business Licensing Call Center
 - 360-705-6741 & bls@dor.wa.gov
- Licensing Operations
 - 360-705-6744 & faxbls@dor.wa.gov
- I2 offices statewide
 - o dor.wa.gov
- BLS Partnership Services Katie Early, Manager





Contact

BLS Partnership Services (360) 705-6777 dorblspartner@dor.wa.gov





Questions?





Thank you for attending!

For further questions contact Alexis Warner:

Phone: 360-596-3667

Email: alexisw@dor.wa.gov

Web: dor.wa.gov/lgpmeeting

You will receive follow up communication with a survey link and CPE credit, if you requested it.