

May 3, 1996

Introduced By: Larry Phillips

s96-409.doc (Dept. of Ass.:tg)

Proposed No.: 96-409

ORDINANCE NO. **12274**

AN ORDINANCE authorizing the executive and the King County assessor to enter into an agreement with the Washington State Department of Revenue to access tax documents and information and repealing, Ordinance Nos. 6875, Section 5, 384, Section 5, as amended and 6595, Section 9 and replacing K.C.C. 4.34.050, 4.28.050. and 12.45.090.

STATEMENT OF FACT.

The Washington State Department of Revenue is authorized by RCW 82.83.330 (3) (h) to exchange tax information with King County taxing officials if certain conditions are met. The King County Council adopted Ordinance Nos. 6815,384 and 6595 in order to comply with the requirements of RCW 82.32.330.

Recently, the Washington State Department of Revenue has advised the county assessor that the language in the code is insufficient to allow King County access to tax documents held by the Washington State Department of Revenue because the Washington State Department does not have access to King County tax information upon substantially the same terms and conditions as those contained in RCW 82.32.330. Before the Washington State Department of Revenue may disclose tax information to King County taxing officials the code must be amended.

The sharing of tax information with the Washington State Department of Revenue upon substantially the same conditions as authorized by RCW 82.32.330 is in the best interest of King County and its citizens.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. Ordinance 6875, Section 5, and K.C.C. 4.34.050 are hereby repealed and the following is substituted:

Washington State Department of Revenue access to Tax Information --
Authorization.

The Department of Revenue of the State of Washington is hereby authorized access to tax information set forth in RCW 82.32.330 and any other provision of title 82 or 84 RCW, upon substantially the same conditions as tax information is authorized to be disclosed by the Washington State Department of Revenue to King County taxing officials

1 pursuant to RCW 82.32.330, 84.40.340, and 42.17.310, as each now exists or is hereafter
2 amended. The county executive and the county assessor are authorized to execute an
3 agreement on behalf of King County, consistent with the access herein granted. Tax
4 information received by King County pursuant to such agreements is exempt from
5 disclosure under the Public Disclosure Act and remains privileged and confidential
6 pursuant to RCW 82.32.330.

7 SECTION 2. Ordinance 384, Section 5, as amended and K.C.C. 4.28.050 and are
8 hereby repealed and the following is substituted:

9 Washington State Department of Revenue access to Tax Information --
10 Authorization.

11 The Department of Revenue of the State of Washington is hereby authorized access
12 to tax information set forth in RCW 82.32.330, and RCW 84.40.340 and any other
13 provision of title 82 or 84 RCW, upon substantially the same conditions as tax information
14 is authorized to be disclosed by the Department of Revenue to King County taxing officials
15 pursuant to RCW 82.32.330, 84.40.340, and 42.17.310, as each now exists or is hereafter
16 amended. The county executive and the county assessor are authorized to execute
17 agreements on behalf of the King County, consistent with the access herein granted. Tax
18 information received by King County pursuant to such agreements is exempt from
19 disclosure under the Public Disclosure Act and remains privileged and confidential
20 pursuant to RCW 82.32.330.

21 SECTION 3. Ordinance 6595, Section 9, and K.C.C. 12.45.090 are each hereby
22 repealed and the following is substituted:

23 Washington State Department of Revenue access to Tax Information --
24 Authorization.

25 The Department of Revenue of the State of Washington is hereby authorized access
26 to tax information set forth in RCW 82.32.330, and RCW 84.40.340 and any other
27 provision of title 82 or 84 RCW, upon substantially the same conditions as tax information
28 is authorized to be disclosed by the Department of Revenue to King County taxing officials
29 pursuant to RCW 82.32.330, 84.40.340, and 42.17.310, as each now exists or is hereafter
30 amended. The county executive and county assessor are authorized to execute agreements

1 on behalf of King County, consistent with the access herein granted. Tax information
2 received by King County pursuant to such agreements is exempt from disclosure under the
3 Public Disclosure Act and remains privileged and confidential pursuant to RCW
4 82.32.330.

5 SECTION 4. The county executive and the county assessor are hereby authorized
6 to enter into an Interagency Agreement, substantially in the form attached, with the
7 Washington State Department of Revenue to share tax information as authorized by RCW
8 82.32.330(3)(h).

9 INTRODUCED AND READ for the first time this 29th day of
10 April, 1996.

11 PASSED by a note of 8 to 3 this 20th day of
12 May, 1996.

13 KING COUNTY COUNCIL
14 KING COUNTY, WASHINGTON
15 Louise Miller
16 VICE Chair

17 ATTEST:

18 Gerald A. Peterson
19 Clerk of the Council

20 APPROVED this 30th day of May, 1996.

21 Jerry Lode
22 King County Executive

23 Attachments: Interagency Agreement

AGREEMENT FOR SHARING TAX INFORMATION
between
KING COUNTY AND THE WASHINGTON STATE DEPARTMENT OF REVENUE

PARTIES TO THE AGREEMENT

This Agreement, pursuant to Chapter 39.34 RCW, is made and entered into by and between the King County and the Washington State Department of Revenue (hereinafter referred to as the Department).

PURPOSE

The Department and King County agree that the sharing of tax information is in the best interest of the citizens of the State of Washington. The Department and King County are authorized by Chapters 82.32., 84.40 RCW and chapters 4.28.050, 4.34.050, and 12.45.090 of the King County Code to share such information, with the understanding that shared tax information is subject to the confidentiality provisions of RCW 82.32.330, 84.40.020, 84.40.340 and 42.17.310.

TERMS OF AGREEMENT

Therefore, the Director of the Department, the King County Executive, and the King County Assessor, undersigned, hereby agree that the State of Washington and King County will share tax information identified in this agreement with one another, and that the agents, employees, officers, and any other person associated with either entity acquiring knowledge of such information will be subject to the entire provisions of RCW 82.32.330 and chapters 4.28.050, 4.34.050, and 12.45.090 King County Code, except as otherwise provided by RCW 84.40.020, and 84.404.0340, and shall act according to the following conditions:

1. For the purposes of this agreement, "tax information" means (a) a taxpayer's identity, (b) tax returns, (c) the income, deductions, exemptions, credits, assets, liabilities, net worth, tax liability deficiencies, overassessments, or tax payments whether taken from the taxpayer's books and records or any other source, (d) whether the taxpayer's return was, is being, or will be examined or subject to other investigation or processing; (e) other data received by, recorded by, prepared by, furnished to, or collected by the Department or the King County Department of Assessments or the King County Department of Finance with respect to the existence of liability, or the amount thereof, of a person under the laws of this state or King County for a tax, penalty, interest, fine, forfeiture, or other imposition or offense, except as otherwise provided by applicable statute.

2. Information may be shared in written form, telephonically or by electronic media, including computer terminal. In any case, each party shall take all reasonable means necessary to restrict access to tax information to those persons designated to receive such information by either the Department, the King County Assessor, or the Director of the King County Department of Finance.
3. Both the Department and the King County Department of Assessment and the King County Department of Finance shall not share any information obtained through this agreement with any organization or person not authorized to request and receive information. In the event of an inadvertent disclosure of confidential information to persons not designated to receive such information, the agency responsible for such disclosure shall inform the other agency if any part of the inadvertently disclosed information originated with the other agency.
4. The Department, the King County Assessor and the Director of the Department of Finance agree to each appoint an "Information Security Officer" for the purpose of coordinating the exchange of electronically transferred information. Each such officer shall be named in an addendum to this agreement, if information is shared electronically other than by telephonic, person to person, voice conversation.
5. Information may be shared piecemeal or in combined format covering more than one taxpayer. In any event, information will be shared periodically, at least once a calendar year, or more frequently at reasonable times, upon the request of either agency.

INDEMNIFICATION

Each party shall defend protect and hold harmless the other party from and against all claims, suits and/or other actions arising from any negligent or intentional act or omission of that party's employees, agents and/or authorized subcontractor(s) while performing this contract.

This agreement is not limited to a specific period of time or to specific tax returns, documents, records or other information relating to any specific years or periods; it will be considered to be in effect until revoked by one entity or the other.

ALTERATIONS AND AMENDMENTS OF THE AGREEMENT

Changes may be made to this agreement at any time by the mutual agreement of the signatories or their successors and shall be signed and appended to this document.

ALL WRITINGS CONTAINED HEREIN

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 Washington State Department of Revenue and King County have executed this Agreement as of the dates written below.

Scott Noble
King County Assessor

Dated: _____, 1995

Len McComb, Director
Department of Revenue

Dated: _____, 1995

Gary Locke
King County Executive

Dated: _____, 1995

APPROVED AS TO FORM:

Assistant Attorney General

Dated: _____

APPROVED AS TO FORM:

King County Prosecuting Attorney

Dated: _____