



MULTNOMAH COUNTY AGENDA PLACEMENT REQUEST (short form)

Board Clerk Use Only

Meeting Date: 6/27/13
Agenda Item #: R.5
Est. Start Time: 10:10 am
Date Submitted: 6/13/13

Agenda Title: **One Year Extension of Intergovernmental Agreement With the City of Portland to Collect and Administer the County's Business Income Tax (BIT)**

Note: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide a clearly written title.

Requested Meeting Date:	<u>June 27, 2013</u>	Amount of Time Needed:	<u>10 minutes</u>
Department:	<u>Department of County Management</u>	Division:	<u>Finance/Risk Management</u>
Contact(s):	<u>Mark Campbell</u>		
Phone:	<u>988-6229</u>	Ext.	<u>86229</u>
Presenter(s):	<u>Mark Campbell</u>	I/O Address:	<u>503/531</u>

General Information

1. What action are you requesting from the Board?

Approve a one year extension of the current intergovernmental agreement with the City of Portland to collect and administer the Business Income Tax (BIT).

2. Please provide sufficient background information for the Board and the public to understand this issue. Please note which Program Offer this action affects and how it impacts the results.

In 1993 administration of the County Business Income Tax (BIT) and City of Portland Business License Fee (BLF) were consolidated to provide operational efficiencies. Prior to 1993, the County contracted with the State Department of Revenue to collect and administer the BIT. Since consolidating efforts both the City and County have endeavored to maintain code conformity. The consolidated program has allowed businesses to follow a single set of procedures and definitions and to file a single reporting form for both the City and the County. This has simplified reporting requirements for businesses and has minimized administrative costs for the County for the past 20 years.

The City's Revenue Bureau is willing and able to continue administering the Multnomah County BIT code for FY 2014.

3. Explain the fiscal impact (current year and ongoing).

The annual compensation to the City for administration services for FY 2014 is **\$1,127,801** which represents a \$200,000 increase from the previous year. This increase was not anticipated in planning for the FY 2014 budget. Previous increases were based on cost inflation as measured by changes in the Consumer Price Index (CPI) for Portland.

During FY 2014 staff will work with the City's Revenue Bureau to develop a more accurate cost allocation methodology. Staff will also analyze alternative methods of administering and collecting the BIT which may include, for example, consolidation of Property Tax and BIT collections.

4. Explain any legal and/or policy issues involved.

The intergovernmental agreement meets the County's legal requirements and is consistent with County policies.

5. Explain any citizen and/or other government participation that has or will take place.

N/A

Required Signature

**Elected Official or
Department/
Agency Director:**

Mark Campbell /s/

Date: 6/13/13