



**TO:** Elizabeth Pauli, City Manager  
**FROM:** Danielle Larson, Tax & License Division Manager, Finance Department  
Andy Cherullo, Finance Department  
**COPY:** City Council and City Clerk  
**SUBJECT:** Resolution – Establishing a Tax & License Account Closure and Collection Project –  
November 6, 2018  
**DATE:** October 26, 2018

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**SUMMARY:**

Establish a Tax & License Account Closure Project of limited duration pursuant to the provisions of Tacoma Municipal Code (TMC) Section 1.24.187 and the City Charter Section 6.1(h). The positions will focus on the review and standardization of current practices related to account closure and collection of delinquent items within the Tax & License Division with a focus on establishing procedures for clean-up and collection of delinquent accounts located outside the City.

**STRATEGIC POLICY PRIORITY:**

- Encourage and promote an efficient and effective government, which is fiscally sustainable and guided by engaged residents.

**BACKGROUND:**

The number of licensed businesses based outside the City totals 18,000 with 19% of the businesses having delinquent Tax & License accounts. Effective January 1, 2019, the City will have entered into a contract with a new collection agency who will be able to collect delinquent tax and license items. New processes need to be established prior to sending delinquent items to a collection agency requiring a review and determination of past due items, including estimating tax due when necessary.

**ISSUE:**

In an effort to establish policies and procedures related to account closure and collection of delinquent items within the Tax & License division, the Finance Department is requesting a project to review and update current practices when determining whether accounts should be closed or past due items referred to the City’s collection agency. The project positions will work closely with Tax & License auditors and management to review the processes, set priority to the workload and implement necessary changes. This project will help to clean-up current delinquent accounts based outside of the City and create policies and procedures for addressing on-going delinquent accounts in a consistent and timely manner. This Tax & License Account Closure and Collection project will be a limited duration of two years.

**ALTERNATIVES:**

The alternative is to not establish a Tax & License Account Closure and Collection project and continue our efforts within existing resources.

**RECOMMENDATION:**

Staff recommends City Council approve the Resolution as presented.

**FISCAL IMPACT:**

The special project positions are included in the current and 19/20 budget, therefore, there is no fiscal impact.