

**AGREEMENT FOR STATE ADMINISTRATION OF PUBLIC  
TRANSPORTATION BENEFIT AREA**

Contract No. **AGR97333**

**THIS AGREEMENT** ("Agreement") is entered into by and between the **Whatcom County** Public Transportation Benefit Authority ("PTBA") and the State of Washington Department of Revenue ("Department") for the administration of optional transportation taxes. This Agreement is effective July 1, 1997.

**PURPOSE:**

**WHEREAS**, The Legislature of the State of Washington has by RCW 82.14.045 authorized public transportation benefit area corporations to impose a local sales and use tax to provide funds for the operation, maintenance and capital needs of public transportation systems; and

**WHEREAS**, It is provided in RCW 82.14.050 that the municipal corporation imposing a sales and use tax by ordinance or resolution shall contract with the Department for the administration and collection of said taxes; and

**WHEREAS**, The corporation has by resolution or ordinance, copy attached hereto, elected to fix and impose a three-tenths of one percent (.3%) sales and use tax commencing January 1, 1984 and to contract with the Department for collection of the tax;

**NOW, THEREFORE**, to provide for the administration the parties agree as follows:

1. The Department shall exclusively perform all functions incident to the administration and collection of the taxes imposed by the said ordinance or resolution, other than criminal prosecutions.
2. The Department shall retain from the taxes so collected the amount of one percent (1.0%) thereof as expenses of administration and collection. Said percentage amount shall be subject to review during January of each year.
3. In accordance with RCW 82.32.320, the remainder of said taxes so collected shall be deposited by the Department in the Local Sales and Use Tax Revolving Fund under the custody of the State Treasurer and shall be distributed as provided by law.
4. The Department shall apply the provisions contained in chapters 82.03, 82.08, 82.12, 82.14, and 82.32 RCW, as the same exist or may hereafter be amended and insofar as the same are applicable to PTBA taxes. The Department perform its duties hereunder so that as far as possible the PTBA taxes shall be administered and collected uniformly with the state's sales and use taxes. Rules and regulations adopted by the Department

shall be in accordance with the State Administrative Procedure Act. Adopted rules and regulations shall have the same force and effect on PTBA taxes insofar as the same are applicable.

5. The PTBA shall have the right from time to time to examine the records of the Department as they concern the PTBA or the taxpayers of the Whatcom County Public Transportation Benefit Area subject to the aforementioned ordinance or resolution.
6. The allocation of local sales and use tax collections will be made by the Department to the State Treasurer within thirty (30) days after the due date of the taxable period for which local sales and use taxes are imposed pursuant to ordinance or resolution. Distribution of taxes to the PTBA shall be made in accordance with RCW 82.14.060.
7. All refunds and credits for local sales and use taxes made by the Department shall be charged to the PTBA.
8. The Department shall require redistribution upon 10 days notice to the affected PTBA, of any tax, distributed to a PTBA other than the PTBA entitled thereto but such redistribution shall not be made as to amounts originally distributed earlier than six monthly periods prior to the monthly period in which the Department obtains knowledge of the improper distribution.
9. The Department shall provide taxpayer information, documentation and reports to the PTBA in accordance with the disclosure limitations of RCW 82.32.330. Authorized representatives of the PTBA requesting and receiving confidential information will sign a Department Secrecy Clause and comply with RCW 82.32.330.
10. The parties agree to establish and maintain open lines of communication and to work cooperatively in order to improve administration and public understanding of the PTBA taxes. Either party may initiate a meeting, to be held at a mutually convenient time and place, to share information and to discuss matters related to administration and collection of the PTBA taxes.
11. In the event that a dispute arises under this Agreement, either party may elect mediation in which the Department and PTBA shall each individually appoint one member to a Dispute Board and those members shall select a third member. The Dispute Board shall evaluate the dispute and make a written determination after considering the relevant facts and legal authorities. The Dispute Board's determination shall be given significant weight by both parties who will meet after the determination is issued to resolve the dispute. If a resolution is not reached, the determination of the Dispute Board shall be admissible in any future legal proceeding between the parties concerning the dispute. Each party shall be responsible for a proportionate share of the costs

of the member of the Dispute Board. This remedy is not intended to be exclusive of other remedies existing in law, by statute or otherwise.

12. In the extent permitted by law, the PTBA agrees to defend and hold harmless the Department or the State of Washington from claims that challenge the authority of the PTBA to impose the Sales/Use Taxes as identified in the aforementioned ordinance or resolution. The County agrees that in the event there shall be a legal challenge to the ordinance or resolution or otherwise, the Department shall not be obligated to represent the city or otherwise to defend its position in any proceeding relating to such challenge.
13. The allocation of unidentifiable local sales and use tax collections (pool funds) among the various local taxing jurisdictions will be made by the Department to the State Treasurer within thirty (30) days after the due date of the taxable period for which local sales and use taxes are imposed pursuant to ordinance or resolution.
14. This agreement shall take effect at 12:01 AM, July 1, 1997, and shall thereafter be automatically renewed on December 31 of each year unless one of the parties gives written notice of termination on or before November 1 of each such year. The parties to this agreement will notify each other in a timely manner when they find it necessary to request an amendment to this agreement.

**IN WITNESS WHEREOF**, the State of Washington, Department of Revenue and the Whatcom County Public Transportation Benefit Area have executed this contract as of the day and year written below.

06/11/97  
Date

  
\_\_\_\_\_  
William N. Rice  
Acting Deputy Director  
Department of Revenue

6/25/97  
Date

  
\_\_\_\_\_  
Chair,  
Whatcom Transit Authority

Approved as to form: \_\_\_\_\_ On file \_\_\_\_\_  
Assistant Attorney General  
State of Washington