

2014 City of Tacoma Legislative Agenda

Summary agenda:

- The City supports a transportation funding package that completes SR-167 and other local projects.
- The City seeks new local transportation funding tools, including street utility.
- The City seeks new economic development tools.
- The City opposes any efforts to restrict or diminish its authority to tax and license.

Detail agenda:

Economic development:

The City supports the use of economic development tools that facilitate urban redevelopment and encourage development, including affordable housing, in transit station areas to carry out the goals of the regional transit supportive community initiative. This may include, but is not limited to, value capture tools like tax increment financing, local improvement district legislation, and restored funding of existing tools such as local infrastructure financing. The City will also propose legislation allowing the reuse of tax foreclosure property for affordable housing.

The “paramount” duty of the State is to “make ample provision for the education of all children...” and the Legislature is faced with a significant challenge to meet this responsibility in light of the McCleary decision by the State Supreme Court. Any solution to this problem cannot create winners and losers between the state’s school districts and must still provide the opportunity for local communities to meet unique local needs. New revenue will be required to meet the requirements of the court decision. Further, the State must continue the restoration of funding to higher education institutions that it began in 2013. One way would be to emphasize funding for select clusters or sectors of our economy such as cyber security, clean water, health care and others.

Environment:

The City supports creation of a sustainable funding source to assist local governments with obligations under Federal storm water regulations. Such funding should be tailored to favor those jurisdictions that are currently required to implement their permit obligations over those that have successfully sought to delay implementation. Funding should also foster innovation in meeting permit goals for both water quality and quantity. The City also supports funding for stormwater quality improvements at Wapato Lake.

The City has operated a successful waste oil recycling program for several years. The program involves accepting household waste oil at the landfill and at select retail stores. Liability issues make it difficult for the City to continue the retail store component of this program, greatly reducing the convenience of recycling used oil and thereby increasing the likelihood that this oil will instead find its way to the City stormwater system and local waters. The City supports legislation that will reduce the liability issues or otherwise incentivize continuation of this important program.

Fiscal:

The City believes local control of tax and regulatory processes is in the best interest of city residents and businesses. Local control allows innovation and greater flexibility to match taxes and regulations to a changing local economy. The City will oppose special interest efforts to restrict or otherwise regulate its authority to license and tax, including but not limited to collection and control of the municipal business and occupation tax.

As part of its 2013 budget, the Legislature partially restored the diversion of local liquor excise taxes and capped fees authorized to local government in Initiative 1083. The City supports full restoration of this revenue to local government.

The State is implementing commercial sales for the personal use of marijuana. Initiative 502 authorized significant fees and taxes on the production and sales of marijuana but did not provide for the State to share any of that revenue with local government. As it is in cities where much of the production and the retail marijuana stores will be located, it is cities that will have to deal with any impacts from these businesses. The City supports changes to Initiative 502 to allow sharing of State marijuana fees and taxes with local governments where marijuana retail stores are located. Passage of Initiative 502 also makes changes to legislation covering the medical use of cannabis necessary. The City believes the medical cannabis law should be suspended so long as Initiative 502 remains in force because Initiative 502 grants far greater access to cannabis without the ad hoc, inconsistently regulated nature of the previous statute.

The voters of Tacoma have approved a permanent levy of 50 cents per thousand to pay for essential emergency medical services provided by the Tacoma Fire Department. Despite this approval, other provisions of state property tax law have resulted in reductions of this revenue and increased pressure on the City's General Fund to make up the difference. Revenue for this vital public service must be better protected. The City supports changes to

EMS levy statutes that will increase the maximum levy rate to 75 cents per thousand and also protect the levy from erosion by placing it outside the 1 percent limit on taxes.

The State provided a sales tax credit that allowed construction of the Greater Tacoma Convention & Trade Center as well as other public facilities around the state. The sales tax credit runs for 25 years. Along with other public facility districts, the City supports legislation that will extend the sales tax for 15 additional years. This will reduce the impact of bond repayment on the convention center and, potentially, the City's General Fund.

Tax breaks for specific businesses and industries can serve as an important economic development tool. For example, the City supports a change in current law that discourages owners of large yachts from using Washington boatyards for major repair and retrofit. It is also necessary to review all tax breaks periodically to determine their success and usefulness. According to a New York Times report, Washington forgoes more than \$2.3 billion a year in revenue due to tax breaks. The City supports establishment of a systematic legislative review and sunset process for tax breaks.

Neighborhoods:

The City has launched a popular program of neighborhood clean-up and nuisance abatement. While this program has had some success, limitations in state law on a city's authority to apply a lien to property that contains a public nuisance have complicated this effort and frustrate citizens. The City supports harmonizing the lien authority of cities with that of counties. A city should be able to apply a lien against property to allow the City to recover its costs in abating a nuisance. Liens should remain on the property until the costs of abatement are paid and the lien should have the same rank as state and local taxes in case of sale or foreclosure.

Transportation:

The City supports adoption of a new transportation revenue package, which may include tolling. Completion of SR-167, finishing the current I-5/SR-16 HOV project and initial work on improvements to I-5 at Joint Base Lewis-McChord must be in the package. Initial planning for extension of I-5 HOV lanes beyond S. 38th Street is also a priority. The City will separately seek funding for SR-163 improvements at the entrance to Point Defiance Park in support of the Destination: Point Defiance project.

The City supports increasing the councilmanic authority for transportation benefit district vehicle license fees from \$20 to \$40, yet this authority will raise only a portion of the funds needed to address the backlog of funding for city streets. A more complete solution is needed; therefore the City will seek support adoption of authority to create a fee based

street utility. Similar funding mechanisms are in use in other states and result in a much higher level of citizen satisfaction with the maintenance of local streets.

Tacoma and Seattle have been authorized to operate speed cameras outside of school zones under a pilot program. Tacoma's camera, located on Bay Street, has significantly reduced speed and serious injuries. Rather than renewing this program through the budget process, the City supports a narrowly drafted amendment to the traffic camera statute to authorize any city to operate a speed camera in an area with demonstrated serious accident levels in which it would be dangerous for a traffic officer to be stationed.

2014 City of Tacoma Federal Policy Agenda

Summary agenda:

- The City opposes changes to tax exempt municipal bonds.
- The City urges the House to pass the Main Street Fairness Act in 2014.
- The City will actively work to protect JBLM during any BRAC process.
- The City supports passage of legislation rewarding innovation in stormwater solutions.

Detail agenda:

Access to Affordable Health Care

The citizens of Tacoma have overwhelmingly expressed support for legislation providing access to affordable health care for everyone. The nation spends more per capita on health care than any industrialized nation yet there are 30,000 people in Tacoma and 47 million in the United States uninsured. Under the Affordable Care Act these numbers should begin to decline. The City continues to support universal access to affordable health care.

Community Development Block Grant

The City supports continuation and enhancement of the Community Development Block Grant program. Although there have recently been modest increases to appropriations to this program, it has been reduced by over 50 percent in the last decade. The City supports increases in the program to cover increasing costs of vital safety net programs.

Economic Development Tools

An important tool in helping cities build the infrastructure that supports the local economy has been the use of tax exempt municipal bonds. In recent years, the administration and Congress have repeatedly considered proposals to cap or eliminate the use of these bonds as part of various deficit reduction plans. The Federal government needs to be investing more in the nation's infrastructure, not making it harder for local government to do so. The City strongly opposes proposals to cap or eliminate tax exempt municipal bonds.

Harbor Maintenance Tax (HMT)

A tax on the value of imports is assessed on products entering the Port of Tacoma and other US seaports. The revenue from this tax is used to pay for harbor and waterway dredging and improvements. Other than a small amount used in the Lake Washington Ship Canal, none of the HMT revenue is spent on the natural deep water ports of Puget Sound. The tax places Puget Sound ports at a competitive disadvantage with British Columbia ports and the revenue primarily benefits other US ports that also compete with Tacoma. The City supports the Port of Tacoma and other Puget Sound ports in seeking changes to the HMT to level the playing field. ~~This may take the form of applying the tax to imports entering the US via Canadian ports, allowing broader uses of the revenue for the benefit of deep water ports, or other approaches.~~ The National League of Cities has endorsed a realignment of the HMT and City will work with NLC on this issue.

Housing

The fate of thousands of homeowners holding problematic mortgages is a serious community issue because as more and more houses become vacant and blighted, they attract crime and send healthy neighborhoods into a downward spiral. The City supports Federal legislation to allow bankruptcy courts or federal insurance programs to modify or otherwise protect mortgages in danger of foreclosure.

The Tacoma Housing Authority was selected to be a Moving to Work (MTW) agency by the Department of Housing and Urban Development. MTW status is very valuable for THA and its clients, as it allows far greater flexibility in use of HUD funds and operation of programs to better meet the needs of the community. The City supports continuation of the MTW program.

Immigration

A comprehensive approach to reform of the nation's immigration laws is overdue. The City supports reform that provides a clear path to citizenship for young people who came to this country as children through no fault of their own as well as a separate process that eventually can result in citizenship for millions of undocumented adults already here. Border security and disincentives to businesses that exploit undocumented workers must be a part of the package.

JBLM

Joint Base Lewis-McChord has begun a land use planning process. The City supports this effort and will actively participate. It is important to both minimize land uses incompatible with successful base operation while also assuring continuing opportunities for economic development in the area. A Federal Base Realignment and Closure study may begin in 2014. JBLM plays a vital role in the nation's security, but the community must not take the continued presence of the base for granted. The City will actively support preserving and strengthening the role of JBLM, including facilities such as the base commissaries, during the BRAC process.

Main Street Fairness

Local sales tax revenue has been affected by the growth of internet sales. Washington has adopted destination based sales tax legislation as part of the national effort to encourage adoption of the Main Street Fairness Act, authorizing state sales taxes on interstate internet sales. The legislation is supported by many large brick and mortar retailers, small business groups, and major internet sales businesses. Earlier in 2013 the Senate passed the legislation with a strong bipartisan vote. The City urges the House of Representatives to support the Main Street Fairness Act in 2014.

Marijuana

The voters of Washington have approved the decriminalization of personal use of marijuana and directed the establishment of a state controlled system of licensing and taxation of the drug. The City believes the Federal government needs to respect the decision of Washington residents and not attempt to interfere with either the decriminalization or the establishment of a retail sales marketplace.

Stormwater

Increasingly strict Federal stormwater goals can be achieved with financial assistance and a willingness on the part of regulators to support innovation. The Innovative Stormwater Solutions Act will encourage the Environmental Protection Agency to promote innovative solutions and provide grant funding for innovative projects. It will also establish Centers of Excellence across the nation to develop proposals, industry standards and training and technical assistance. The City supports designation of The Center for Urban Waters as one of these centers and supports passage of the Innovative Stormwater Solutions Act.

Telecommunications

The City opposes legislation which grants Federal authority over City rights of way, franchise authority, and taxation in the name of providing advantages for telecommunications companies to compete with cable companies. Such actions will surely lead to the cable firms wanting the same treatment and lead to uncompensated damage to City streets and loss of tax revenue used for City services, including cable services currently provided.

Transportation

The City is appreciative of the passage of the MAP-21 transportation program, but believes Congress has not completed its work. This two-year funding program does not begin to address the growing infrastructure problem in this country: both in the need to rebuild aging facilities as well as being able to develop capacity for growth where needed. The City urges action to provide new long-term funding for transportation projects- including those that benefit transit and non-motorized transportation. The City believes new funding should recognize that the greatest need for transportation spending is in the nation's metropolitan regions.