

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 includes, 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. Several states allow cities to participate in transforming select property entering foreclosure into affordable housing. The City supports a similar program for Washington.

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.

The citizens of Tacoma have demonstrated their support for full funding of health care. The City believes this includes the need for the State to assure adequate funding for behavioral and mental health programs as well.

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 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.