

RESOLUTION R- 4118

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND APPROVING A CITY OF KIRKLAND LEGISLATIVE AGENDA TO BE ADDRESSED TO THE 1998 SESSION OF THE STATE LEGISLATURE.

Whereas, Actions of the State Legislature in respect to local government issues, services and funding have a profound impact upon the ability of local governments to provide adequate local services; and

Whereas, the Kirkland City Council believes it appropriate to set forth its position as to issues affecting local government operations coming before the State Legislature during its 1998 session, including issues which the City Council requests the State Legislature to consider.

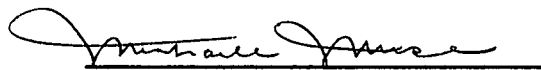
Now, therefore, be it resolved by the City Council of the City of Kirkland as follows:

Section 1. The positions and recommendations, including supporting statements set forth in the "City of Kirkland 1998 Legislative Agenda" attached hereto as Exhibit A and by this reference incorporated herein, is hereby adopted as its recommendation to the 1998 Session of the State Legislature.

Section 2. The City administration shall transmit the 1998 Legislative Agenda, including any subsequent changes or updates to members of the State Legislature representing the legislative districts in which Kirkland is located, together with other members of the State Legislature and to the Association of Washington Cities and the Suburban Cities Association.

Passed by majority vote of the Kirkland City Council in regular, open meeting this 6th day of January, 1998.

Signed in authentication thereof this 6th day of January, 1998.

  
MAYOR

Attest:

  
City Clerk

Reso\legadj

**CITY OF KIRKLAND**  
**PROPOSED 1998 LEGISLATIVE AGENDA**

**TRANSPORTATION**

**Balanced Transportation Package.** Transportation funding is slated to be the major focus of the 1998 legislative session. *The City joins the Suburban Cities Association and AWC in requesting that the Legislature enact a balanced transportation revenue package which will provide additional revenues for cities, counties, transportation agencies, and the State.* The legislation should include an identified funding source to support this package, with a direct share going to the cities, with assistance to local governments to finance large-scale projects which would relieve traffic congestion and foster future economic growth. *The City opposes any redirection of the MVET to pay for transportation programs.* The legislation should continue existing competitively allocated transportation grant programs, support indexing the motor vehicle fuel tax to keep pace with inflation, and provide for alternative transportation systems, including pedestrian and bicycle facilities.

**1997 Activity.** Several bills were proposed in the Senate to increase the gas tax and provide cities with local revenue options. These bills were defeated in the House when several key legislators were reluctant to raise taxes for transportation while they were decreasing other taxes. Governor Locke committed to work toward getting support for transportation funding for the 1998 session. Bills similar in content to the 1997 proposed bills are expected to be redefined and presented during the 1998 session.

**Local Financing Options.** *The City encourages the development of new local financing options that would provide revenue equal to the amount of street utility financing taken away by a 1995 court decision.*

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**TELECOMMUNICATIONS AND UTILITIES**

**Electric Utility Tax.** *The City urges the legislature to work to retain local revenue sources and taxation authority for the cities as they consider restructuring methodology and competition as it applies to the electric utility industry.* The City's 1998 local electric utility revenue projection is \$1,450,000. This is based on a 5% residential and 6% commercial electric utility tax rate.

**1997 Activity.** Several electric restructuring bills were proposed and extensively debated, but because legislators were not comfortable with the proposals, all bills were shelved. In the interim, House and Senate Energy Committee members held hearings and roundtables to discuss possible language for bill proposals in 1998. Discussions were held regarding utility liens which resulted in two proposed bills which would have removed the municipal utility lien. Neither bill made it out of committee.

**Telecommunications Legislation.** The federal Telecommunications Act of 1996 was intended to enhance competition (through de-regulation) between service providers and increase citizens' access to telecommunications technology. *The City urges the Legislature to protect municipalities' control over local rights-of-way, land use policies, public properties, and public safety communications systems. It also urges the Legislature to work to retain local*

*governments' ability to negotiate cable franchise agreements, and preserve municipalities' existing authority to tax telecommunications activities, as these activities provide a significant portion of the City's revenue base.* The City's 1998 projected local telephone utility tax revenue is \$1.8 million. This is based on a 5% residential and 6% commercial tax rate. 1998 projected cable franchise fee revenue is \$280,000.

**1997 Activity.** Telecommunications and electric industry restructuring were a high priority during the 1997 legislative session. However, as the session progressed, more questions were asked than answered. As a consequence, Legislators decided to study these issues further and address this legislation in 1998. Internet taxation was discussed extensively and SB 5763 passed, which imposes a temporary ban on Internet taxation for both the state and cities. Legislators did not want to make policy changes to local telephone regulations and passed SB 6046, which calls for a universal telecommunications service study. Regulations pertaining to wiring siting, land use, right-of-way, taxation, fees, and local government regulation are expected to be discussed extensively in 1998.

## **FINANCE**

**Imposition of Unfunded Mandates.** *The City, in concert with AWC, opposes the Legislature's efforts to implement unfunded programs by imposing mandates on municipalities. It supports AWC's request that any reductions in funding for currently mandated services be accompanied by reductions in mandates.* The City is equally concerned about relief from county government's imposition of unreasonable cost-of-service increases as its revenue base shrinks.

**Sales Tax Equalization.** *The City endorses AWC's recommendation to increase funding (by using new funding sources) for the state sales tax equalization account by adjusting the Motor Vehicle Excise Tax (MVET) to provide additional funding to municipalities.* In doing so, the Legislature would be able to assist cities with inadequate sales tax receipts. *The City believes that under no circumstances should existing MVET revenues be diverted from sales tax equalization.* The purpose of the sales tax equalization distribution is to assist cities that earn less than 70% of the statewide city average in sales tax revenues. Kirkland has not received sales tax equalization revenue since 1996, because of the large amount of sales tax revenue generated within the city, and because the state equalization fund has not had sufficient funds due to the increased number of newly incorporated cities (which generate a low rate of sales tax and are consequently in greater need of equalization).

**Water/Sewer.** *The City supports legislation that permits cities to tax water/sewer services provided by special districts.* The City receives a substantial amount of tax revenue through utility tax charged to city residents who receive services from the City. Other residents who receive their services from an outside utility do not pay a utility tax. For the City of Kirkland, this presents a serious inequity issue. The City's 1998 project local water/sewer utility tax revenue is \$475,000. This is based on a 5% residential and 6.5% commercial tax rate. In 1998, it is estimated that Kirkland will lose \$100,000 in tax revenue from services provided by a special utility district, which Kirkland is not authorized to tax.

**1997 Activity.** Neither economic development nor sales tax equalization issues were addressed in the 1997 session. The only activity regarding water/sewer was SSB 5781 which failed. This bill would have allowed cities to assume jurisdiction over a water/sewer district if the entire district, or at least 60% of the district, was within the city limits.

**Private Property Rights.** *The City strongly opposes any legislation that requires compensation action to fulfill state mandated planning and environmental actions unless the state provides compensation.*

**Annexation Reform.** *The City encourages the Legislature to pass reforms which would standardize petition-method annexation procedures between code and non-code cities which have met their GMA requirements. The City also supports legislation that accelerates the transition of county tax revenues available to cities after the annexation has occurred. For example*

**1997 Activity.** There was very little interest in introducing bills regarding GMA or land use issues in 1997. HB 1976 which would have eliminated local government impact fee authority was not successful, but is expected to return in 1998. Also, bills that address the GMA "opt-out" option for counties are also expected to return in 1998. AWC does not anticipate that regulatory or annexation reform will be seriously looked at until the state Land Use Study Commission has made its recommendations to the governor in these areas.

## **ENVIRONMENT**

**Water Resources.** *The City is concerned about its long-term water supply as well as the quality of its water. To this end, the City supports the AWC in encouraging the Legislature to clarify and strengthen existing state water laws. The City urges the Legislature to preserve local government's role in water supply, protection of water supply sources, and funding for water improvements and conservation.*

**1997 Activity.** How water is used in Washington was debated at length in the 1997 session and ultimately, the Governor did not sign either of the two proposed bills. Instead, Governor Locke supported holding additional study sessions during the interim period between the 1997 and 1998 legislative sessions. The most significant legislation was E2SHB 1866 -- the Environmental Excellence Program. The program is a five year trial period in which a regulated entity (city) can work voluntarily with a state regulatory agency to design site specific or issue specific ways to meet environmental regulations. Both the regulator and regulatee must agree on an alternative. It is hoped this will keep costs down. Water resources is expected to be discussed in 1998, but there is little hope for action in this area.

## **GENERAL LOCAL GOVERNMENT**

**Liability.** The City supports legislation in the following liability areas:

- To exempt cities and towns from joint and several liability.
- To provide civil liability immunity to employers who disclose in good faith, information pertaining to a former or current employee.
- To remove the current prohibition against introduction of evidence that a plaintiff's failure to wear a seat belt contributes to the plaintiff's injuries.

**Public Records.** The City support legislation that provides local governments the same ability as state agencies to protect taxpayer information.

## **HUMAN SERVICES**

**Affordable Housing.** *The City concurs with AWC's support of a dedicated, stable funding source for low-income housing that will increase municipalities' current resources.*

**1997 Activity.** The 1997 session did not focus on affordable housing, but spent the majority of their time discussing welfare reform.

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## **CRIMINAL JUSTICE**

**MVET CAP.** In 1997, the growth of MVET criminal justice distributions to cities and counties were capped at the rate of inflation. *The City concurs with AWC's efforts to lift the inflationary cap on MVET funding to allow this funding source to grow at the same rate as the incurred criminal justice expenses, (which are growing considerably faster than inflation). State legislation that calls for tougher sentencing laws, also increase jail, court and police costs to cities and counties. The state need to recognize this and provide the resources for absorbing these costs..*

**Funding for Legislative Changes.** *The City urges the legislature to establish reliable funding sources for legislatively mandated increases in criminal penalties which result in increased jail time (and associated expenses), additional police officers, and increased court or jail service costs.*

**Juvenile Justice Services.** *The City supports the allocation of state funds to cities and counties for local prevention activities which will help divert youths from the criminal justice system. The City also supports fully-funding the 1997 Juvenile Offender Bill to assist county detention facilities and provide juvenile offender services. "Get tough" legislation increases expenses at the county and city level for increased jail time, additional police officers, and additional jail and court expenses. Currently, the County does not charge the cities for juvenile incarceration. However, if the additional costs incurred are not funded, the counties will probably look for ways to pass these expenses along to the cities.*

**1997 Activity.** HB 3900 which makes major changes to the juvenile offender sections of the law was adopted in 1997. The legislation expanded categories (ages 16 & 17) of juvenile offenders who would be automatically ("automatic decline") tried in an adult court: set up standards for parental involvement in the juvenile system; gave the juvenile court jurisdiction over civil infractions involving juveniles; and set up a new community juvenile accountability program. There is great concern regarding the funding structure of this bill. The Legislature chose to use MVET funds (which were never previously allocated to cities and counties) instead of lifting the MVET cap and allowing the excess dollars (amount between inflation and full growth) to fund this bill. The City supports AWC in its efforts to lift the cap on the MVET in the 1998 session.

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## **LAND USE**

**Growth Management Act Legislation.** *The City urges the Legislature to minimize amendments that might undermine previous positive provisions. The City opposes any legislation that would permit counties to opt out of the GMA. The City also opposes legislation that does not fully fund new planning and regulatory mandates.*

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**LAW AND JUSTICE****Courts of Limited Jurisdiction Assesment**

In 1995, a comprehensive survey was commissioned by the Washington State Supreme Court of the policies, procedures, and facilities of Washington state and district courts. The survey specifically focused on the operations of the courts of limited jurisdiction. The intent was to determine ways to strengthen and improve the services provided by these courts.

Recommendations resulting from the survey were made regarding education and training standards for court personnel, court cost fee schedules, types of services provided, core performance standards, and draft legislation which defines courts costs that eligible for recovery in Washington State.

*The City supports the survey recommendations, and encourages the Board of Judicial Administration to consider these recommendations during its comprehensive analysis of the Washington judicial system.*