A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND OPPOSING INITIATIVE 695, WHICH WILL BE BEFORE THE VOTERS OF THE STATE OF WASHINGTON AT THE NOVEMBER 2, 1999 GENERAL ELECTION WITH THE BALLOT TITLE "SHALL VOTER APPROVAL BE REQUIRED FOR ANY TAX INCREASE, LICENSE TAB FEES BE \$30 PER YEAR FOR MOTOR VEHICLES, AND EXISTING VEHICLE TAXES BE REPEALED?"

WHEREAS, the Kirkland City Council has reviewed the potential application of Initiative 695 to the overall operation of the Kirkland City Government, its citizens and residents; and

WHEREAS, this Resolution is before the Kirkland City Council at its regular meeting of October 5, 1999, with notice thereof given in the manner required by RCW 42.17.130(1)(a); and

WHEREAS, at said meeting members of the City Council and members of the public in attendance were afforded an approximately equal opportunity for the expression of opposing views,

NOW, THEREFORE, be it resolved by the City Council of the City of Kirkland as follows:

Section 1. For the reasons given herein below, the City Council of the City of Kirkland takes a position opposing the passage of Initiative 695 and urges the voters at the general election to be held on November 2, 1999 to vote against the passage of Initiative 695.

Section 2. I-695, if adopted, will repeal the motor vehicle excise tax and the flow of that revenue to the services and programs now partially funded by the tax, including transportation capacity projects, transit and public health services. Initiative 695 would repeal the transportation funding plan which was put into law when the voters passed Referendum 49 in 1998.

Initiative 695, if adopted by the voters, would seriously diminish the ability of elected representatives to perform their fiscal duties. I-695 would add a requirement that all tax increases "shall require voter approval". Initiative 695 also provides that increases in City of Kirkland fees and other monetary charges shall require voter approval. The City of Kirkland (along with the State of Washington, its counties, and other political subdivisions) is organized as a representative governmental unit having elected representatives charged with the duty of operating the City and its services and programs effectively and economically in the interest of the general public. To do so responsibly requires that the elected representatives be able to act with the full authority granted to them by the State and Federal Constitutions and State laws. This authority includes the power to make decisions about governmental income (i.e., taxes and fees) as well as to allocate that income so as to fund responsibly all of the programs and services required to be provided by the City. I-695 would be inconsistent with our representative form of government.

While the provisions of I-695 appear to be straightforward and simple, the actual interpretation of their impact on governmental services (such as public safety and street construction and maintenance) is not clear. The motor vehicle excise tax revenue stream is by State law dedicated to partially fund those essential services at the State and local level as well as other programs indirectly impacted by the operation of motor vehicles. I-695, if adopted, will specifically repeal some 44 sections of State law as part of repealing the flow of motor vehicle excise tax revenue to existing programs.

It is also not clear what the effect would be of the new requirement proposed by I-695 for voter approval of all tax increases imposed by governments at the State, regional, county, and local levels. By State election law, special elections may only be held on a few specified dates during the course of the year. Under I-695, there is authority for emergency measures by the legislature, but there is no clear emergency authority available to the City of Kirkland. This would hamper the ability of elected representatives to perform their duties.

Passed by majority vote of the Kirkland City Council in regular, open meeting this <u>5th</u> day of <u>October</u>, 1999.

Signed in authentication thereof this <u>5th</u> day of <u>October</u>, 1999.

MAYOR

Attest:

Reso\1695

- 2 -