



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

January 27, 2003

Motion 11634

Proposed No. 2003-0020.1

Sponsors Pelz

1 A MOTION declaring the council's support for the Local
2 Government Joint Legislative Proposal of the Association
3 of Washington Cities, Washington Association of County
4 Officials and Washington State Association of Counties.

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 WHEREAS, local jurisdictions from around Washington state are facing budget
8 deficits that are threatening the delivery of critical services, and

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 WHEREAS, King County is currently working to manage a current expense (CX)
 general fund deficit of approximately \$140 million over four years, and

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 WHEREAS, the Association of Washington Cities, Washington Association of
 County Officials and Washington State Association of Counties have worked together to
 develop a legislative proposal that addresses many of the concerns expressed by the
 membership of these organizations;

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 NOW, THEREFORE, BE IT MOVED by the Council of King County:

Motion 11634

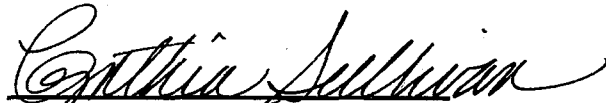
16 The council supports the Local Government Joint Legislative Proposal developed
17 by the Association of Washington Cities, Washington Association of County Officials
18 and Washington State Association of Counties.

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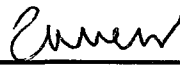
Motion 11634 was introduced on 1/21/2003 and passed by the Metropolitan King County Council on 1/27/2003, by the following vote:

Yes: 9 - Ms. Sullivan, Ms. Edmonds, Ms. Lambert, Mr. Phillips, Mr. Pelz,
Mr. Constantine, Mr. Gossett, Mr. Irons and Ms. Patterson
No: 4 - Mr. von Reichbauer, Mr. McKenna, Mr. Pullen and Ms. Hague
Excused: 0

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON


Cynthia Sullivan, Chair

ATTEST:



Anne Noris, Clerk of the Council

Attachments A. Local Government Joint Legislative Proposal

AWC

**Association of
Washington Cities**

WACO

**Washington
Association of
County Officials**

WSAC

**Washington State
Association
of Counties**

**LOCAL
GOVERNMENT
JOINT
LEGISLATIVE
PROPOSAL**

Chuck Mosher, AWC President
Greg Zempel, WACO President
Harold Moss, WSAC President

TRI-ASSOCIATION PRINCIPLES

For

LOCAL GOVERNMENT REVENUE

The Association of Washington Cities, the Washington State Association of Counties, and the Washington Association of County Officials recognize the fiscal crisis faced by state and local government and adopt the following principles:

- The Tri-Association will make every effort to assist uniquely impacted jurisdictions to secure sufficient resources so that all cities and counties are able to provide basic services.
- The Tri-Association recognizes the need to enhance local government revenues with a focus on securing additional resources for criminal justice and public health expenses. The Tri-Association will advance legislative solutions that assist both cities and counties and will seek \$200 million - \$250 million in additional annual revenue options for cities and counties. The Tri-Association will also work to ensure that cities and counties are provided adequate flexibility in the use of current revenue sources.
- The Tri-Association will support legislation to reduce and/or eliminate state-imposed mandates and program responsibilities or to seek reimbursement and to expand opportunities for increased efficiencies in local government.
- The Tri-Association will assist the members in each of the associations to communicate with citizens concerning the impact of insufficient revenues on basic city and county services and the need for corresponding service reductions.

TRI-ASSOCIATION LEGISLATIVE PROPOSAL

To assure the capacity of cities and counties to meet criminal justice needs, protect public health, and provide other critical services, the Tri-Association recommends that the Legislature protect local governments' existing revenue base and authorize the following revenue options:

RELIEF FOR LOCAL GOVERNMENTS

- State assistance to local governments that suffered a sizeable loss of their general fund revenues is essential to assure that they can provide minimum levels of services. (Funding source to be determined.)
- Continued funding for local public health is a high priority for state and local officials. The state must find the means to meet growing demands and assure stable program funding. Twenty-five cents of the state levy unused capacity could be used to fund public health in the state.

LOCAL REVENUE OPTIONS PACKAGE

Sales Tax Subject to Voter Approval

- Counties are authorized to impose an additional sales tax up to 0.2%.
- If a county failed to impose such tax, a city therein may, subject to voter approval, levy such tax.
- Countywide Distribution: Countywide sales taxes would be distributed using a formula of 40/40/20.
 - 40% for County regional services.
 - 40% for City services.
 - 20% for Unincorporated services.
- Within each county, the cities and county may negotiate a different distribution formula.

Property Tax Subject to Voter Approval

Shift 35 cents per thousand from the unused state statutory levy capacity as follows:

- 10 cents countywide, increasing the maximum county general levy authority from \$1.80 to \$1.90 per thousand, for regional services.
- 25 cents to cities, increasing the maximum city levy authority from \$3.60 to \$3.85.
- 25 cents to unincorporated areas for police and other services. (This would require formation of an Unincorporated Service Area.)

Utility Taxes Subject to Action by the Local Legislative Authority

- Cities are authorized to impose up to an additional 2% utility tax without voter approval.
- Counties are authorized to have taxing powers in unincorporated areas identical to cities, except that there is no authority to impose a business and occupation tax other than on utility services.
- The authority to tax utility services shall apply to all such services provided to consumers by any utility purveyor.

IMPROVE EXISTING REVENUE ELEMENTS

- **Levy Lid Measures:** Reduce the frequency of levy lid lift ballot measures to allow voters to approve multi-year levy lid lifts.
- **Flexibility for Capital Purposes:** Loosen restrictions on the usage of the current Real Estate Excise Tax (REET) to allow use for all capital purposes.
- **Recognize Community Priorities:** Eliminate or reduce statutory fund restrictions that require local governments to spend money on lower priority programs, while higher priority programs are being cut.
- **Parity for Utility Taxation within Cities:** Authorize cities to impose utility taxes on special purpose utility districts for services consumed within such cities.
- **Interest Earnings:** Clarify treatment of interest earnings to permit counties to deposit interest earnings from all county funds in the county current expense fund.

CHANGE STATE LAWS TO PERMIT CITIES AND COUNTIES TO CUT COSTS AND MAKE MORE EFFICIENT USE OF EXISTING RESOURCES

Environmental:

- **Flexibility in Meeting Unfunded Regulatory Mandates:** Suspend mandates for environmental or land use planning updates if state funding is not provided (e.g. Shorelines, GMA). Local governments need flexibility in meeting unfunded regulatory mandates, such as the stormwater management requirements, which mandate practices with significant costs to local government.

Local Government Operations:

- **Efficient Purchasing:** Eliminate red tape generated by outmoded purchasing and bid requirements. Increase competition and cut costs by publishing bid requirements on a central website.
- **Market Interest Rates:** Reduce interest rates paid by governments (and therefore taxpayers) for court awards. Currently, interest on awards is set at 12%, even when ordinary bank accounts are earning about 1%.
- **Updating Building Codes:** Adopt building codes used by other states to reduce costs for training, documentation and building.
- **Independent Audits:** Reduce the cost of audits by allowing jurisdictions the flexibility to have audits competitively bid by private firms.

- **Binding Interest Arbitration:** Mandate that arbitrators use the implicit price deflator for cost of living adjustments. Amend the binding interest arbitration statutes to require arbitrators to consider a jurisdiction's ability to pay. Eliminate comparables outside the state for all interest arbitration.

Capital Projects

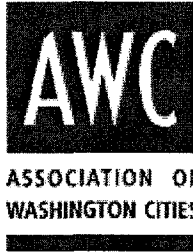
- **Inter-local Cooperation on Construction and Maintenance:** Allow local jurisdictions to bid on each other's projects in order to increase competition and make better use of specialized equipment and staff.
- **Public Works Projects:** Speed up public works projects by eliminating months of delay caused by the redundant approval process for Public Works Trust Fund projects.
- **Alternative Construction Bid Methods:** Authorize or expand alternative construction bid methods, such as design/build or general contractor construction management (GCCM).
- **Cut the Cost of Jail Construction:** Allow jail projects to qualify for low-interest financing through the Public Works Trust Fund.

Law and Justice

- **Local Courts:** Reduce court costs by allowing jurisdictions to downsize and/or consolidate courts to recognize changes in local government boundaries, caseload reductions, and/or to permit economies of scale.
- **Publicly Funded Criminal Defense:** Improve standards and process for determining when criminal defendants are entitled to free legal defense.
- **Tort Costs Limitation:** Set reasonable limits on tort liability related to the criminal justice system.
- **Downsizing and Multi-jurisdictional Consolidation:** Permit local governments to offer early retirement incentives for LEOFF personnel for downsizing or multi-jurisdictional consolidation.
- **Third Degree Driving While License Suspended:** Decriminalize Third Degree DWLS to unclog criminal courts, warrant systems and jails of thousands of cases for this offense.

ELIMINATE STATE COST SHIFTS WITHOUT REVENUE

- **Election Costs:** Require the state to pay its share of even-year election costs.
- **Jail Medical Costs:** The state's failure to fund this expense has cost local taxpayers millions. Require the state to fund the medical costs in jails.
- **Tax Exemption Review:** Require a periodic review of current tax exemptions to determine if they are still in the public interest.
- **Equalize Impacts of Sentence Reductions:** If the state reduces sentences for crimes, reduce the corresponding sentences that impact jails operated by local governments. Share the cost savings between state and local governments by adjusting the one year cutoff for felony prisoners sent to state prisons versus county jails, potentially reducing the cost of incarceration for both state and local governments.



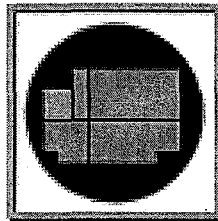
ASSOCIATION OF WASHINGTON CITIES

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WASHINGTON ASSOCIATION OF COUNTY OFFICIALS

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WASHINGTON STATE ASSOCIATION OF COUNTIES

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