

CITY COUNCIL AGENDA ITEM

CITY OF SHORELINE, WASHINGTON

AGENDA TITLE: Public Hearing for the Purpose of Hearing Residents' Comments on Washington State Initiative-976 Concerning Motor Vehicle Taxes and Fees and Adoption of Shoreline City Council Resolution No. 442 Opposing Initiative-976 on the November 5, 2019 General Election Ballot

DEPARTMENT: City Manager's Office

PRESENTED BY: Jim Hammond, Intergovernmental Relations

ACTION: ☐ Ordinance ☒ Resolution ☐ Motion
 ☐ Discussion ☒ Public Hearing

PROBLEM/ISSUE STATEMENT:

If passed by the voters in the general election this fall, Washington State Initiative-976, which concerns motor vehicles taxes and fees, would significantly disrupt funding of roadway and sidewalk preservation projects and reduce funds for new transportation projects in the City as well as regionally. Following a City Council discussion on July 22, 2019, where staff presented an agenda item to Council explaining what the impacts would be to the City if I-976 is approved by Washington State voters, the City Council directed staff to prepare a resolution in opposition to I-976. Proposed Resolution No. 442 declares City Council opposition to I-976.

Tonight, Council is scheduled to hold a Public Hearing on residents' comments on I-976 and on proposed Resolution No. 442. In order to consider a resolution in support of or opposition to a ballot measure, the City Council must provide equal time to individuals speaking in favor of or in opposition to the ballot measure. Tonight's Public Hearing will provide for this public comment requirement. Following the Public Hearing, Council is scheduled to take action on proposed Resolution No. 442.

RESOURCE/FINANCIAL IMPACT:

Passage of I-976 would reverse the City Council actions that implemented a \$20 VLF in 2009 that supports the City's pavement preservation program, and the \$20 VLF in 2018 to support the repair and maintenance of the City's sidewalk network. In 2019, in total, the VLFs are estimated to generate approximately \$1,452,500 due to a partial year collection of the sidewalk VLF. In 2020, the VLFs are estimated to generate approximately \$1,660,000. A similar amount of annual revenue from the total \$40 VLF would continue into the future.

RECOMMENDATION

Staff recommends that the City Council hold a Public Hearing to hear residents' comments on Washington State Initiative-976 and consider Resolution No. 442 opposing Initiative-976.

Approved By: City Manager ***DT*** City Attorney ***MK***

BACKGROUND

On March 19, 2018, a state-wide initiative to repeal, reduce, or remove authority to impose certain vehicle taxes and fees; limit annual motor-vehicle-license fees to \$30, except voter-approved charges; and base vehicle taxes on Kelley Blue Book value was filed with the Washington State Secretary of State. The Secretary of State declared that enough valid signatures were submitted for the initiative and that the measure was certified to the legislature on January 15, 2019. The Washington State Legislature adjourned early this year without acting on Initiative-976 (I-976), thereby certifying it for the general election ballot on November 5, 2019. More information on I-976 can be found at the following link:

[https://ballotpedia.org/Washington Initiative 976, Limits on Motor Vehicle Taxes and Fees Measure \(2019\).](https://ballotpedia.org/Washington_Initiative_976,_Limits_on_Motor_Vehicle_Taxes_and_Fees_Measure_(2019).)

On July 22, 2019 staff presented an agenda item to Council that explained what the impacts would be to the City if I-976 is approved by Washington State voters. The staff report for this Council discussion can be found at the following link:

<http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2019/staffreport072219-8b.pdf>.

As was noted on July 22nd, the City currently imposes a \$40 vehicle license fee (VLF) per year on all vehicles registered in Shoreline. The initial \$20 vehicle license fee for transportation improvements was enacted in 2009, and the second \$20 to support the repair and maintenance of the City's sidewalk network was enacted in 2018. At the time of enactment, the initial \$20 VLF was anticipated to generate approximately \$600,000 annually. The initial \$20 VLF has helped fund the City's Annual Road Surface Maintenance program. The second \$20 was anticipated to generate an additional \$830,000 annually. With the previous \$20 vehicle license fee, a total of approximately \$1,660,000 is generated annually in VLF in Shoreline.

DISCUSSION

If passed by the voters in the general election this fall, I-976 would significantly disrupt funding of roadway and sidewalk preservation projects and reduce funds for new transportation projects in the City as well as regionally. Following the discussion on July 22nd, the City Council directed staff to prepare a resolution in opposition to I-976. Proposed Resolution No. 442 (Attachment A) declares City Council opposition to I-976 concerning motor vehicle taxes and fees.

Tonight, Council is scheduled to hold a Public Hearing on residents' comments on I-976 and on proposed Resolution No. 442. In order to consider a resolution in support of or opposition to a ballot measure, State law requires that the City Council must provide equal time to individuals speaking in favor of or in opposition to the ballot measure. Tonight's Public Hearing will provide for this public comment requirement. Following the Public Hearing, Council is scheduled to take action on proposed Resolution No. 442.

RESOURCE/FINANCIAL IMPACT

Passage of I-976 would reverse the City Council actions that implemented a \$20 VLF in 2009 that supports the City's pavement preservation program, and the \$20 VLF in 2018 to support the repair and maintenance of the City's sidewalk network. In 2019, in total, the VLFs are estimated to generate approximately \$1,452,500 due to a partial year collection of the sidewalk VLF. In 2020, the VLFs are estimated to generate approximately \$1,660,000. A similar amount of annual revenue from the total \$40 VLF would continue into the future.

RECOMMENDATION

Staff recommends that the City Council hold a Public Hearing to hear residents' comments on Washington State Initiative-976 and consider Resolution No. 442 opposing Initiative-976.

ATTACHMENTS

Attachment A: Proposed Resolution No. 442

RESOLUTION NO. 442

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON, OPPOSING INITIATIVE MEASURE NO. 976, AN INITIATIVE SEEKING TO REPEAL AUTHORITY TO IMPOSE CERTAIN VEHICLE TAXES, CHANGE VEHICLE VALUATION LAWS, AND LIMIT MOTOR VEHICLE LICENSE FEES TO \$30.00.

WHEREAS, as provided in chapter 36.73 RCW, the City formed a city-wide transportation benefit district (TBD) in 2009 and imposed a \$20.00 vehicle license fee for annual road surface maintenance; and

WHEREAS, with the adoption of Ordinance No. 822, the City increased the vehicle license fee by \$20.00, to \$40.00, to support the repair and maintenance of the City's sidewalk network; and

WHEREAS, Initiative No. 976 was filed with the Washington State Legislature which did not act on the Initiative during the 2019 legislative session and, therefore, pursuant to RCW 29A.72.260, the Initiative will be presented to Washington State voters at the November 2019 General Election; and

WHEREAS, if passed by the voters in the November 2019 General Election, the Initiative would eliminate the TBD's authority to impose vehicle license fees and repeal the vehicle license fees already imposed by the City, resulting in a funding loss of approximately \$1,660,000 annually; and

WHEREAS, in addition to the City's financial impact, the Initiative would reduce state transportation funding along with voter-approved funding for Sound Transit; and

WHEREAS, RCW 42.17A.555 permits the City Council to oppose a ballot proposition at an open public meeting so long as notice of the meeting includes the title and number of the ballot proposition and those expressing an opposing view are afforded an approximately equal opportunity to express an opinion;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON, HEREBY RESOLVES:

Section 1. Statement in Opposition to Initiative No. 976. The Shoreline City Council hereby expresses its opposition to Initiative No. 976 and encourages the citizens of Shoreline to reject Initiative No. 976, a measure repealing or removing authority to impose certain vehicle taxes and fees, including charges funding mass transit or regional transportation; change vehicle valuation laws; and limit motor vehicle license fees to \$30, except voter-approved changes; at the November 2019 General Election.

Section 2. This Resolution shall take effect and be in full force immediately upon passage by the City Council.

ADOPTED BY THE CITY COUNCIL ON AUGUST 12, 2019.

Mayor Will Hall

ATTEST:

Jessica Simulcik Smith, City Clerk