



CITY OF KIRKLAND
City Manager's Office
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MEMORANDUM

To: Kurt Triplett, City Manager

From: Erin Leonhart, Intergovernmental Relations Manager

Date: September 21, 2010

Subject: KING COUNTY PROPOSITION NO. 1 – SALES AND USE TAX FOR CRIMINAL JUSTICE, FIRE PROTECTION, AND OTHER GOVERNMENT PURPOSES

Recommendation

It is recommended that the City Council conduct a public hearing and consider a Resolution supporting King County Proposition No. 1 – Sales and Use Tax for Criminal Justice, Fire Protection, and Other Government Purposes.

Background

According to a King County staff report, current economic projections identify a King County general fund deficit in excess of \$60 million for 2011 and an additional deficit of \$80 million for 2012. The King County general fund provides for many of the mandated services for county government, including the County's criminal justice system. In 2010, approximately 76% of the County's general fund budget is dedicated to the criminal justice system, up from 67% in 2001.

As a result, on July 26, 2010 the Metropolitan King County Council adopted Ordinance 16899 concerning funding for criminal justice, fire protection, and other government purposes. This Ordinance forwarded a tax proposition to the voters (King County Proposition No. 1), which will appear on the November General Election ballot. If approved by voters, Proposition No. 1 would authorize King County to fix and impose an additional sales and use tax of 0.2%, split between the county (60%) and cities (40%). At least one-third of all proceeds shall be used for criminal justice or fire protection purposes.

All of the county tax proceeds would be used for criminal justice purposes, defined to be activities that substantially assist the criminal justice system (RCW 82.14.340), and for replacement of capital facilities, including the Alder Wing and Tower of the King County Youth Services Center. City tax proceeds would be used for criminal justice purposes, fire protection purposes, or other general city purposes, as authorized by RCW 82.14.450 and as determined by each city.

As a condition for imposition of the tax in the first three years (2011, 2012 and 2013), at least \$9.5 million must be diverted from the county road fund and appropriated for police protection in the unincorporated area of King County. If this condition is not met, the entire tax will expire on March 31 following the year in which the condition is not met. Unless the tax has expired earlier, one half of the tax (0.1%) will expire on April 1, 2014 and the remainder will expire on April 1, 2031.

Under RCW 42.17.130, the Council may vote on a resolution to support or oppose a ballot proposition "so long as (a) any required notice of the meeting includes the title and number of the ballot proposition, and (b) members of the legislative body or members of the public are afforded an approximately equal opportunity for the expression of any opposing view; . . ."

The City Clerk published notice of the public hearing and included the ballot title and proposition number in the notice.

Attachment



MEMORANDUM

To: Kurt Triplett, City Manager
From: Tracey Dunlap, Director of Finance and Administration
Tammy McCorkle, Budget Analyst
Date: September 21, 2010
Subject: King County Two Percent Public Safety Sales Tax

In November 2010, King County is putting a sales tax measure on the ballot for residents of King County to vote on imposing an additional sales and use tax of two percent per RCW 82.14.450 for criminal justice, fire protection and other general governmental purposes. One percent would be in effect for 3 years and one percent would continue for 20 years. This would be in addition to the currently imposed sales and use tax. Forty percent of the additional two percent would be distributed to cities in King County, including Kirkland, on a per capita basis.

Should the measure pass, cities would be required per the authorizing RCW 82.14.450 to spend one-third of all the proceeds on criminal justice purposes, fire protection purposes, or both. Per RCW 82.14.340, Criminal justice purposes are defined as activities that substantially assist the criminal justice system and can include construction or expansion of jails and court facilities. Per King County Ordinance 2010-0365 the remaining two-thirds could be used for criminal justice, fire protection or other general governmental purposes.

Based on information provided by King County the following shows the estimated revenue the City of Kirkland would receive during the next biennium:

	2011	2012
1% in effect for 3 years	\$369,791	\$840,078
1% in effect for 20 years	\$369,791	\$840,078
Total	\$739,582	\$1,680,157

2012 would be the first full year of revenue and includes an assumed increase in population due to annexation of 31,000. Note that, there is no annexation-related revenue in 2011 because the apportionment is made based on the 4/1/2011 population.

The proposed sales tax would be time-limited revenue; in the event the sales tax proposal is passed by voters, the City Manager recommends the following uses:

- The 1% in effect for 3 years - fund the Public Safety Sinking Fund items which are identified in a separate issue paper.
- The 1% in effect for 20 years - used towards the debt service for the Public Safety Building.

Using the increased sales tax in these ways would free up some General Fund resources, the use of which would be determined as part of the budget deliberations if the tax passes.

RESOLUTION R-4838

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND STATING THE CITY COUNCIL'S SUPPORT FOR PROPOSITION NO. 1, SALES AND USE TAX FOR CRIMINAL JUSTICE, FIRE PROTECTION, AND OTHER GOVERNMENT PURPOSES.

WHEREAS, on November 2, 2010, voters in King County will decide whether to approve a sales and use tax for criminal justice, fire protection, and other government services; and

WHEREAS, this proposition would authorize King County to impose an additional sales and use tax of 0.2%, split between the County (60%) and cities (40%); and

WHEREAS, at least one-third of all tax proceeds shall be used for criminal justice, fire protection purposes or both; and

WHEREAS, Proposition No. 1 is needed to preserve a strong County-wide criminal justice system; and

WHEREAS, the City of Kirkland would receive a share of the tax proceeds which could be used for criminal justice purposes, fire protection purpose, or other general City purposes; and

WHEREAS, a safe community is an important part of the quality of life enjoyed by Kirkland residents; and

WHEREAS pursuant to State law, RCW 42.17.130, the City Council of Kirkland desires to show its support for Proposition No. 1;

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

Section 1: The City Council supports Proposition No. 1, Sales and Use Tax for Criminal Justice, Fire Protection, and Other Government Purposes.

Section 2: The City Council urges Kirkland voters to vote yes on Proposition No. 1.

Passed by majority vote of the Kirkland City Council in open meeting this ____ day of _____, 2010.

Signed in authentication thereof this ____ day of _____, 2010.

MAYOR

Attest:

City Clerk