

**City of Kirkland  
Legislative Agenda  
2005 Legislative Session**

*As adopted by the Kirkland City Council, December 14, 2004.*

*The following issues have been identified as top priorities by the City Council.*

**Annexation**

*Kirkland supports legislation that provides local governments with a set of annexation tools that help achieve the goal of having cities be the urban service providers within urban growth areas.*

Kirkland has an interest in achieving the annexation of its potential annexation area in order to accomplish more efficient delivery of services and improved access to local decision-makers. With recent annexations and incorporations of new cities, it has become more and more challenging for King County to serve the remaining islands of urban area that are under its jurisdiction. This makes Kirkland better equipped to provide services within annexation area than is the County. One of the major challenges inhibiting annexation is the estimated “annexation deficit” of approximately \$3 to 3.5 million annually to fund services, based on a fiscal study commissioned by the City. This means that the cost of providing Kirkland’s level of service to the annexation area exceeds the revenue that will be generated from that area by a significant amount.

To encourage annexation, Kirkland strongly supports legislation that would give cities the option of instituting a transitional utility surtax in newly incorporated areas for a period of time in order to ameliorate the fiscal impact of annexation. Such a utility surtax would be voted on by the residents of the annexation area. Kirkland also supports options for funding of capital facilities within annexation areas and allowing cities to expedite annexation within areas with utility service agreements.

**Municipal Courts**

*Kirkland supports cities’ ability to form municipal courts and is working to preserve all options for providing municipal court services in the future.*

Local governments should have the authority to choose the court structure that best meets local needs, including municipal courts that feature cities contracting with neighboring cities to provide court services. The authority for these courts has recently been affirmed in the King County Superior Court decision in *City of Medina v. Melody Primm*. The community court structure allows the contracting cities to keep the court local, while realizing cost efficiencies that would not be possible if each city were required to have its own court. It also increases citizen access to court services by having the courts located closer to home. By reducing law enforcement travel time to and from court, it allows law enforcement personnel to spend more time ensuring public safety.

To maintain the efficiency and independence of these courts, cities should retain the ability to appoint municipal judges who work less than full time. In addition, State law should continue to allow cities to retain and direct municipal court revenues at the local level.

### **Transportation**

*Kirkland supports amendments to the Regional Transportation Improvement District (RTID) legislation that would provide greater flexibility for the sources and uses of RTID funds.*

The current RTID legislation's inflexible funding requirements make it difficult to fund transit and other transportation choices. It requires that at least 90% of funds be spent on Highways of Statewide Significance, even when alternative investments would be more effective. In addition, RTID should expand the potential funding sources beyond its current reliance on sales tax.

*Kirkland supports additional funding for local transportation improvements. This should include gas tax distributions that ensure a fairer return to cities, increased funds for the Transportation Improvement Board (TIB), and additional local options for transportation funding.*

Washington cities are falling dangerously behind in maintaining city streets and bridges and meeting growing capacity and mobility needs. Significant cuts in state funding, coupled with the loss of revenue sources, have created a crisis for our local transportation systems. For example, Kirkland has lost approximately \$450,000 annually as a result of the revocation of the Vehicle License Fee. In addition, fuel tax revenues have declined at an average rate of almost 4% per year (in inflation adjusted dollars) due to the structuring of that revenue source

In 2002, cities invested \$936 million on transportation -- \$200 million for street maintenance alone. Yet this covers only one-third of ongoing needs and does not address a critical maintenance backlog. To solve these problems, Washington cities need an injection of direct state dollars and new local funding options.

### **Gambling**

*Kirkland supports legislation that would clarify that local governments have the ability to ban and zone gambling activities.*

Local jurisdictions should have binding authority to determine the land use and zoning regulations that apply to gambling establishments. This is particularly important given the potential negative impacts of gambling establishments on the surrounding community.

***The following have been identified as important issues during 2005***

### **Streamlined Sales Tax**

*Kirkland supports the objectives of the Streamlined Sales Tax project, including the application of sales tax to internet and catalogue sales. Those jurisdictions that are adversely impacted by the implementation of streamlined sales tax should receive State*

*mitigation funding based on their sales tax revenue loss attributable to destination sourcing.*

State implementation of destination based sourcing will prepare Washington for the future application of sales tax to internet and catalogue sales. Under current law, the local sales tax on sales of goods is allocated to the jurisdiction where the delivery of the purchased item originates. The SST would shift local sales tax allocation to the destination of delivery instead. For most transactions where the place of delivery is the retail store, SST would make no change to the distribution of sales tax. However, for goods that are delivered from a warehouse directly to the purchaser's home, then the sales tax would be remitted to the local government where the purchaser resides rather than the local government where the warehouse is located.

The state Department of Revenue is expected to introduce a bill that enacts the SST provisions and provides for mitigation for negatively impacted cities. By acting in 2005, Washington will be eligible for the initial allocation of voluntary compliance money that is estimated at \$30 million in 2006.

### **Human Services**

*Kirkland urges the State to increase the 2005-06 allocation to the Housing Trust Fund and to find a long-term stable funding source for human services, including health and welfare programs for children, low-income adults, and the elderly.*

Kirkland is committed to expanding the supply of affordable housing in our community. Yet, the private housing market does not provide options for those that are in the most need. The Housing Trust Fund is critical to improving the housing choices available to low-income households.

The state receives three times as many applications for viable projects as it can afford to fund under the current \$80 million budget. By increasing investment in the Housing Trust Fund, the State can take advantage of the current very favorable interest rates and address the increasing need for affordable housing for low-income persons in Washington.

Health and welfare programs for children are necessary for family economic self-sufficiency and for children's healthy growth and development. Kirkland supports affordable, quality child care, and out-of-school programs, expanded employment and training opportunities for youth, including public-private partnerships, and early intervention and prevention programs for at-risk children and youth. Kirkland also supports continuing federal and state assistance to low-income residents, particularly the elderly.

### **Economic Development**

*Kirkland supports legislation that would make additional economic development tools available to local governments.*

Kirkland supports local economic development incentives that help to attract, retain, expand and support economic activity that promotes prosperity and improves the quality of life in the community.

### **Incentives for Affordable Housing**

*Kirkland supports incentives for affordable housing, including property tax exemptions to new or rehabilitated multi-family housing.*

Currently, State law allows cities to grant a 10-year property tax exemption to new or rehabilitated multifamily housing located in designated urban centers as an incentive for the creation of affordable housing. The current law allows partial exemptions for condominiums, but not for rental properties. Kirkland supports legislation that would extend the authorization of partial exemption to rental properties. This would allow Kirkland to offer the property tax exemption on just the portion of the multi-family rental property that is devoted to affordable housing.

A partial property tax exemption for affordable rental units would give cities more flexibility in offering incentives and would be more consistent with the preference that local builders have for including a 10%-20% share of affordable units within an overall project.

### **Protection of the Environment**

*Kirkland places high importance on protecting and enhancing the environment in order to maintain the quality of life for both current and future generations.*

Kirkland opposes the weakening of federal and state policies that establish environmental quality levels. Kirkland supports laws and policies that protect against adverse effects upon humans, animals, and plants. In addition, Kirkland urges the state to continue its funding support of the Washington Wildlife and Recreation Program which funds the acquisition of important park lands and wildlife habitat.

### **Tort Reform**

*Kirkland supports efforts by the state to reduce liability costs for local governments.*

Kirkland supports the following specific areas of tort reform:

*Strengthening the Public Duty Doctrine* that gives liability protection to local governments for the performance of necessary services;

*Joint and several liability* – defendants should be held liable only for the share of damages for which they are responsible;

*Governmental activities*: providing caps on non-economic damages for local government entities, their officers, employees, and volunteers.

### **Growth Management**

*Kirkland supports the goals of the growth management act and supports improvements that are aimed at enhancing or clarifying the ability of cities to continue planning under GMA.*

Kirkland supports establishing a new 10-year staggered update cycle that is coordinated with OFM's release of new population projections.

Kirkland supports the buildable lands program and further supports dedicated state funding to maintain this mandated program.

Kirkland supports legislation that provides local governments with additional tools to encourage annexation within urban growth boundaries.