

RESOLUTION NO. 1999-37

A RESOLUTION of the City Council of the City of Lakewood,  
Washington, expressing opposition to Initiative 695

WHEREAS, the voters in the State of Washington will be voting this November on Initiative 695 (I-695) which seeks to reduce motor vehicle excise tax (MVET) to \$30.00 per vehicle and which requires a vote of the people for the approval of any increase in state or local taxes, fees, or charges; and,

WHEREAS, the financial impacts of I-695, if approved by the voters, would be extremely disproportionate among jurisdictions; and,

WHEREAS, because the Initiative seeks to eliminate the MVET, which funds sales tax equalization for cities that already receive disproportionately lower tax revenues, it would further exacerbate existing inequities in funding local government services; and,

WHEREAS, in addition to the inequity of the impacts of I-695, the language of the Initiative is so broadly worded that it would seemingly require voter approval for things that do not involve governmental action and could conceivably jeopardize municipal service provision and general taxing authority because of the limitation that applies the same standard to increases in tax rates as well as simple increases in the amount of tax dollars received; and,

WHEREAS, there are also a number of areas of concern about constitutional challenges that have surfaced with respect to the language of I-695, including its violation of the single subject requirements, surrender of legislative taxing authority, amendment of statutes by

reference, and others, such that the legal challenges of Initiative 695 may cost significant tax payer dollars to litigate these questions; and,

WHEREAS, while the City Council of the City of Lakewood can appreciate the concerns of those people who are troubled by the formula for calculation of MVET, this concern should not be solved by a measure that creates disproportionate, inequitable impacts as well as potentially costly legal and practical problems with which the citizens and tax payers of the state would have to contend; and,

WHEREAS, particularly in light of the interests the City of Lakewood has in pursuing economic development, anything that hinders the City's ability to provide an adequate level of service to its citizens and to promote the City in an attractive way to developers is of concern to the City of Lakewood.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAKEWOOD, WASHINGTON HEREBY RESOLVES, as Follows:

Section 1. That any effort to address concerns about the methodology for MVET calculations or the level of taxation should not unfairly and disproportionately impact some jurisdictions while leaving others virtually unscathed, and to that extent sales tax equalization should be funded from a source that is not tied to the concerns giving rise to Initiative 695.

Section 2. That the areas of practical and legal concern that may result in difficult and perhaps impossible tasks of implementing the Initiative, as well as the legal challenges that may take years to be resolved will cost taxpayer dollars due to the poor drafting of the Initiative.

Section 3. That for the above reasons, I-695 should be opposed.

Section 4. That the City Council requests that the Washington State Legislature and the Governor work to address the citizen concerns regarding MVET in a way that does not disproportionately impact jurisdictions and that does not create additional liabilities and uncertainties in its implementation.

Section 5. This Resolution shall be in full force and effect upon passage and signatures hereon.

PASSED by the City Council this \_\_\_\_\_ day of \_\_\_\_\_, 1999.

CITY OF LAKEWOOD

\_\_\_\_\_  
Bill Harrison, Mayor

Attest:

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Alice M. Bush, CMC, City Clerk

Approved as to Form:

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Daniel B. Heid, City Attorney

FAILED October 18, 1999