



RESOLUTION NO. 39236

1 BY REQUEST OF MAYOR STRICKLAND

2 A RESOLUTION providing for the submission of a proposition to the electors of
3 the City of Tacoma, at the General Election to be held on November 3,
4 2015, authorizing the City to levy an additional 1.5 percent earnings tax on
5 utility companies, and a levy lid lift of \$0.20/\$1,000 in assessed value over
6 a period of ten years, for the sole purpose of funding repair and
7 maintenance improvements for residential and arterial streets, freight
8 access, and bike and pedestrian mobility in the City of Tacoma; setting
9 forth the ballot proposition; requiring an annual progress report; and
10 directing the City Clerk to transmit to the Pierce County Auditor a certified
11 copy of this resolution.

12 WHEREAS the City Council has identified infrastructure improvement as
13 one of its Strategic Goals, and

14 WHEREAS adequate and dedicated funding to preserve and maintain City
15 streets continues to be a significant challenge for the City, and

16 WHEREAS the City Council and Council-appointed task forces have
17 consistently identified the issue of sustainable, dedicated funding for basic
18 maintenance of City and neighborhood streets and road safety upgrades, pothole
19 repairs, repaving of streets and arterials, safety improvements at intersections,
20 sidewalks and crosswalks near schools, and bridged maintenance and safety
21 repairs as a top priority, and

22 WHEREAS RCW 35.22.280 permits first-class cities to levy a tax on the
23 privilege of conducting utility businesses such as electrical energy, natural gas,
24 or telephone business, and RCW 35.21.870 limits imposition of such taxes to a
25 rate of six percent in the absence of approval by a majority of the voters of the
26 City, and



1 WHEREAS RCW 84.55.050 provides for the levy of regular property taxes
2 in an amount exceeding the limitations specified in Chapter 84.55 RCW if such
3 increased levy is authorized by a proposition approved by a majority of the voters
4 at the general election held within the taxing district (a “levy lid lift”), and
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6 WHEREAS RCW 84.55.050 further provides that the proposition may limit
7 the time period and purpose for which the increased levy is to be made and that,
8 unless otherwise stated in the proposition, subsequent levies shall be computed as
9 if the proposition had not been approved and the City had made levies at the
10 maximum rates which would otherwise have been allowed, and
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12 WHEREAS, if approved by the voters, the funds raised by a 1.5 percent
13 increase in the utility earnings tax and levy lid lift of \$0.20/\$1,000 in assessed
14 value over a period of ten years would be used exclusively to finance Citywide
15 street maintenance improvements and safety upgrades, and
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17 WHEREAS the City Council deems it necessary to submit to the qualified
18 electors a proposed tax increase of 1.5 percent earnings tax on utility companies,
19 and a levy lid lift of \$0.20/\$1,000 in assessed value over a period of ten years, to
20 generate total revenues of \$130,000,000, for the sole purpose of funding street
21 maintenance improvements and safety upgrades as described herein, and
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23 WHEREAS transparency and accountability of how funds are spent, the
24 budgets of the projects, leverage of funds achieved and demonstration of
25 progress made are critical to delivering the improvements promised to voters,
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WHEREAS, if the voters approve this proposition, the City Manager is directed to prepare an annual progress report to be made available to the public through the Transportation Commission to ensure transparency and accountability, and

WHEREAS, in furtherance of transparency and accountability of how the newly generated funds will be spent, it is the intent of the City to establish new and separate funds to segregate the revenues collected as a result of this measure, and to restrict the use of these funds for the purposes set forth in this measure; Now, Therefore,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TACOMA:

Section 1. That the Pierce County Auditor, as *ex officio* supervisor of elections in Pierce County, Washington, is hereby requested to submit to the qualified electors of the City of Tacoma, for their approval or rejection at the General Election to be held on November 3, 2015, a proposition authorizing an additional 1.5 percent earnings tax on utility companies, and a levy lid lift of \$0.20/\$1,000 in assessed value over a period of ten years, to generate total revenues of \$130,000,000, for the sole purpose of financing street maintenance improvements and safety upgrades in the City of Tacoma.

Section 2. The City shall submit a proposition to the electorate of the City of Tacoma in the form substantially as follows:



**CITY OF TACOMA
PROPOSITION NO. 3**

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The Tacoma City Council adopted Amended Resolution No. 39236 concerning levy rate and gross earnings tax increases for street improvements. If passed, Proposition No. 3 would authorize the City to increase the City’s regular property tax levy by \$0.20 per \$1,000 of assessed value for collection for ten years beginning in 2016, and levy an additional 1.5% earnings tax on natural gas, electric, and phone companies for ten years, beginning 2016, to fund street repair, maintenance and safety improvements for residential streets, arterials, and freight access, including resurfacing, pothole repair, pedestrian safety improvements, school crossing beacons, and sidewalk improvements.

Should this proposition be approved?

Yes.

No

Section 3. That, prior to August 4, 2015, the City Clerk shall send to the Pierce County Auditor, as *ex officio* supervisor of elections, a certified copy of this resolution, together with a proposition substantially in the form set forth above, for the November 3, 2015, General Election.

Section 4. That, should the voters approve this proposition, the City Manager is directed to work with the Public Works Department to deliver an annual progress report to the public through the Transportation Commission so that citizens may easily understand the improvements made and budget and leverage achieved, among other indicators, important for transparency and accountability of these public resources.

Section 5. That the City Manager is directed to bring forward an ordinance establishing dedicated and restricted funds to ensure that any revenue



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generated as a result of this measure is used solely as outlined in the initiative proposal.

Adopted _____

Mayor

Attest:

City Clerk

Approved as to form:

Deputy City Attorney