Opportunity for Olympia Initiative Petition



This measure would establish a city fund dedicated to funding at least one year of free community or technical college for each year's City of Olympia public high school graduates and GED high school equivalency certificate recipients, or an equivalent amount of money for such public high school graduates and GED recipients who choose to attend public universities and colleges in the State of Washington. 95% of all funds raised must be spent on tuition or related educational services, not administrative costs. The measure would be funded by establishing an excise tax of 1.5% on household income exceeding \$200,000 in the City of Olympia

INITIATIVE PETITION TO THE OLYMPIA CITY COUNCIL:

We, the undersigned registered voters within the City of Olympia, hereby petition the City Council to adopt the following proposed ordinance or submit it, unaltered, to a citywide vote pursuant to state law:

This measure would establish a fund dedicated to funding one year of free community college for each year's public high school graduates and those students receiving GED high school equivalency certificates who live in the City of Olympia, or an equivalent amount of money for those public high school graduates and GED recipients who choose to attend public universities and colleges in the State of Washington. 95% of all funds raised must be spent on tuition, not administrative costs. The measure would be funded by establishing an excise tax of 1.5% on household income exceeding \$200,000,00 in the City of Olympia.

WARNING:

Every person who signs this petition with any other than his or her true name, or who knowingly signs more than one of these petitions, or signs a petition seeking an election when he or she is not a legal voter, or signs a petition when he or she is otherwise not qualified to sign, or who makes herein any false statement, shall be guilty of a misdemeanor.

Each signature shall be executed in ink or indelible pencil and shall be followed by the name and address of the signer and the date of signing.

		×	
SIGNATURE Please sign as registered to vote	PRINT NAME HERE For positive identification	FULL MAILING ADDRESS Street, City, State and Zip	Date MA DD
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Opportunity for Olympia Initiative Petition

TO THE OLYMPIA CITY COUNCIL:

We, the undersigned registered voters within the City of Olympia, hereby petition the City Council to adopt the following proposed ordinance or submit it, unaltered, to a citywide vote pursuant to state law:

This measure would establish a city fund dedicated to funding at least one year of free community or technical college for each year's City of Olympia public high school graduates and GED high school equivalency certificate recipients, or an equivalent amount of money for such public high school graduates and GED recipients who choose to attend public universities and colleges in the State of Washington. 95% of all funds raised must be spent on tuition or related educational services, not administrative costs. The measure would be funded by establishing an excise tax of 1.5% on household income exceeding \$200,000 in the City of Olympia.

AN ORDINANCE of the City of Olympia, Washington, imposing an excise tax on household income above \$200,000 per year derived from financial transactions, personal activities, business, commerce, occupations, trades, professions and other lawful activities, the revenues therefrom to be dedicated to funding at least one year of free community or technical college for each year's City of Olympia public high school graduates and General Education Development Certificate ("GED") recipients, or an equivalent amount of money for such public high school graduates and GED recipients who choose to attend public universities and colleges in the State of Washington.

WHEREAS the accelerating costs of higher education over the past decade have created significant obstacles for college participation and completion for public high school graduates and GED recipients living in the City of Olympia.

WHEREAS making higher education more affordable and accessible for public high school graduates and GED recipients will lead to opportunities for further education and jobs and to a higher quality of life for all citizens.

WHEREAS free first-year and second-year tuition will allow students to enroll in college, obtain degrees and certificates much sooner and start their professional lives with little or no student debt

WHEREAS one year of community college tuition costs approximately \$3,846, which is more than 10% of household income for two out of five households in the City of Olympia.

WHEREAS the City of Olympia has a significant interest in making higher education more affordable and accessible for its public high school graduates and GED recipients.

WHEREAS the Legislature authorizes the City of Olympia to assess excises for revenue in regard to all places and kinds of activities, including personal activities, business, production, commerce, entertainment and exhibition, and upon all occupations, trades and professions and any other lawful activity, as those activities take advantage of and use current and future city services.

WHEREAS the City of Olympia has authority to assess excises on personal activities that correlate to greater or more intense utilization of city services.

WHEREAS wealthy residents take advantage of and use a greater proportion of certain city services than do less wealthy residents. These services include without limitation police protection from theft, city utilities, educational programs, neighborhood improvement projects, property protection and other municipal sarules.

WHEREAS local income taxes are levied by both counties and citles, in 4,983 jurisdictions across the United States.

WHEREAS the average cost of living within the City of Olympia for a married couple with two children is approximately \$60,000, according to the Workforce Development Council of Washington State

WHEREAS less than 3% of households in the City of Olympia benefit from annual incomes In excess of \$200,000.

WHEREAS residents in Washington with incomes below \$21,000 pay 16.8% of their income in state and local taxes, and residents with income between \$40,000 and \$65,000 pay 10.1% of their income in state and local taxes, while residents with income between \$200,000 and \$500,000 pay only 4.6% of their income in state and local taxes, and residents with income in excess of \$500,000 pay only 2.4% of their income in state and local taxes.

WHEREAS the People in their legislative capacity find that in raising revenue it is appropriate to assess taxes on the disproportionate use by wealthy residents of certain municipal services by imposing a 1.5% tax on household income in excess of \$200,000 a year, and to dedicate those funds to make higher education affordable and accessible for Olympia public high school graduates and GED recipients.

NOW THEREFORE, BE IT ORDAINED BY THE CITY OF OLYMPIA as follows:

Section 1. Legislative Findings and Intent. The People of the City of Olympia adopt and confirm the above recitals. In exercising their direct legislative authority, the People intend to fund at least one year of free community or technical college in the State of Washington for each year's City of Olympia public high school graduates and GED recipients, or an equivalent amount of money for such graduates and GED recipients who choose to attend public universities or public colleges in the State of Washington. The People intend to raise such funds through the exercise of the City of Olympia's power under RCW 35A.82.020 by imposing a 1.5% tax on household income in excess of \$200,000 a year. 95% of all funds raised must be spent on grants and related educational services, not administrative costs.

Section 2. Definitions. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) The terms "community college" and "technical college" mean the public community colleges and public technical colleges in the State of Washington governed under chapter 28B,50 RCW.

(2) The terms "university" and "college" mean the public universities and public colleges in the State of Washington governed under chapter 28B.10 RCW.

(3) "Committee" means the Opportunity for Olympia Committee, which shall be comprised of the Mayor Pro Tem and four additional members appointed by the Mayor for three year terms. Members may serve successive terms.

(4) "Department" means the department or departments that the city manager directs to implement the provisions of this chapter.

(5) "Fund" means the Opportunity for Olympia Fund defined in this chapter.

(6) "Gift aid" means financial aid received from federal and state grant and scholarship programs that provide funds for educational purposes with no obligation of repayment. Student loans and work study programs are not included.

(7) "Income" means adjusted gross income as determined under the federal internal revenue code. A federal individual income tax return filed with the United States Internal Revenue Service ("IRS") creates a presumption of a taxpayer's income for purposes of this chapter.

(8) "Internal revenue code" means the United States internal revenue code of 1986, and amendments thereto, and other provisions of the laws of the United States relating to federal income taxes, as the same may be or become effective at any time, or from time to time, for the taxable year.

(9) "Qualified student" means an individual who:

(a) earned either a high school diploma from a public high school in the State of Washington or a GED as provided under RCW 28A.305.190; and

(b)(I) resided or was domiciled in the City of Olympia at least 50% of the year preceding the date on which he or she received a high school diploma or GED; or

(ii) had no regular, fixed residence but lived in the City of Olympia in a temporary shelter, institution or place not ordinarily used as a residence at least 50% of the year preceding the date on which he or she received a high school diploma or GED; and

(c) enrolled in a community college, technical college, university or college within two years of earning a high school diploma or GED.

(10) "Resident taxpayer" means an individual who:

(a) has resided in the City of Olympia for the entire tax year; or

(b) is domiciled in the City of Olympia unless the individual:

(i) maintains no permanent place of abode in the City of

Olympia; and

(ii) maintains a permanent place of abode elsewhere; and

(iii) spends in the aggregate not more than one-hundred and twenty days in the tax year in the City of Olympia; or

(c) is not domiciled in the City of Olympia, but maintains a permanent place of abode in the City of Olympia and spends in the aggregate more than one hundred eighty-three days of the tax year in the City of Olympia unless the individual establishes to the satisfaction of the department that the individual is in the City of Olympia only for temporary or transitory purposes; or (d) claims the City of Olympia as the tax home for federal income

(11) "Tax" means the excise tax established by this chapter, unless the context requires a different meaning.

(12) "Taxpayer" means (i) an individual who is not married, who is a surviving spouse or who does not make a single return jointly with his or her spouse; or

(ii) a married couple filing jointly for federal income tax purposes.

Section 3. Assessment of Excise Tax.

(1) This act applies to income received on and after January 1, 2017.

(2) For each resident taxpayer, an annual levy is assessed on income exceeding \$200,000 per tax year at the rate of 1.5%.

(3) Each resident taxpayer who is subject to the tax assessed under this chapter shall make and file a return, and pay any tax owed, on or before April 15th of the year following the taxable year. The department may extend this deadline upon the request of the taxpayer for a period not to exceed one year.

(4) Within three months from the final determination of any federal tax liability affecting a taxpayer's liability for the tax assessed under this chapter, such taxpayer shall make and file an amended return based on such final determination of federal tax liability, and pay any additional tax shown due thereon or make claim for refund of any overpayment.

(5) All taxes assessed under the provisions of this chapter and remaining unpaid after they become due shall bear interest at the rate of 1% per month or fraction thereof. At the department's discretion, the department may abate the interest owed, in whole or in part, upon showing of good cause Section 4. Establishment of the Opportunity for Olympia

 A new City of Olympia fund called the "Opportunity for Olympia Fund" is hereby created to support grants for higher education to qualified students.

(2) All revenues from the excise tax assessed under this chapter must be deposited in the fund and used exclusively for the purposes set forth in this chapter.

(3) The City of Olympia and the committee may solicit and receive gifts, grants and bequests from other public and private entities, including commercial enterprises, to be deposited in the fund and used exclusively for the purposes set forth in this chapter.

(4) At least 95% of the total revenue received by the fund must be devoted to grants or other related educational services under section 5 of this chapter, not to administrative costs.

Section 5. Opportunity for Olympia Grant Program

(1) A qualified student shall be eligible for a grant under this section each term that such student is enrolled in one or more courses that are either:

(a) offered at a community college or technical college for one or more credits that can be applied to (i) a one-year or two-year curriculum for students who plan to transfer to another post-secondary institution of education; (ii) an associate's degree; (iii) a program in career and technical education; (iv) Basic Education for Adults; (v) Integrated Basic Education Skills Training I-Best; (vi) the first two years of study for an Upper Division/Applied Bachelor's Degree provided through a community college; or (vii) such other programs as the department determines are appropriate; or

(b) offered for credit at a college or university.

(2) Except as provided in paragraphs (3) and (4) of this sect2), the amount of a grant shall be the actual cost of tuition and fees for courses satisfying the criteria in paragraph (1) of this section, including tuition and fees as defined in RCW 288.15.020 and services and activities fees as defined in RCW 288.15.041, less other gift ald received by the student that is and must be dedicated solely to such tuition and fees. The department, in administering this program, shall take all reasonable steps to minimize the impact of grants awarded under this subsection (2) on other gift aid.

(3) Except as provided in paragraph (4) of this section, the total amount of dollars in grants awarded to a particular student under this chapter shall not exceed the average cost of tuition and fees for one year at a community college, as determined by the department in consultation with the committee.

(4) The total amount of dollars in grants awarded in a tax year under this chapter shall not exceed the amount of dollars deposited in the fund the prior tax year. If funds are insufficient, the department, in consultation with the committee, may determine the priority by which grants are awarded. At the end of a tax year in which more than 10% of the revenues deposited in the fund during the prior tax year are not disbursed, the department, in consultation with the committee, may (i) dedicate the surplus, or any portion thereof, to fund grants for the average cost of up to two years of community college; and/or

(ii) implement or support programs or policles that improve the academic success or completion rates for students who receive or will be eligible for a grant under this chapter.

Section 6. Implementation and Accountability.

(1) The department shall have authority to adopt any rules, procedures, forms and policies, to execute contracts and agreements, to delegate its authority to the committee as the department deems appropriate and to coordinate with any other public entity, including but not limited to the Olympia School District, the Washington Student Achievement Council, the Washington State Department of Revenue, and the IRS, to implement the provisions of this chapter.

(2) The city manager, or his or her designee, shall prepare an annual audit of the moneys deposited in the fund, reporting on how the moneys have been spent and estimating the number of residents benefited. Annual disclosure of tax collection and spending under this chapter must be posted on a web site maintained by the City of Olympia and such disclosure must, at a minimum, include the information set forth in RCW 43.08.150, localized for the City of Olympia.

Section 7. Miscellaneous.

(1) The provisions of this chapter shall be interpreted and implemented in a manner consistent with the United States Constitution, the Washington Constitution and federal and state laws and regulations.

(2) If any section, subsection, paragraph, sentence, clause, or phrase of this ordinance is declared unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining parts of this ordinance.

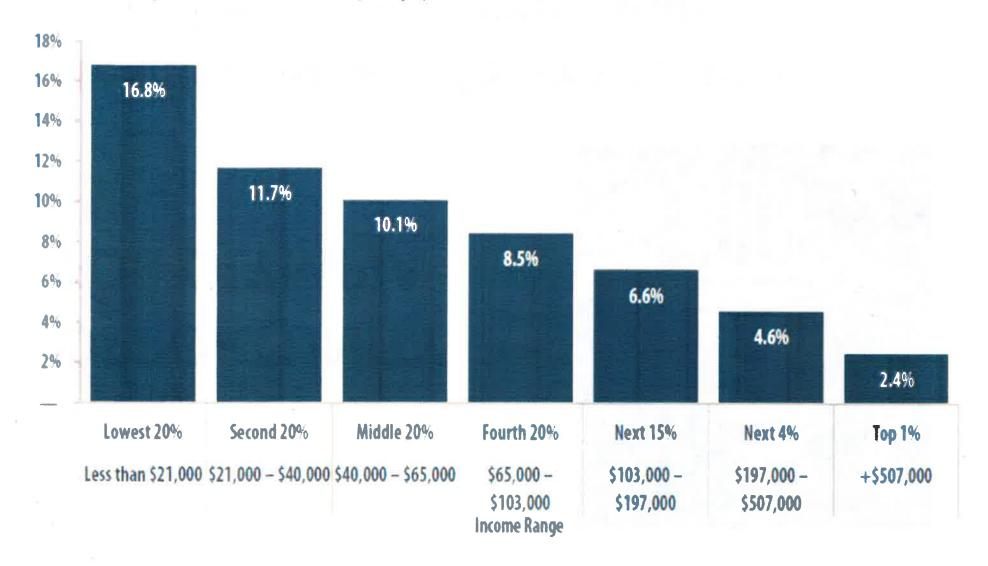
OPPORTUNITY FOR OLYMPIA



Leading the Way for Progressive Taxation in Washington State

% of Income Paid in State and Local Taxes Washington State

Shares of family income for non-elderly taxpayers



Polling Results

- Fund free community college tuition for all public high school graduates or an equivalent amount of money for those attending public four year universities and colleges.
- Establishing a tax on households with income in excess of \$200 thousand dollars in the City of Olympia.

• YES: 70% NO: 22%

• YES: 71% NO: 24%

Opportunity for Olympia Leading the way for progressive taxation

Olympia 2016
Seattle 2017
Bellingham, Shoreline 2018
Statewide 2020

Forward!



Olympia Public High School Graduates and Community College Tuition

- Olympia High Schools graduated 647 students
- 70% live in the City of Olympia
- 25% go to community college and 26% go to public four-year universities. That's fewer than 250 students in all.
- Add in 100 GED certificate gainers.
- Total students for free tuition: 350
- Annual cost: \$1.4 million

Community College Tuition



SUI calculations lissed on WA LEAP. WA Student Achievement Council, and WA Office of Financial Management data. In constant 2014 dollars:

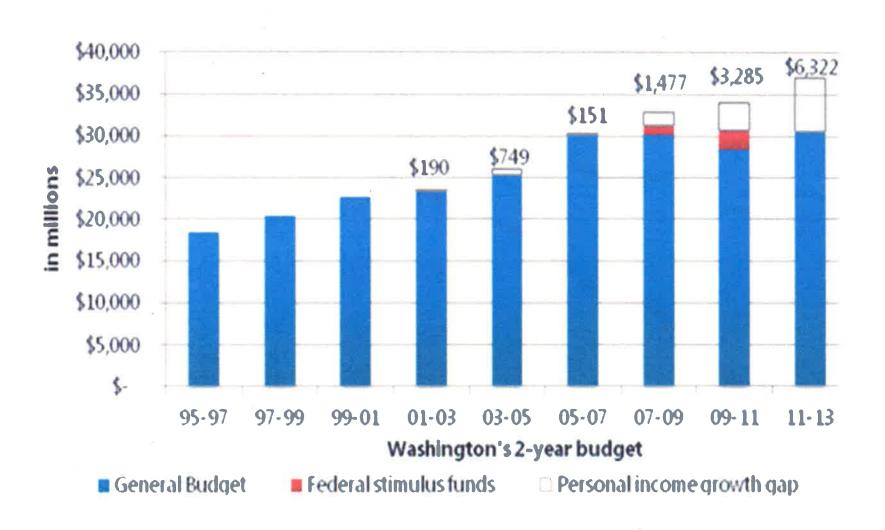
Olympia Details

- ➤ Signatures Needed: 4,702
- ➤ Authority to Tax: Privilege Tax
- Suggested Tax: 1.5% tax on income in excess of \$200,000
- > Revenue \$2.5 million
- > 711 taxpayers
- ➢ Percentage of households: \$200,000 = 3%
- ➤ Percentage of households: < \$50,000 = 56%</p>
- ➤ Percentage of households: 50K 200K = 41%

Olympia can lead the way to a state income tax

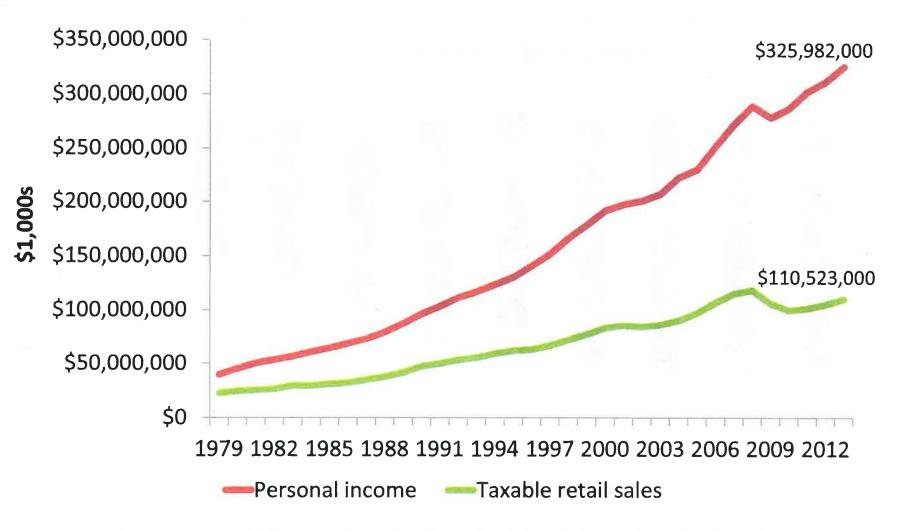
- ➤ I-1098 vote: 56% Yes
- ▶ I-1351 vote: 57% Yes
- ➤ I-1366 vote (Eyman initiative): 70% No
- ➤ Olympia School District Levy: 78% Yes
- ➤ Olympia School District \$160 million Bond: 74% Yes

If revenue just kept up personal income....



We are leaving a lot of money on the table!

Personal income is growing much faster than sales tax base in WA



Sources: U.S. Bureau of Economic Analysis, Washington Economic and Revenue Forecast Council



TO:

Interested Parties

FROM:

Patinkin Research Strategies, LLC

Ben Patinkin

RE:

Olympia voters support a wealth tax paying for free community college for local high

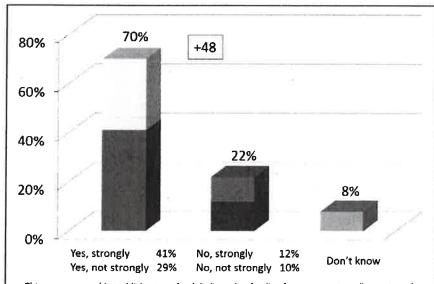
school graduates

Date:

February 19, 2016

This analysis is based a telephone poll of n=300 registered, likely November, 2016 voters in Olympia, WA. Interviews were conducted February 16-18, 2016 and the margin of error is +/-5.7 percentage points at the 95% level of confidence. The margin of error for subgroups varies and is higher.

Broad support for a wealth tax funding free community college for Olympia high school graduates



This measure would establish a trust fund dedicated to funding free community college tuition for all public high school graduates who live in Olympia or an equivalent amount of money for those attending public four year universities and colleges. 95 percent of all funds raised must be spent or services, not administrative costs. The measure would be funded by establishing a tax of one point five percent on any household income in excess of \$200 thousand dollars in the City of Olympia.

Likely November voters in Olympia are strongly supportive of a proposed wealth tax funding free community college for local high school graduates. Seven in 10 (70%) say they would vote "yes" on the proposed initiative, while over four in 10 (41%) are "strongly" supportive.

On the other hand, opposition to the proposal is extremely weak. Only slightly more than one in five (22%) say they'll vote "no" while only one in 10 (12%) are "strongly" opposed.

In fact, the initiative receives

support from every partisan subgroup. Democrats (88%), independents (68%) and Republicans (47%) all express a willingness to vote "yes" on the proposed wealth tax. Put simply, this measure is both viable and extremely popular.



City of Olympia Feb 18, 2016

Gender

male	47 %
female	53 %

q1. Before we begin, I need to know whether I have reached you on a cell phone, and if so, are you in a safe place where we can continue this conversation?

No, not on a cell phone	68 %
Yes, on a cell phone, but in safe place	32 %

q2. Thinking ahead, on November 8th, 2016, there will be a vote-by-mail General Election for President, Governor, US Senate and other state and local offices and ballot measures. How likely would you say you are to vote in this General Election—are you almost certain to vote, will you probably vote, would you say the chances are 50-50 that you will vote, are you probably not going to vote or will you definitely not vote in the November 8th, 2016 General Election?

Almost certain to vote	74 %
Probably will vote	26 %

q3. Thinking about all the telephone calls that you receive, do you get: [READ; DO NOT ROTATE]

DK/NA [DO NOT READ]	0 %	
All of your calls on a regular home phone?	16 %	
Almost all of your calls on a regular home phone; or	19 %	
About half on a cell phone and half on a regular home phone;	29 %	
Almost all of your calls on a cell phone;	6 %	
All of your calls on a cell phone	30 %	

q4. I am going to describe to you a potential initiative that may appear on the November 2016 ballot in the City of Olympia.

This measure would establish a trust fund dedicated to funding free community college tuition for all public high school graduates who live in Olympia or an equivalent amount of money for those attending public four year universities and colleges. 95 percent of all funds raised must be spent on services, not administrative costs. The measure would be funded by establishing a tax of one point five percent on any household income in excess of \$200 thousand dollars in the City of Olympia.

Having heard this, if the election were held today would you vote "yes" or "no" or are you undecided? [IF YES/NO, ASK:] Do you feel that way strongly or not so strongly?

41 %
29 %
10 %
12 %
8 %
70 %
22 %

I'm going to read you a number of aspects of this potential initiative establishing a tax of one point five percent on any household income in excess of \$200 thousand dollars in the City of Olympia. If you aren't sure, you can tell me that, too and we will move on. [IF FAVOR/OPPOSE, ASK:] Do you feel that way strongly or not so strongly? [READ; ROTATE]

	Favor, strongly	not	Oppose, not strongly	Oppose, strongly	-
q5. Offer one year of free community college tuition for all Olympia public high school graduates and adults receiving continuing education who live in Olympia or an equivalent amount of money for those attending public four year universities and colleges	45%	31%	12%	7%	5%
q6. Build a city-wide free Wi-Fi network for use by businesses, individuals, and visitors	42%	32%	12%	5%	8%
q7. Create urban rest stops with free 24-hour access to clean and safe restrooms as well as showers and laundry facilities where people who need to shower and wash clothes can get a fresh start	27%	42%	14%	8%	9%
q8. Expand the Food for Kids Program to address childhood hunger - which currently affects one-in-five children - in our community	52%	31%	7%	3%	6%
q9. Require that 95 percent of all funds raised must be spent on services, not administrative costs	55%	27%	7%	5%	6%
q10. Establish a tax of one point five percent on any household income in excess of \$200 thousand dollars in the City of Olympia	45%	27%	9%	9%	10%

[ROTATE SECTIONS I AND II]

__I. I'm going to read you some statements people have made as a reason to consider opposing the potential initiative establishing a tax of one point five percent on any household income in excess of \$200 thousand dollars in the City of Olympia. After each, please tell me whether you find that statement a very convincing reason to oppose this initiative, somewhat convincing, not too convincing or not convincing at all. If you aren't sure, you can tell me that, too, and we will move on. [READ; ROTATE]

	Very convincing	Somewhat convincing		Not at all convincing	DK
q11. [COMPLICATED] This tax is far too complicated. To make it work, the City will have to use hundreds of thousands of taxpayer dollars just to set up a whole new bureaucracy to oversee it-creating more rules and more regulation	20%	25%	32%	17%	6%
q12. [JOBS] In order to keep our economy moving and create more good-paying jobs, we need to attract wealthy investors and their businesses to Olympia. But a tax like this will push more wealthy individuals and families out of Olympia, hurting our local economy	17%	28%	25%	24%	6%
q13. [ANOTHER WAY] While all of the services funded by this tax are good ones, we need to find another way to do it. Instead of putting all the burden on residents of Olympia, the burden should be shared across the state because this issue impacts all of Washington, not just our City	17%	29%	21%	23%	9%
q14. [CONSTITUTION] This tax is a hidden income tax—which means it's unconstitutional. If it passes, it will be subject to expensive court fights that cost Olympia taxpayers millions of dollars that would be better spent on priorities like improving education, addressing homelessness, and improving our local infrastructure	24%	28%	23%	19%	5%
q15. [INCOME TAX] Supporters of this initiative are using it as a backdoor route to create an income tax on every city resident. After numerous tries, it should be clear that the residents and families of Washington do not want an income tax	22%	27%	23%	23%	4%

__II. I'm going to read you some statements people have made as a reason to consider supporting the potential initiative establishing a tax of one point five percent on any household income in excess of \$200 thousand dollars in the City of Olympia. After each, please tell me whether you find that statement a very convincing reason to support this initiative, somewhat convincing, not too convincing or not convincing at all. If you aren't sure, you can tell me that, too, and we will move on. [READ; ROTATE]

	Very convincing	Somewhat convincing		Not at all convincing	DK
q16. This tax only applies to the wealthiest three percent of households in Olympia—but would raise millions of dollars that will enable high school graduates to attend community college for free. With a better educated work force, we'll be able to attract more businesses, create more good paying jobs and ensure a legacy of opportunity in Olympia.	44%	30%	16%	8%	2%
q17. Right now, the bottom 20 percent of families in Washington pay nearly 15 percent of their income for state and local taxes. Middle income families pay 10 percent, while those in the top one percent pay only two point four percent. The wealthiest families shouldn't expect to get something for nothing – if we want Olympia to thrive, we have to be willing to raise the revenue necessary to invest in our community's success.	36%	40%	12%	8%	5%
q18. America now has more wealth and income inequality than any major developed country on earth, and the gap between the very rich and everyone else is wider than at any time since the 1920s. This proposal is one step on the road towards fixing this problem	33%	39%	13%	10%	4%
q19. Our quality of life in Olympia is outstanding – but that quality of life depends on local revenue – and we've left money on the table. We have chosen not to collect revenue from those who could actually afford it the most. This sensible tax reform allows us to have more revenue for things that make our city prosper, like free community college education for high school graduates	34%	35%	13%	11%	7%

q20. Let me ask you one more time:

I am going to describe to you a potential initiative that may appear on the November 2016 ballot in the City of Olympia.

This measure would establish a trust fund dedicated to funding free community college tuition for all public high school graduates who live in Olympia or an equivalent amount of money for those attending public four year universities and colleges. 95 percent of all funds raised must be spent on services, not administrative costs. The measure would be funded by establishing tax of one point five percent on any household income in excess of \$200 thousand dollars in the City of Olympia.

Having heard this, if the election were held today would you vote "yes" or "no" or are you undecided? [IF YES/NO, ASK:] Do you feel that way strongly or not so strongly?

Yes, strongly	45 %
Yes, not strongly	26 %
No, not strongly	8 %
No, strongly	. 16 %
DK/NA	5 %
NET YES	71 %
NET NO	24 %

q21. Generally speaking, do you think of yourself as a Republican, a Democrat, an Independent, or something else? [IF REPUBLICAN/DEMOCRAT, ASK:] Do you consider yourself a strong ____ [REPUBLICAN/DEMOCRAT]? [IF INDEPENDENT, ASK:] Would you say that you lean more towards the Republican or more towards the Democratic Party?

Republican, strongly	16 %
Republican, not so strongly	10 %
Independent, leans Republican	6 %
Independent	21 %
Independent, leans Democrat	9 %
Democrat, not so strongly	16 %
Democrat, strongly	21 %
DK/NA/OTHER	2 %
NET REPUBLICAN	32 %
NET DEMOCRAT	46 %

q22. What was the last level of education that you completed?

High school graduate or less	11 %
Some college education	25 %
College graduate	51 %
Postgraduate	13 %
DK/NA	0 %