



City Council

Approval of a Resolution Concerning Inadequate Public Funding of Higher Education and a Regressive State Tax System

Agenda Date: 7/12/2016
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Type: resolution **Version:** 1 **Status:** Passed

Title

Approval of a Resolution Concerning Inadequate Public Funding of Higher Education and a Regressive State Tax System

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Consider the proposed Resolution to address lack of adequate funding for post-secondary education and the local impact of regressive tax policies.

Report

Issue:

Whether to support the Resolution.

Staff Contact:

Steve Hall, City Manager, 360.753.8244

Presenters:

Steve Hall, City Manager

Background and Analysis:

Background:

1. In April, the City of Olympia became aware of a petition drive to place a ballot item before voters that would impose an excise tax on household incomes in excess of \$200,000. Subsequent legal and administrative analysis determined significant challenges, inconsistencies and concerns.
2. On May 17, the City Council passed, on a 4 - 3 vote, a motion to direct City staff to prepare a substitute ordinance that changed the proposal to a graduated income tax on all Olympia households.

3. On June 14, the Council reviewed the graduated income tax ordinance. After discussion, the Council, on a 4 - 3 vote, agreed to change the draft ordinance to a tax on unearned income.
4. On June 21, the City Council voted unanimously to remove from its agenda, the ordinance to impose a tax on unearned income for Olympia Residents

Analysis: The Opportunity for Olympia petition drive in Olympia has spotlighted two critical, yet complex areas of public policy in Washington State - inadequate public funding for higher education and a regressive State tax structure that places unequal burdens of taxation on lower and middle income residents.

While the Opportunity for Olympia petition and proposed ordinance contained drafting and legal weaknesses, the concept of greater education funding and a more fair tax system resonated with many Olympians.

Instead of a substitute ordinance, the City Council is being asked to consider a resolution to broaden and sharpen the City's role in impacting these two areas.

Neighborhood/Community Interests:

N/A

Options:

1. Adopt the draft ordinance.
2. Amend the resolution.
3. Decide not to support a resolution.

Financial impact:

n/a

Attachments:

- Resolution