

CITY OF MARYSVILLE AGENDA BILL

EXECUTIVE SUMMARY FOR ACTION

CITY COUNCIL MEETING DATE: 10/27/2014

AGENDA ITEM: A Resolution of the City Council of the City of Marysville, Washington Urging the Governor and the Legislature of the State of Washington to Preserve the Streamlined Sales Tax Mitigation Distribution to Impacted Local Jurisdictions in the 2015-2017 Biennial Budget	
PREPARED BY: Sandy Langdon, Finance Director/City Clerk	DIRECTOR APPROVAL:
DEPARTMENT: Finance	
ATTACHMENTS: Resolution	
BUDGET CODE:	AMOUNT:
SUMMARY:	

Over the last few State budget sessions the Streamlined Sales Tax Mitigation (SST) program has been an item of proposed cuts and/or elimination. SST was put in place in 2007 to reduce the impact on entities when the local sales tax sourcing was changed from an origin-based system to a destination-based system.

Over 120 cities, counties, transit agencies and public facility districts were negatively impacted and have since relied on the SST to provide essential services. The City of Marysville receives approximately \$190,000 annually from the SST program, to assist with city services such as public safety.

In the past several months SST recipients have combined efforts consisting of letters, conference calls, and even a scheduled meeting with the Governor by Mayors and Directors to encourage the Governor and legislature to maintain the SST program.

RECOMMENDED ACTION: City staff recommends the City Council authorize the Mayor to sign a Resolution of the City Council of the City of Marysville, Washington Urging The Governor and the Legislature of the State of Washington to Preserve the Streamlined Sales Tax Mitigation Distribution to Impacted Local Jurisdictions in the 2015-2017 Biennial Budget.
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DRAFT
CITY OF MARYSVILLE
Marysville, Washington

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARYSVILLE,
WASHINGTON URGING THE GOVERNOR AND THE LEGISLATURE OF
THE STATE OF WASHINGTON TO PRESERVE THE STREAMLINED
SALES TAX MITIGATION DISTRIBUTION TO IMPACTED LOCAL
JURISDICTIONS IN THE 2015-2017 BIENNIAL BUDGET.

WHEREAS, the State of Washington entered into the Streamlined Sales Tax (SST) compact in 2007 changing the sourcing of local sales tax revenues from an origin-based system to a destination-based system; and

WHEREAS, the Washington State Department of Revenue conducted a study indicating that more than 120 cities, counties, transit agencies and public facility districts would be negatively impacted by implementation of Streamlined Sales Tax destination-based sales tax sourcing; and

WHEREAS, in recognition of the negative fiscal impact of SST destination-based sourcing on many local jurisdictions throughout Washington, the State implemented a “full-mitigation” program; and

WHEREAS, the SST sales tax mitigation program has effectively preserved and maintained local government services throughout the Washington State, including in Marysville; and

WHEREAS, sales tax collection in the City of Marysville has not returned to its pre-recession peak in 2007; and

WHEREAS, the demands for city services, particularly public safety services, required to preserve and protect the retail business market in Marysville that generated more than \$80 million for the Washington State General Fund, are greater than ever; and

WHEREAS, the City of Marysville sales tax revenues have been significantly impacted by SST destination-based sales tax implementation, and the city continues to rely upon the ongoing commitment of the State to maintain SST mitigation payments to provide essential city services to citizens, visitors and businesses;

NOW THEREFORE, BE IT RESOLVED, by the City Council of the City of Marysville, Washington, that the City Council urges the Governor of the State of Washington to retain SST mitigation payments to local jurisdictions in his proposed 2015-2017 Operating Budget, and further urges the Legislature of the State of Washington to adopt said SST mitigation payments.

PASSED by City Council and APPROVED by the Mayor this _____ day of October,
2014

CITY OF MARYSVILLE

By _____
JON NEHRING, Mayor

ATTEST:

By _____
APRIL O'BRIEN, Deputy City Clerk

Approved as to form:

By _____
GRANT K. WEED, City Attorney