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JUDGE MARY E. ROBERTS

SUPERIOR COURT OF WASHINGTON FOR KING COUNTY

CITY OF SNOQUALMIE, a municipal corporation,

Petitioner,

v.

KING COUNTY EXECUTIVE DOW CONSTANTINE, an individual, in his official capacity; KING COUNTY ASSESSOR LLOYD HARA, an individual, in his official capacity; KING COUNTY; and THE STATE OF WASHINGTON DEPARTMENT OF REVENUE,

Respondents.

NO. 14-2-29269-4 SEA

ORDER GRANTING IN PART AND DENYING IN PART THE CITY OF SNOQUALMIE’S MOTION FOR PARTIAL SUMMARY JUDGMENT, AND DENYING THE STATE DEPARTMENT OF REVENUE’S MOTION FOR SUMMARY JUDGMENT

This matter came before the court on the City of Snoqualmie’s Motion for Partial Summary Judgment, and the Department of Revenue’s Motion for Summary Judgment. The Court heard oral argument from the parties on February 13, 2013, and considered the following documents:

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1. City of Snoqualmie’s Motion for Partial Summary Judgment;
2. Declaration of Bob C. Sterbank in Support of City of Snoqualmie’s Partial Summary Judgment with attached exhibits;
3. Declaration of Reina McCauley in Support of City of Snoqualmie’s Partial Summary Judgment with attached exhibits;
4. Declaration of Robert Orton in Support of City of Snoqualmie’s Partial Summary Judgment with attached exhibits;
5. King County’s Response to City of Snoqualmie’s Partial Summary Judgment;
6. Washington Department of Revenue’s Response to City of Snoqualmie’s Partial Summary Judgment;
7. Second Declaration of Harold Smith in Support of Washington Department of Revenue’s Response with attached exhibits;
8. Declaration of David Saavedra in support of Washington Department of Revenue’s Response;
9. Declaration of Kelly Owings in Support of Washington Department of Revenue’s Response with attached exhibits;
10. City of Snoqualmie’s Reply on Motion for Partial Summary Judgment;
11. Declaration of Bob C. Sterbank in Support of Snoqualmie’s Reply on Motion for Partial Summary Judgment;
12. Declaration of Gerald Knutsen in Support of Snoqualmie’s Reply on Motion for Partial Summary Judgment;
13. Department of Revenue’s Motion for Summary Judgment;
14. Declaration of Harold Smith in Support of Department of Revenue’s Motion for Summary Judgment;
15. Declaration of Jacqueline Danyo in Support of Department of Revenue’s Motion for Summary Judgment with attached exhibits;

1 16. Department of Revenue’s Reply in Support of Its Motion for Summary Judgment;
2 and

3 17. Third Declaration of Harold Smith.

4 CONSTITUTIONAL CLAIMS

5 As to the constitutional claims raised by the parties, the facts are not in dispute, and the
6 court makes the following CONCLUSIONS OF LAW:

7 1. The City of Snoqualmie has standing to bring this action on its own behalf as well as in
8 a representative capacity on the part of its citizen taxpayers;

9 2. This case is justiciable and ripe for judicial resolution, because it presents an actual,
10 present and existing dispute concerning a Payment in Lieu of Tax (“PILT”) agreement and
11 property tax exemption for the Salish Lodge, and also because it presents the mature seeds and
12 the practical likelihood of a similar dispute concerning a property tax exemption and PILT
13 agreement for the Salish Lodge expansion property. Neither dispute is hypothetical or
14 speculative. This case is also ripe because it presents an actual, present and existing dispute
15 between the City of Snoqualmie and the Washington Department of Revenue over whether
16 Engrossed Substitute House Bill (“ESHB”) 1287 unlawfully delegates authority to Indian
17 tribes and/or the State Department of Revenue.

18 3. The payment labeled “payment in lieu of tax” (“PILT”) in Section 8 of Engrossed
19 Substitute House Bill (“ESHB”) 1287 is a property tax under Washington Law;

20 4. The PILT is subject to uniformity requirements in Article VII of the Washington
21 Constitution;
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1 5. The PILT violates the uniformity requirements in Article VII of the Washington
2 Constitution because it is not imposed at an equal tax rate and does not produce equality in
3 valuing the property taxed; and

4 6. Section 8 of ESHB 1287 violates Article VII Section 1's command that "the power of
5 taxation shall never be surrendered, suspended or contracted away.
6

7 PUBLIC RECORDS ACT

8 As to the City of Snoqualmie's claims of violation of the Public Records Act, there are
9 genuine issues of material fact that preclude resolution by way of summary judgment.

10 The court makes the following ORDER:

- 11 1. The City of Snoqualmie's Motion for Partial Summary Judgment is GRANTED
12 as to its constitutional claims.
13
14 2. The City of Snoqualmie's Motion for Partial Summary Judgment is DENIED as
15 to its claims under the Public Records Act;
16
17 3. The Department of Revenue's Motion for Summary Judgment is DENIED;
18
19 4. Engrossed Substitute House Bill 1287, Chapter 207 of Washington Laws 2014,
20 is hereby declared unconstitutional, null and void in its entirety.

21 DATED this 4th day of March, 2015.

22 See digital signature
23 JUDGE MARY E. ROBERTS
24
25

King County Superior Court
Judicial Electronic Signature Page

Case Number: 14-2-29269-4
Case Title: SNOQUALMIE CITY OF VS KING COUNTY OF

Document Title: ORDER ON SUMMARY JUDGMENT

Signed by: Mary Roberts
Date: 3/4/2015 12:10:14 PM

A rectangular box containing a handwritten signature in black ink. The signature is cursive and appears to read 'Mary Roberts'.

Judge/Commissioner: Mary Roberts

This document is signed in accordance with the provisions in GR 30.

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