



CITY OF SEATTLE 2012 STATE LEGISLATIVE BULLETIN

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Week Overview

Thursday, March 8th was the last day of the official legislative session, and the Legislature met up until the stroke of midnight to pass bills and complete negotiations on the state transportation budget. The House also released and passed an amended budget, which restores many of the cuts to human services, education, and local governments. The Governor has called the Legislature back for a special session starting at noon on Monday.

Areas of Primary Focus

Protecting the most vulnerable

Budget: The Senate-passed budget makes significant cuts to K12 and higher education, human services programs such as Housing and Essential Needs, food assistance, citizenship programs, family planning, and alcohol treatment and makes permanent cuts to local governments funds. The amended House-passed budget largely preserves funding for these education and safety net priorities, and it cuts the local liquor tax funds for only one year. The Governor has called on the House and Senate leadership to iron out their differences on the funding strategies of delaying an education apportionment payment (House) or skipping a pension payment (Senate,) but the process and timing for the full budget reconciliation process remains unclear. We will continue to advocate for preservation of the human services safety net, for funding for education, for environmental protections, and for minimal and temporary cuts to local government revenues.

Human Trafficking: [ESSB 6251](#), to criminalize the advertising of minors as a class C felony, which is prime-sponsored by Senator Kohl-Welles, has passed both the House and Senate and has been delivered to the Governor. **Seattle supports this legislation.**

Education

K-12 Reform: [ESSB 5895](#) reforms the way teachers and principals are evaluated. On March 8th, the Governor signed the bill into law, and it goes into effect in June. This bill requires school districts to revise the way they evaluate teachers and principals with a basic rating system that must reflect student growth data, requires more focused evaluations, increases

accountability and support, and creates a pilot project to help determine the best ways to include teacher performance in reduction in force and assignment decisions.

[E2SHB 2337](#) directs OSPI to identify and develop a library of openly licensed courseware for K-12 education. This bill was passed by the legislature and has been delivered to the Governor.

Economic Development

Transportation Funding: [ESSB 6582](#) provides a number of local transportation options. Councilmember Tom Rasmussen testified in support of the legislation in the House Transportation Committee. The bill passed the House and Senate in different forms and went to conference. The final version of the bill included a 1% voter approved MVET for King County, a voter approved 1 cent per gallon gas tax authority for the City of Seattle, and councilmanic authority to impose vehicle fees of up to \$40 for all city TBDs (excluding Seattle's). The bill did not come up for a vote before the Legislature adjourned, but it is expected to be on the list of matters to address during the special session.

Meanwhile, [ESSB 6455](#), which would raise transportation fees primarily to generate state revenue, is also moving. This Governor request bill originally included a \$1.50 fee per barrel of petroleum. That provision was removed and the bill contains a variety of fee increases on various transportation related items such as vehicle license plates, driving records, abstracts, and vehicle dealer licenses. The bill went to a Conference Committee and passed the House 55-43, but it did not pass the Senate because one provision was ruled to be a tax and not a fee, causing this version of the bill to die. The House then revived another bill, HB 2660, amended SB 6455 onto it (except for the fee ruled to be a tax). It then passed both the House (56-42) and the Senate (30-19) and has been delivered to the Governor.

Transportation Budget: [HB 2190](#) went to a Conference Committee, a conference report was adopted, and the bill passed the Senate 43-6 and the House 85-13. SDOT is reviewing the final version of the legislation.

Jobs Now Package and Capital Budget: The House Capital Budget chair has released an amended version of the capital budget and jobs proposals [SHB 2168 and SHB 2793](#). These proposals would bond against certain dedicated revenue streams and use the bond revenue to invest in a set of infrastructure projects including environmental clean-up, water quality improvement, toxic waste site clean-up, energy efficiency, parks, higher education construction, affordable housing and public school skill centers and repairs.

On February 28th, the Senate Ways and Means committee heard both a capital budget ([SB 6074](#)) and a [bonds package](#). Much like the House package, this proposal includes a range of public works, site clean up, parks, and educational projects, but includes less funding for the Housing Trust Fund.

Negotiations on these proposals will continue during the special session.

Film Incentives: [E2SSB 5539](#) (Concerning Washington's motion picture competitiveness) encourages jobs and economic development by providing incentives for film production in Washington State. This bill passed the legislature and has been delivered to the Governor.

Public Safety

DWLS3: [E2SSB 6284](#) reforms Washington's approach to certain traffic infractions. The compromise bill, **which Seattle supports**, had a public hearing in the House Transportation Committee. City Attorney Pete Holmes testified in support. However, it failed to make it out before fiscal committee cutoff. The House revived the bill however and pulled it directly from committee to the floor, where it was amended to add an additional penalty for failing to appear. The House then passed it 56-42, but the Senate refused to concur, sending it back to the House. The House voted to recede from its position by a vote of 69-29. The bill has now been delivered to the Governor.

City Fiscal Health

Budget: The House amended the budget that was delivered from the Senate, [ESB 5967](#), and it passed on the House floor. This amended version cuts local liquor tax funding for one year, but it does not make the additional and permanent cuts that were proposed in the previous House budget. Under this strategy, the future of the legislation that would give local governments additional revenue options ([HB 2801](#)) is unclear.

As mentioned above, in addition to eliminating or severely cutting the many human services listed above, the budget that passed the Senate makes permanent cuts to local government funding, including redirecting the liquor excise taxes, excess liquor profits realized with the implementation of I-1183, and the solid waste tax (which currently funds the Public Works Assistance Account) to the general fund. The legislature will be focused on budget negotiations during the special session.

Local Revenue Authority and B&O Tax Administration: The cities continue to work with the Governor's office and the Department of Revenue. Although the Governor announced plans to focus legislative efforts on simplifying the state B& O classifications ([HB 2800](#) and [SB 6626](#)), these bills were never scheduled for a public hearing. The Governor has expressed a desire to work collaboratively with cities to improve coordination between the state and cities with the administration of the B&O tax, and the cities will continue to move ahead with work to create a common portal for businesses to file all their local B&O taxes.

[SSB 6574](#) allows the City to continue to collect an admissions tax for Husky football games while the Huskies are temporarily relocated to Century Link for this season. **Seattle supports this bill** because without it, we would lose up to \$900,000 in revenue in 2012. Seventy-five percent of those funds are dedicated to City arts programs. **Councilmember Licata testified in favor of this bill** previously in the Senate and in the House Ways and Means committee this week. This bill has been delivered to the Governor.

Homelessness and Affordable Housing

[ESHB 2048](#) has been delivered to the Governor. This bill, which is sponsored by Rep. Kenney, would extend and grow the document recording fee to benefit housing and homeless programs. **Seattle supports this legislation.**

[ESHB 2614](#), will assist homeowners in crisis by providing alternatives, remedies, and assistance. This legislation passed the legislature and was delivered to the Governor this week. Sponsored by Rep. Phyllis Gutiérrez Kenney and supported by Senator Frockt, the bill

will bring clarity to the short-sale process so that homeowners have all the information they need if they chose this alternative to foreclosure. This bill was amended to include the provisions of the Foreclosure Fairness Act ([HB 2421](#)) to make the mediation program run more smoothly and [SB 6515](#), which provides remedies for when a home is lost due to mistakes in the trustee sale. This legislation addresses the concerns of lenders, realtors and homeowner advocates.

[SSB 6315](#), concerning the fair tenant screening act, which is sponsored by Senator Frockt, was delivered to the Governor on March 2nd. **Seattle supports this bill** because it would reduce the costs of tenant screenings while helping to ensure that landlords have the information they need to make sound rental decisions.

Other Issues of Significant Interest

Marriage Equality: On Wednesday, February 1st, [ESSB 6239](#) was passed by the Senate in a 28 to 21 vote, after the inclusion of seven amendments related to religious exemptions. The Governor has signed this legislation into law, effective June 7, 2012. **Seattle supported this legislation.**

Transportation Benefit District Rebate Program: [ESB 6215](#), sponsored by Senator Frockt, would authorize a TBD that imposes tolls, a sales tax, or a vehicle fee to establish a rebate program for the purpose of refunding taxes and fees paid by low income individuals. **Seattle supported the intent of this legislation** to give us an option to help make our current TBD authority more equitable. However, the final bill included limits on the amount of the refund and eligibility criteria that may make it challenging to administer. The bill is on its way to the Governor.

Hazardous Site Clean-Up: [E2SSB 6211](#), which would help accelerate the cleanup of hazardous waste sites, is eligible for a vote in the Senate. **Seattle supports the bill** because it would provide some new tools that could be particularly helpful with the Duwamish cleanup, such as Brownfield Renewal Areas and the creation of a grant-funded trust that could help provide funding for the Duwamish and other sites over multiple biennia. Thank you to Sen. Murray for sponsoring a floor amendment to restore the grant funded trust provisions. The bill passed the House Environment Committee, then the House Capital Budget Committee, but it was also referred to the House Ways and Means Committee. On March 8th, by resolution, the bill was returned to Senate Rules Committee for third reading. The bill is referenced in the budget, so we will continue to work with legislators and other stakeholders to pass the bill during the special session.

SEPA Modernization: Although [E2SHB 2253](#) passed the House 92-6, it died in the Senate when it did not receive a vote before the Friday policy cut off. However, elements of this legislation, which aimed to modernize SEPA and promote responsible development by streamlining the process while still protecting the environment, are included in another bill that has NTIB status and may continue to be considered during the special session. **Seattle supports the SEPA modernization language**, continues to engage in this process, and thanks Representative Fitzgibbon for all of his work on 2253.

Peer Car Sharing: [ESHB 2384](#) would regulate personal vehicle sharing programs. **Seattle supports the bill**, which is sponsored by Representative Hudgins. [ESHB 2361](#) would allow usage-based automobile insurance. Both bills have been delivered to the Governor.

Product Stewardship: The legislature considered a number of bills to protect our environment through product stewardship. [2SSB 6120](#), to limit toxics in children's products, unfortunately died after much deliberation during the final days of the regular session. **Seattle supported this legislation** and shared our letter of support with the Seattle delegation. [ESSB 6180](#), which would reduce the size of printed voters' guides, did not pass during the regular session. [SSB 5234](#), which would create a statewide program to collect and dispose unwanted medicines, died when it failed to make it out of the Senate prior to cutoff. **Seattle supported these bills.**

Towing: [ESHB 2372](#), concerning fees and rates for tow truck services and vehicle storage, would direct the Department of Licensing to set maximum towing fees across the state. As the bill came out of the Transportation Committee, it contained a statewide cap on towing rates, which Seattle supports, but it also preempted local regulations, which we opposed. Sen. Frockt worked on an amendment. However, the towing industry opposed the amendment, and the bill failed to come up for a vote.

Energy Independence Act: [SSB 6414](#), which allows for a prequalification process for public utilities under I-937, has been delivered to the Governor.

Health Care: [ESHB 2330](#) would ensure that any health insurance plans that provide coverage for maternity care must also provide equivalent coverage for the voluntary termination of pregnancy, within current law, and with the exception of a federally designated plan that does not cover this procedure under federal law. **Seattle supports this legislation.** When the Senate went into the 9th order on Friday, the Senate took two failed procedural votes to attempt to bring the legislation to a final passage vote. This legislation may be reconsidered during the special session.

Design Build Professionals' Liability: [EHSB 1559](#) addresses indemnification agreements involving design professionals. **Seattle, along with AWC and other governmental entities, opposes this legislation** because it protects the design professional instead of those harmed, shifts liability from design professionals onto governments, and will interfere with cities' ability to negotiate contracts with design professional. While Seattle still has concerns with this legislation, the Senate amendment does reduce those concerns. This legislation passed the legislature and has been delivered to Governor.

Credit Unions: [SB 5913](#) increases the permissible deposit of public funds with credit unions. **Seattle supports this legislation.** The Governor signed the legislation, and it goes into law on June 7, 2012.

Community Supervision: [E2SSB 6204](#) makes significant changes to the process and sanctions for violations of conditions of community custody to reflect fiscal constraints and to realign resources to increase the use of evidence based practices. The bill would result in significant savings, but did not pass before cutoff. However, it could be deemed necessary to implement the budget and return during the special session.

Looking Ahead

The legislature will reconvene on Monday for a special session that may last up to 30 days. In addition to negotiating a final operating budget, the Legislature may also continue to work on a capital budget and jobs package, as well as a package of local transportation funding options.