



## CITY OF SEATTLE 2012 STATE LEGISLATIVE BULLETIN

March 26, 2012

Number 11 (Special Session)

### **Week Overview**

Last week marked week two of the 2012 special session of the legislature. Although the halls of the capitol largely remained empty, there was activity on Wednesday when advocates held a press conference to both highlight the devastating impact of cuts to programs like Disability Lifeline, family planning, and Working Connections child care and to call on the legislature to continue to consider options for revenue. Additionally, the Governor continued to meet with leadership from both parties and houses, and the budget writers from the four corners continued negotiations.

To help close the budget gap, the Governor's office has offered a proposal that adds \$238 million to the state's 2011–13 balance sheet through an accounting change to how city and county sales-tax revenues are deposited in state accounts before being distributed. If done correctly, this change would not impact the amount or timing of city distributions, while offering a strong tool towards meeting the budget gap.

Officially, special sessions are called for 30 days, leaving the last day as April 10<sup>th</sup>, but it is unclear how long the legislature will meet in order to reach agreements on the budget and other remaining legislation. The Governor has slowed her signing of policy bills during this negotiation period, but on Friday, she did sign SB 6284 on DWLS 3 provisions.

*This is an abbreviated version of the bulletin; during the special session we will be providing less frequent and shorter bulletins since there is less to update on than during the regular session, but we will continue to provide updates as new information becomes available.*

### **Areas of Primary Focus**

#### **Protecting the most vulnerable**

Budget: As mentioned above, the Senate Republican leadership, in coalition with Democratic Senators Tom, Kastama, and Sheldon, released a new budget proposal on March 16th. While restoring previously proposed cuts to education, this budget continues to eliminate Disability Lifeline medical coverage, the Housing and Essential Needs program, the New Americans citizenship program, alcohol treatment programs, and the State Food Assistance Program, as well as eliminating local liquor tax revenues. The budget package also includes

funding for a pilot of charter schools, a proposal to require a 4 year budget outlook, and restoration of cuts to criminal justice.

The amended House-passed budget largely preserves funding for these safety net priorities, and it cuts the local liquor tax funds for only one year. 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 been delivered to the Governor. **Seattle supports this legislation, and we sent a letter to the Governor encouraging her to sign the bill.** **The Governor has not yet taken action on this legislation.**

## Education

K-12 Reform: [ESSB 5895](#) reforms the way teachers and principals are evaluated. This bill requires school districts to revise the way they evaluate teachers and principals by using 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. On March 8<sup>th</sup>, the Governor **signed the bill into law**, and it goes into effect in June.

E2SHB 2337 directs OSPI to identify and develop a library of openly licensed courseware for K-12 education. **The Governor has not yet taken action on this legislation.**

## 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. The conference report for this bill contains a variety of fee increases on various transportation related items such as vehicle license plates, driving records, abstracts, and vehicle dealer licenses.

Transportation Budget: [HB 2190](#) went to a Conference Committee, a conference report was adopted, and the bill has now been delivered to the Governor.

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.

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 cleanup, 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 extending the incentives for film production in Washington State. This bill has been delivered to the Governor. **The Governor has not yet taken action on this legislation.**

## Public Safety

DWLS3: [E2SSB 6284](#) reforms Washington's approach to certain traffic infractions. The compromise bill, **which Seattle supports** and City Attorney Pete Holmes has testified in support of, has now been **signed by 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 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.

[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.** This bill has been delivered to the Governor. **The Governor has not yet taken action on this legislation.**

## 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.** **The Governor has not yet taken action on this legislation.**

[ESHB 2614](#) will assist homeowners in crisis by providing alternatives, remedies, and assistance. This legislation was delivered to the Governor. 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 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. **The Governor has not yet taken action on this legislation.**

[SSB 6315](#), concerning the fair tenant screening act, was sponsored by Senator Frockt. **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. **The Governor has signed this legislation.**

### **Other Issues of Significant Interest**

**Marriage Equality:** [ESSB 6239](#) has been signed into law by the Governor, 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 Governor has not yet taken action on this legislation.**

**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 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 [SB 6406](#), which 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, but **the Governor has not yet taken action on this legislation.**

**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, but there is some discussion of considering this bill during the special session. **Seattle supports this bill.**

Energy Independence Act: [SSB 6414](#), which allows for a prequalification process for public utilities under I-937, has been delivered to the Governor. **The Governor has not yet taken action on this legislation.**

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 9<sup>th</sup> 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 has been delivered to Governor. **The Governor has not yet taken action on this legislation.**

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 special session may officially last until April 10<sup>th</sup> as the legislature continues to negotiate on a final operating budget, a capital budget and jobs package, and a few select policy measures.