



## CITY OF SEATTLE 2011 STATE LEGISLATIVE BULLETIN

February 21, 2011

Number 6

### ***Weekly Overview***

Last week the House and Senate agreed on an early action budget and it was signed by conferees representing the Senate Democratic and Republican caucuses and the House Democratic caucus. After the conference report was signed, it passed the Senate by a 37-10, and the House by a 55-41 vote. It was then signed by Governor Gregoire.

Despite these cuts, there remains a significant budget gap for the current biennium. What's worse, we are hearing that the March revenue forecast may be down sharply, resulting in an additional \$30-50 million gap for this biennium and perhaps as much as an additional \$500 million for next biennium. That would push the projected deficit for the 2011-13 budget over the \$5 billion mark.

Meanwhile, committee action continued at a blistering pace, as policy bills must pass out of policy committees by February 21<sup>st</sup>, then out of fiscal committees by February 25<sup>th</sup>.

Mayor Mike McGinn was in Olympia on Thursday and met with 16 legislators, including the leaders of all four caucuses. The meetings focused on the City's budget priorities, the UW commercial parking tax exemption (which would be a \$3 million a year hit to the City's budget), transit funding, and education.

In addition, Councilmembers Jean Godden and Tom Rasmussen were in Olympia on Wednesday, February 16<sup>th</sup>, for the Association of Washington Cities' annual City Legislative Action Conference. Councilmember Godden also met with a number of legislators.

### ***Areas of Primary Focus***

Budget: The House and Senate passed an early action budget last week. In the interest of time, they agreed to things they could agree on and deferred the rest. Consequently, it looks like they left a larger gap for the current biennium than they would have preferred. The budget:

- Makes \$242 million in reductions and \$125 million in transfers
- Maintains the Disability Lifeline cash grant at 50 percent of the current amount

- Limits Basic Health Plan eligibility to individuals eligible for a Medicaid waiver
- Makes no transfer of local liquor profits
- Still cuts K-4 enhancements, but only half as much as the Governor proposed

**Municipal Revenue:** [SB 5541](#) would exempt the UW from the commercial parking tax (CPT). It had a hearing in the Senate Transportation Committee on Monday, February 14th. Councilmember Sally Clark testified with Craig in opposition to the bill, but in strong support of working together to help support the U-Pass and other important transit programs. The House companion bill, [HB 1882](#), has not yet been scheduled for a hearing.

If passed, this legislation would cut the City's funding by approximately \$3 million a year, hitting critical infrastructure projects, including the seawall replacement. The City is working with the UW to find a permanent fix for the U-Pass program so that it will continue to be viable not just for the short term, but for the long term. This bill underscores the dire state of transit funding.

There is some discussion of broadening this bill to apply to all nonprofits as a reward for having a commute trip reduction (CTR) program. For-profit companies get a break on the B&O tax if they have a qualifying CTR program, while nonprofits don't pay the B&O, so we have heard there may be an appetite for using a CPT exemption as a similar reward for nonprofits.

**Transit Funding:** The House version of the short-term transit funding bill, [HB 1536](#), was passed out of the Transportation Committee, and it is now in Rules. The Senate version, [SB 5457](#), is scheduled for a public hearing on Monday, February 21<sup>st</sup>. Councilmember Tom Rasmussen will testify in support of the bill on behalf of Seattle.

**Fiscal Flexibility:** [SB 5755](#) is scheduled for a hearing on Monday, February 21st. The House version, [HB 1953](#), had a hearing in the House Ways and Means Committee on February 17<sup>th</sup> and is scheduled for executive action on February 22<sup>nd</sup>. Seattle supports this bill because it would provide cities and counties the flexibility to use real estate excise taxes for the maintenance and operation of capital facilities and additional capital projects.

**Criminal Justice:** [SB 5545](#) passed out of the Senate Human Services and Corrections Committee. Seattle supports this legislation because it would give law enforcement personnel additional tools to fight human trafficking and the sexual exploitation of children by allowing law enforcement to intercept and record a conversation with the consent of only one party to the conversation when there is probable cause to believe the conversation involves the commercial sexual abuse of a minor. SPD testified in support of this legislation. The House companion bill, [HB 1874](#), also passed out of committee and is now in Rules.

**Education:** [HB 1776](#), prime-sponsored by Representative David Frockt, would establish a unified set of licensing requirements for child care centers operated in public buildings. This bill is currently scheduled for executive session on Monday in the House Committee on Education Appropriations & Oversight. Seattle supports this legislation.

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

**Vulnerable Roadway Users:** Seattle supports this legislation because it creates a new infraction and penalties for drivers who injure vulnerable roadway users. The Senate version, [SB 5326](#),

passed out of Committee and has been made eligible for floor action. The House version, [HB 1339](#), is now in Rules.

**State Environmental Policy Act (SEPA):** Last week a new version of the SEPA reform bill, [HB 1952](#), was introduced in the House by Representative Upthegrove. The bill was amended and passed out of the House Environment Committee on Thursday and is now in the House Committee on General Government Appropriations & Oversight. Seattle has been actively participating in a broad stakeholder process focused on modernizing SEPA, and we are looking forward to continuing to improve this legislation as it moves forward. We are pleased that the current version of the bill includes an exemption for farmer's markets.

**Public Records:** [HB 1300](#), which provides for cost recovery for public records requests, failed to make it out of the State Government & Tribal Affairs Committee this week before the Committee cutoff deadline. The Senate version, [SB 5088](#), has one more chance to make it out of Committee. These bills would allow cities and other government entities to charge the public records requestor for the actual personnel costs of any request that exceeds five hours of staff time per month. Opponents claim these cost recovery mechanisms would limit Government transparency. [HB 1899](#), which relates to penalties for public records violations, was amended to address cities' concerns. The bill now gives a range of monetary penalties that may be assessed, from a minimum of \$0 up to \$100. The range under current law is \$5-\$100 per day, so having an option for \$0 is a significant step forward.

**Carpet Stewardship:** [SB 5110](#), requiring manufacturers or retailers of carpets to participate in a carpet stewardship program, is scheduled for executive session on Monday morning in the Senate Committee on Environment and Water & Energy. Seattle supports this legislation. Seattle calculates that approximately 14,000 tons of carpet are sent to landfill annually in Seattle that instead could be recycled into other materials.

**Regulating Underground Utilities:** [HB 1634](#) aims to improve pipeline safety in Washington State by making changes to dig law practices. This bill had a public hearing on Friday in the House General Government Appropriations & Oversight Committee. Seattle continues to have concerns about some of the unintended consequences of this bill. Specifically, the bill will require a change in practice for marking or identifying certain sewer and water lines, and it is unclear whether this provision would significantly reduce water and sewer line disruptions; it could, however, result in a significant workload increase for SPU.

**Secure Medicine Return:** [SB 5234](#), creating a medicine return association to finance and operate a product stewardship program for the safe collection, transportation, and disposal of unwanted medicines, is in Senate Rules. The House companion, [HB 1370](#), died in Committee. Seattle is working closely with a broad range of stakeholders in support of this legislation.

**Phosphorus in Fertilizer:** Last week [HB 1489](#), which would limit the use of fertilizer containing phosphorus, passed out of committee, and is now in Rules. The committee passed out a substitute version of the bill that the City supports. This legislation aims to protect water quality by reducing phosphorous runoff from lawn fertilizers. The Senate version, [SB 5194](#), also passed out of Committee and is now in Rules.

**Houseboats:** Legislation that would exempt houseboats from certain land use regulations has had hearings in both the House and Senate ([SB 5623](#) and [HB 1783](#)). The House version was broadened to apply in other jurisdictions, not just Seattle, and then passed out of committee and sent to Rules. These bills were introduced because houseboat advocates were concerned that

state and local regulations would eventually lead to fewer and fewer spaces for existing houseboats. Representatives from DPD and the houseboat advocates have been meeting and it appears that they are close to reaching agreement on a compromise amendment that addresses the houseboat advocates' concerns while protecting environmentally sensitive areas. Environmentalists and the state DOE and DNR have significant concerns with the current versions of the legislation. The objective at this point is to find amendment language that satisfies houseboat advocates, environmental advocates, the City, and the state agencies.

Limousine Regulations: [SB 5502](#) would provide the City of Seattle with the authority and some resources to enforce limousine laws. Currently, there are a number of locations in Seattle where some limousine operators are operating more like taxicabs than limousines, and the City does not have the legal authority to take action. This bill passed out of the Senate Transportation Committee and is now in Rules.

Mutual Aid: [HB 1585](#) and companion bill [SB 5420](#) would allow local governments to provide aid when another city or county in Washington has experienced an emergency and requests assistance. Seattle supports efforts to allow this type of coordinated assistance. Both bills passed out of their policy committees and are now in Rules.

SR 520 Tolling: [SB 5700](#) would authorize tolls in the SR 520 corridor. The bill passed the Senate on a 35-10 vote, and is scheduled for public hearing in the House Transportation Committee this week.

Flood Control District: [SB 5638](#) and [HB 1969](#) would exempt the King County Flood Control District from certain limitations on regular property tax levies. Seattle supports this legislation because a portion of the property taxes that would be collected if this bill passes are slated to help fund the seawall replacement and other critical projects. The Senate bill already had a public hearing, and the House version is scheduled for a hearing in Ways and Means this week.

Storm Water Funding: [SB 5604](#) and [HB 1735](#) would impose a storm water pollution fee on petroleum and other hazardous products and use the revenue to help fund important projects that reduce storm water pollution. Seattle supports this legislation. Both bills have been in heard in fiscal committees and await action.

Taxicab Lease Rate Caps: [SB 5498](#) would make all taxicab, limousine, and for-hire vehicle businesses and operators subject to mandatory industrial insurance. Seattle supports the underlying legislation, but opposes two sections that would limit our ability to cap the lease rates taxi owners charge taxi operators. Our ability to cap the lease rates owners charge drivers is essential to preserving the drivers' ability to earn a living wage. We are working with legislators and key stakeholders on amendments that would address this concern. The House version, [HB 1367](#), is in Rules, while the Senate bill is scheduled for executive action this week.

Medical Cannabis: [SB 5073](#), which clarifies laws surrounding the medical use of cannabis, passed out of the Senate Health & Long Term Care Committee on a bipartisan vote, and was referred to the Senate Ways & Means Committee. The bill is scheduled for a public hearing in Senate Ways & Means this week.

Youth Access to Tobacco Products: Last Thursday the House Committee on Health Care & Wellness passed [HB 1246](#) out of committee and on to Rules. This Monday, February 21<sup>st</sup>, the Senate Committee on Labor and Commerce & Consumer Protection is scheduled to hold an

executive session on the Senate companion bill, [SB 5380](#). These bills aim to reduce youth access to tobacco products. Seattle strongly supports these bills.

### ***Looking Ahead***

On Monday, Councilmembers Conlin, Bagshaw, Burgess, Harrell, O'Brien, and Rasmussen will be in Olympia for a full day of meetings, including meetings with leaders of all four caucuses, Governor Gregoire's senior staff, and a range of legislators from across the state. Topics will include the City's budget priorities, the UW commercial parking tax exemption legislation, transit funding, and a number of other important bills.

In addition, a number of key bills Seattle is working on have public hearings and executive action scheduled this week. Our main objective is to get past the February 25<sup>th</sup> fiscal committee cutoff in good shape with key priorities moving forward.