



## CITY OF SEATTLE 2011 STATE LEGISLATIVE BULLETIN

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### ***Weekly Overview***

Last week was the fourth week of the thirty-day special session. The Senate and House spent the week in Olympia passing priority bills and negotiating budget and policy issues. In addition to taking action on the operating and capital budgets during the special session, the Senate has said it also wants several policy bills to pass, including a constitutional amendment to change the state's debt ceiling, worker's compensation reforms, new rules for contracting out state services, and teacher layoff reforms.

On Monday, May 16<sup>th</sup>, the Governor signed several of our priority bills, which are discussed briefly below.

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.

### ***Updates on Priorities***

**Budget:** Negotiations on the operating and capital budgets continued this week in Olympia. While we hear a budget deal is near, it is not yet clear if an agreement will be reached before the end of the special session on Wednesday, May 25<sup>th</sup>. One issue that appears to still be in discussions between the chambers is the Disability Lifeline program, and last week the Senate Ways & Means Committee held a hearing on [ESHB 2082](#), the House's proposed Disability Lifeline reform bill. The week before, Sergeant Joseph Fountain from SPD testified in support of this bill on behalf of the City because it represents the best opportunity to save some basic support for this vulnerable population. The bill renames the program, preserves medical coverage for recipients, maintains a cash benefit for those who will be eligible for SSI, and provides housing and other basic needs support for other benefit recipients. A short description of Sergeant Fountain's testimony and a video clip of it can be viewed [here](#).

**Medical Cannabis:** Last week we continued to work closely with Senator Kohl-Welles and other legislative leaders to see if we could pass a new bill during the special session to fix some of the issues left unresolved by the Governor's partial veto of [E2SSB 5073](#). Despite a great deal of effort by Senator Kohl-Welles and many others, [SB 5955](#), failed to receive enough signatures to

make it out of the Senate Ways & Means Committee on Friday, May 20<sup>th</sup>. This week we will touch base with Senator Kohl-Welles to discuss next steps.

**Education:** [E2SHB 1776](#), prime-sponsored by Representative David Frockt, will establish a unified set of licensing requirements for child care centers operated in public buildings. The Governor signed this bill on Monday, May 16<sup>th</sup>.

**Transit Funding:** The Governor signed the short-term transit funding bill, [ESSB 5457](#), on Monday, May 16<sup>th</sup>. As we mentioned previously, Speaker Chopp and Representatives Frockt, Fitzgibbon, Clibborn, and Lias all worked the bill very hard in the House and deserve our gratitude, as does Senator White for his leadership. Without the hard work of these members and many more the bill would not have made it to the Governor's desk. Now attention turns to the King County Council, but based on statements by Councilmembers since the bill passed the Legislature, it remains unclear whether the Council has the votes to use the 2/3 vote of the Council option in the bill.

**Ferry Funding:** [2ESSB 5742](#), providing funding and cost saving measures for the Washington State Ferry system, passed the House on Sunday, May 22<sup>nd</sup>. A provision in the bill exempts fuel bought by Washington State Ferries and county-owned ferries from the state sales tax, and as a consequence also exempts such fuel from the local portion of the sales and use tax. Thus, this bill will have a direct fiscal impact on local governments, including Seattle (where a large portion of ferry fuel is bought), Anacortes, and Sound Transit. The fuel exemption will go into effect in July 2013, at which point it could cost the city approximately \$300,000 annually in revenue.

We support the underlying bill because ferries are a vital part of Seattle, and we understand that these are extraordinary budgetary times, but this provision is problematic given the financial challenges we face at the local level. We have brought the local impacts of this bill to the attention of Seattle legislators and we worked with several members of our delegation to try to address the impact of this bill during this session. However, because of the delicate politics surrounding this bill, the little time remaining during the special session, and the fact that the exemption doesn't go into effect for a couple of years, we were not able to address this issue this year, but we have been given a commitment by several members of our delegation that they will help us address it during the next legislative session.

**Fiscal Flexibility:** On May 16<sup>th</sup> the Governor signed [HB 1953](#), concerning additional real estate excise tax authority for counties and cities. Seattle supports this legislation because it will provide cities and counties the flexibility to use real estate excise taxes for the maintenance and operation of capital facilities and additional capital projects.

**Vulnerable Roadway Users:** The Governor signed [SSB 5326](#) on Monday, May 16<sup>th</sup>. Seattle supports this legislation because it creates a new infraction and penalties for drivers who injure vulnerable roadway users.

**Limousine Regulations:** [SSB 5502](#) will give Seattle authority and additional resources to enforce limousine laws. Currently, there are several 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. On Monday, May 16<sup>th</sup>, the Governor signed this bill into law.

**Stadium Taxes:** [SHB 1997](#) would fund tourism promotion, workforce housing, art and heritage programs, and community development by extending taxes currently used to service stadium debt. This bill did not pass during the regular legislative session. On May 13<sup>th</sup>, Senator Scott

White introduced [SB 5958](#), which would fund the same items as HB 1997 but would allocate the revenues differently between the program areas. SB 5958 had a hearing early last week and was voted on by the full Senate on Thursday, May 19<sup>th</sup>, but failed to receive a constitutional majority by one vote, 24-22. On Sunday, May 22<sup>nd</sup>, Senator White introduced a new bill, [SB 5961](#), which is very similar to SB 5958 but again changes the distribution of funding between the different program areas. A more limited version focused on Arts & Heritage, [SSB 5834](#) (sponsored by Senator Ed Murray), is currently on the Senate Floor calendar and is eligible to be voted on by the Senate at any time.

**Film Tax Incentive:** On Thursday, May 19<sup>th</sup>, the Senate passed [2SSB 5539](#), concerning Washington's motion picture competitiveness, 30-16. The bill is scheduled for a hearing and executive session on Monday, May 23<sup>rd</sup> in the House Ways & Means Committee. Seattle supports this legislation because it will continue a program of incentives for the motion picture industry in Washington State, which is crucial to the health of Seattle's film industry.

### ***Looking Ahead***

The special session is scheduled to end on Wednesday, May 25<sup>th</sup>. It is not yet clear whether the Legislature will be able to finish its work on the budget and policy bills necessary to implement the budget by this date.