



## CITY OF SEATTLE 2012 STATE LEGISLATIVE BULLETIN

March 5, 2012

Number 8

### Week Overview

Last week, the Senate Ways and Means committee chair released and heard a proposed budget that preserved full current funding for the safety net and education, while minimizing cuts to local governments. However, just before the floor policy bill cut-off on Friday afternoon, the Senate Republicans joined with three Democrats to suspend the rules and pass an alternate budget proposal. This budget makes significant cuts to K12 and higher education, human services programs such as Housing and Essential Needs, food assistance, citizenship programs, family planning, alcohol treatment, and cut funds to local governments without new tools for replacing this revenue. Many key legislative leaders say this move will make it extremely difficult for the Legislature to adjourn on time on March 8<sup>th</sup>

### Areas of Primary Focus

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

Budget: As mentioned above, the full House and Senate have now passed different budgets and the process and timing for reconciliation is unclear. We will continue to work to support the preservation of critical programs and to minimize the cuts to important local 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, has been signed by leadership, and is on its way to the Governor. Seattle **supports this legislation.**

#### **Education**

K-12 Reform: [ESSB 5895](#) reforms the way teachers and principals are evaluated. The bill has passed both the House and Senate, has been signed by leadership, and is on its way to the Governor. 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. The bill passed the House 88-7, and on February 29<sup>th</sup> it passed the Senate floor, 47-1. There were amendments made in the Senate, so the bill will go back to the House.

## 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 was amended on the House floor and now includes a voter approved MVET of up to 1% for all counties and councilmanic authority for a vehicle fee of up to \$40 for TBD's except for Seattle. Instead, Seattle receives authority to impose a voter approved 1 cent per gallon city gas tax. This new authority could generate between \$3.3 and \$4.3 million a year in Seattle. The bill passed the House 53-43 and now goes back to the Senate for a concurrence vote.

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. The bill passed the House 55-41, and now heads back to the Senate for a concurrence vote.

Jobs Now Package and Capital Budget: On February 27<sup>th</sup>, the House Ways and Means committee passed the supplemental capital budget ([SHB 2168](#)), infrastructure jobs package ([SHB 2793](#)) and an education construction proposal ([SHB 2792](#)) out of committee and on to Rules. The jobs proposal 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, and energy efficiency. The education construction bonds would be funded by lottery revenue and focus on community and technical colleges and skills centers, and the capital budget includes funding for affordable housing, weatherization, and higher education construction.

On February 28<sup>th</sup>, 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.

## 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 the failed to make it out before cutoff. The fiscal note indicates the bill could save the Department of Licensing up to a \$1 million a year, so we are working to make the legislation necessary to implement the budget and therefore not subject to cutoff. It also saves local governments up to \$36 million.

## City Fiscal Health

Budget: The House budget, [ESHB 2127](#), would make significant cuts to local governments, while preserving funding for many of the key safety net programs. The biggest reductions come from permanently cutting the local share of state liquor taxes and criminal justice shared revenues. These two cuts total approximately a \$5.5 million loss for Seattle for 2013. Other cuts and shifts total an excess of another \$1 million a year to the City. In addition, there are many cuts to state programs that will result in additional challenges at the local level that will increase costs. These are difficult to quantify, however. On February 29<sup>th</sup>, this budget passed the House floor 53-45, and the bill was moved to the Senate Ways and Means Committee.

Meanwhile, to help backfill the direct cuts, the House plans to introduce legislation that would give local governments additional revenue options. ([HB 2801](#)) These options include additional sales tax authorities for counties (with revenue shared with cities), a utility tax for counties, and restaurant tax for cities. The committee hearing for this bill began on February 29<sup>th</sup>, and due to time constraints, was finished on March 1<sup>st</sup>.

As mentioned above, on the Senate Ways and Means committee chair's budget was heard on February 28<sup>th</sup>, and in the wee hours of March 3<sup>rd</sup>, the Senate Republicans' striker amendment passed the Senate floor. The documents for both budgets ([SB 5967](#)) can be found [here](#). 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.

Local Revenue Authority: The cities continue to work with the Governor's office and the Department of Revenue. The Governor now plans to focus legislative efforts on simplifying the state B & O classifications ([HB 2800](#) and [SB 6626](#)) and 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. These bills have not yet been scheduled for a public hearing. 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. The bill passed the Senate, the same version passed the House, and the bill has been signed by the Senate President.

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

Marriage Equality: On Wednesday, February 1<sup>st</sup>, [ESSB 6239](#) was passed by the Senate in a 28 to 21 vote, after the inclusion of seven amendments related to religious exemptions. The bill then passed the House, 55-43, and on February 13<sup>th</sup>, the Governor signed it into law, effective June 7, 2012. **Seattle supported this legislation.**

Affordable Housing: [ESHB 2048](#) passed the House by a vote of 55-42, passed the Senate by a vote of 30-18, and the House has concurred with the Senate amendments. 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.**

Fair Tenant Screening Act: [SSB 6315](#), concerning the fair tenant screening act, which is sponsored by Senator Frockt, passed the Senate 46-0, passed the House floor 81-16, and was delivered to the Governor on March 2<sup>nd</sup>. **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.

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 supports this legislation** because it would give us an option to help make our current TBD authority more equitable. However, the bill was amended in the Senate to include limits on the amount of the refund and eligibility criteria that may make it challenging to administer. The bill passed the House 55-42 and 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 was referred to the House Ways and Means Committee. We continue to work with legislators and other stakeholders to pass the bill, which may be necessary to implement the budget.

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. **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. This bill passed the House and Senate and was delivered to the Governor. [ESHB 2361](#), to allow usage-based automobile insurance, also passed the House by a 73-23 and passed the Senate 38-10. However, the House has refused to concur on the amendments and has sent the bill back to the Senate.

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 in the House when it did not receive a floor vote before Friday's cut off. **Seattle supported this legislation** and shared our letter of support with the Seattle delegation. [ESSB 6180](#), reducing costs and inefficiencies in elections, would reduce the size of printed voters' guides, died in the House when it did not receive a floor vote before Friday's cut off, and [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 it, 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, passed the House and Senate and is now headed to the Governor.

[SHB 2783](#) amends the Fuel Mix Report and the off-ramp provision in I-937 to allow purchases from the coal-fired Chehalis TransAlta facility. Seattle City Light testified with concerns because the amendment to the Fuel Mix Report would allow purchases from TransAlta be recorded as "other." City Light believes that undermines the purpose of the report which is to communicate to our customers the sources of fuel. The bill failed to pass the House before cutoff.

City Speed Limits: In order to improve public safety on city streets, [SHB 1217](#) would make it easier for local authorities to set 20 mph speed limits on certain local, non-arterial streets. **CP Sally Clark testified in support of this legislation on behalf of the City.** Unfortunately, this legislation died when it did not receive a Senate floor vote before Friday's cut off.

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.

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. The bill passed the House and an amended version passed on the Senate floor 45-1 on February 28<sup>th</sup>. While Seattle still has concerns with this legislation, the Senate amendment does reduce those concerns.

Credit Unions: [SB 5913](#) increases the permissible deposit of public funds with credit unions. **Seattle supports this legislation.** It passed the Senate 43-2, passed the House floor on 80-16, was signed by leadership, and delivered to the Governor.

### **Looking Ahead**

Now that the legislature has passed the policy committee cut-off last Friday, the focus will be on the operating, capital, and transportation budgets, bills that are necessary to implement those budgets (NTIB), and concurrence on bills that have passed both Houses. Although the legislature was set to adjourn on March 8<sup>th</sup>, it is now quite likely that a special session may be called in order to complete this work.