



CITY OF SEATTLE 2012 STATE LEGISLATIVE BULLETIN

April 9, 2012

Number 13 (Special Session)

Week Overview

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. We will continue to provide updates as new information becomes available.

During the fourth week of the 2012 special session of the legislature, the full House and Senate was called back to Olympia for committee meetings and floor activity. The accounting change offered by the Governor's office will likely bring the legislators closer to closing the funding differences in their budget and this week the House passed an updated budget which used the accounting method. The Republican leadership continued to call for the passage of reform measures addressing four year budgeting, school employee benefits, and state pensions before agreement on the final budget, and bills related to those key items were considered in both houses. The Senate met through Saturday to move the House-passed operating budget and Senate draft capital budget bills out of the Ways and Means committee and forward in the legislative process. However, the committee chair stated changes will be made to these bills when they are considered on the floor and acknowledged that some committee members may wait until later in the special session to sign the bill vote record.

The last day allowed in this special session is April 10th.

Areas of Primary Focus

Protecting the most vulnerable

Budget: The House released and passed an updated version of the budget on Thursday ([HB 2127](#)), April 6th by a vote of 54-43. This budget does not include a shift of the education apportionment payment and instead includes the changes in accounting on the local sales tax that was discussed earlier in the special session. This budget makes no additional cuts to education and preserves key health and human services programs, but cuts the local liquor tax funds for one year. This budget was also passed out of the Senate Ways and Means committee on Saturday.

The budget released on March 16th by Senate Republican leadership, in coalition with Democratic Senators Tom, Kastama and Sheldon, restored previously proposed cuts to education, but this budget eliminates 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 Governor has said that she would veto any charter school proposals.

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 signed this legislation.**

Education

Education Funding: [HB 2824](#) calls for the development of a plan for full education funding and redirects the Student Achievement Program funds to general K12 education funding. This bill passed the House this week and was passed out of the Senate Ways and Means committee on April 7th.

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 8th, 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 signed this bill into law, effective June 2012.**

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). Seattle continues to work with legislators and other stakeholders to pass this bill during special session.

Meanwhile, [EHB 2660](#) will raise transportation fees primarily to generate state revenue through a variety of fee increases on various transportation related items such as vehicle license plates, driving records, abstracts, and vehicle dealer licenses. **The Governor signed this bill into law, effective June of 2012.**

Transportation Budget: [HB 2190](#) is the supplemental transportation budget. The biennial budget was amended to reflect reductions in state revenues since the biennial budget was adopted, and new revenue associated with EHB 2660. Appropriations connected with new revenues from EHB 2660 include funding for the Washington State Patrol, the ferry system, and Safe Routes to Schools, among other programs and projects. **The Governor signed this bill into law.**

Jobs Now Package and Capital Budget: This week, the House Capital Budget chair released another amended version of the capital budget and jobs proposals. ([SHB 2168](#) and [SHB 2793](#).) These proposals no longer bond against dedicated revenue streams, but instead use general revenue bonds and program dollars to invest in a set of infrastructure projects including water quality improvement, environmental cleanup, 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](#). This proposal includes a range of public works, site cleanup, parks, and educational projects, but includes less funding for the Housing Trust Fund. The Senate Ways and Means committee passed these bills out of committee on Saturday, April 7th, but, like the operating budget, there was an understanding that changes may be made to the legislation on the Senate floor and that some members may not sign the bill vote documents until later.

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. **The Governor has signed 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: On Thursday, the House passed an amended version of the budget that was passed earlier in the House ([2127](#).) This amended version cuts local liquor tax funding (for Seattle approximately \$1.5 million in 2012 and \$1.75 million in 2013), but it does not make the additional and permanent cuts to local governments that were previously proposed. 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. During the special session, the legislature has been focused on budget negotiations and bills needed to allow budget negotiations to continue.

[HB 2823](#) redirects a variety of existing revenues in the state general fund, including \$10 million per year from the local share of liquor excise taxes. It was introduced on April 3rd, then had a public hearing and passed out of the House Ways and Means Committee on April 4th and is now eligible for a vote on the House floor. AWC testified with concerns about this legislation on behalf of cities. In short, this bill would have the effect of freezing the local share of liquor revenues at 2010 or 2011 levels.

[HB 2822](#) would change the date the Department of Revenue would make deposits in the local sales and use tax account with delaying or reducing distributions to local governments. It is a simple accounting adjustment that increases the state's balance sheet by approximately \$238 million. The bill was introduced on April 3rd and had a public hearing and passed out of the House Ways and Means Committee on April 4th, then passed the entire House on April 5th by a vote of 82-15. **Seattle supports this legislation.**

[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. The Governor has signed 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 signed 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 signed this legislation, effective immediately.**

[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 signed 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. **The Governor has signed this legislation.**

Toxics in Children's Products: On Friday, April 6th, the House passed [2821](#), which mirrored an earlier version of [2SSB 6120](#), to limit toxics in children's products. This bill was then passed out of the Senate Environment Committee on April 7th. **Seattle supports this bill.**

Energy Independence Act: [SSB 6414](#) allows for a prequalification process for public utilities under I-937. **The Governor has signed 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 9th order, 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. **The Governor has signed 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. This legislation was returned to the Senate during the Special Session and was passed out of the Senate on April 6th. The bill has been placed on the House second reading calendar for a floor vote. Additionally, [HB 2826](#) (Revising community supervision provisions) was heard in the House Ways and Means committee on April 4th and is scheduled for an executive session on April 9th.

Looking Ahead

The special session continue until April 10th as the legislature continues to negotiate on reform measures, a final operating budget, a capital budget and jobs package, and a few select policy measures.