



CITY OF KIRKLAND

City Manager's Office

123 Fifth Avenue, Kirkland, WA 98033 425.587.3001

www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager
From: Lorrie McKay, Intergovernmental Relations Manager
Date: December 19, 2013
Subject: CITY OF KIRKLAND 2014 STATE LEGISLATIVE AGENDA

RECOMMENDATION:

It is recommended that the City Council adopts a resolution approving the 2014 State Legislative Agenda which includes the priorities agenda as Exhibit A and the support agenda as Exhibit B.

BACKGROUND DISCUSSION:

At its December 10, 2013 meeting, Council was presented with a proposed draft 2014 Legislative Agenda (Attachment A), which included a set of general principles, legislative priorities for 2014 and legislative support items. Council was also presented with a draft resolution approving the 2014 Legislative Agenda.

Revisions to the General Principles and Legislative Priorities

The item "oppose legislation that proposes lending products or practices that adversely impact the middle class and the poor" was moved from the general principles section and put into the legislative priorities at Council's request because it relates to specific legislation.

On the legislative priority in support of the provision of state and local transportation revenue, Council requested that the bullet specifically mention funding for transit agencies, as there is deep concern about the funding challenges faced by King County Metro Transit. In addition to providing funding to complete projects like the 520 bridge, Council's support for a balanced statewide transportation revenue package includes support for local revenue options that fund transit agencies. These and other concerns were expressed in a December 12, 2013 letter (Attachment B) to the lead negotiators on the transportation revenue package. It should be noted that on December 18, Governor Inslee and the bipartisan House and Senate transportation negotiators jointly issued a statement (Attachment C) expressing the importance of the package but that they have not reached agreement. The statement went on to say that the discussion and negotiations will continue in the regular 2014 legislative session.

Finally, Council requested additional clarity on the proposed legislative priority to "harmonize medical marijuana regulations to reflect recreational marijuana regulations." Since 1998, the state has allowed medical use of marijuana and Initiative 502, approved with 55% of the vote last year, allowed the sale of marijuana to adults for recreational use at licensed stores, which are expected to open by late next spring. Officials with the U.S. Justice Department have warned that the State's largely untaxed and loosely regulated medical cannabis status quo is untenable, while local lawmakers have worried that the basically unregulated medical cannabis system will undercut the taxed, recreational system. State law (Chapter 69.51a RCW) currently does not explicitly authorize medical marijuana dispensaries, and doesn't govern who runs them, or how. Some lawmakers and police officials believe that a substantial percentage of medical marijuana customers are in fact recreational marijuana customers. They point to the proliferation of medical dispensaries in Washington — establishments that aren't allowed by the medical cannabis law — saying that this demonstrates that they're largely a front for commercial marijuana sales.

At the same time, legitimately sick patients who depend on cannabis to ease suffering have voiced strong concerns about being forced into the recreational market where they would face heavy excise taxes.

Initiative 502 mandated the Liquor Control Board (LCB) establish strict rules and taxation to regulate recreational marijuana growers, processors and retailers. Through a provision in the state's budget earlier this year, the Legislature directed a work group comprised of staff members from the liquor board, Department of Revenue and Department of Health to evaluate how medical and recreational marijuana markets might coexist and to send its final recommendations to the Legislature by Jan. 1, 2014. On December 18, 2013 the LCB released its official recommendations on regulating medical cannabis in the state (Attachment D). The recommendations include allowing licensed I-502 stores (with a special endorsement from the WSLCB) to sell medical cannabis, which would be subject to the same high excise taxes as recreational marijuana. However, patients who sign up for a proposed mandatory state registry of medical marijuana users would be exempt from paying sales taxes. Additional recommendations to the legislature include: Eliminating collective gardens (and dispensaries); Reducing patient possession limits; Reducing the limit of plants patients are allowed to cultivate; Restricting health care providers' practices to ensure they do not consist primarily of authorizing medical marijuana; and more. Lawmakers will take up this issue and the recommendations when the legislature convenes in January.

Revisions to the Legislative Support Items

Council requested that the Legislative Support Agenda show the City's support of Watershed Investment Authorities. Over the past few legislative sessions this issue was a selected priority item of WRIA 8 and supported by the City. Under the heading "Legislation on Kirkland's Support agenda from 2013," the 2014 Legislative Support Agenda now includes support for legislation to enable local funding sources for multi-benefit watershed projects.

Other revisions include listing the 2014 priorities of WRIA 8; the priorities of the Washington Association of Sheriffs and Police Chiefs; honing the selected items from the Washington Fire Chiefs Association's 2014 priorities; and a space-holder was added for the Washington Chapter of the American Planning Association. As of December 19, legislative agendas for several allies were not yet available. Those are noted as well.

As a reminder, formal City support of selected "support" items is contingent upon reviewing and approving the specific language of any legislative proposal drafted to advance a particular item.

Kirkland's Legislative Review Process During Session

Proposed bills are introduced (daily through the first cut-off anticipated in mid-February) in either the Senate or House or both. The City's legislative lobbyist forwards relevant bills to intergovernmental staff for review with department(s) and subject-matter experts to determine potential impacts to the City. This process also includes making an initial recommendation to intergovernmental staff on City's position (Support/Oppose/Neutral) on a given bill. From there, intergovernmental staff brings bills, reports and recommendations to the Council's Legislative Committee for consideration, discussion and validation of staff recommendation. The Legislative Committee's decisions are guided by the legislative agenda's general principles as well as the City Council's Goals. Intergovernmental staff then communicates the City's position on bills to out legislative lobbyist, Council Members and Department Directors.

If, during the session, a proposed bill (of concern to the City) is determined to be beyond the scope of the legislative agenda's general principles or not in sync with the Council Goals, then the Legislative Committee will bring the bill before the full Council for consideration and discussion at its next regular council meeting.

The State Budget Outlook – Governor’s Proposed Supplemental Budget

On December 17, Gov. Inslee proposed a “hold-steady supplemental budget” warning of challenges the state faces in the 2015–17 biennium (Attachment E). The Governor proposed modest adjustments to the state’s 2013–15 operating budget, primarily to cover a variety of mandatory cost increases, meet legal or contractual obligations and continue delivering services at current levels. The Governor stated that about one-third of those mandatory cost increases are driven by rising school enrollment and program caseloads.

The governor’s supplemental budget also includes “small, targeted investments aimed at continuing his Working Washington agenda to revitalize the state’s economy, create jobs and ensure we have workers with the knowledge and skills to fill those jobs.”

Washington enacts budgets on a two-year cycle, beginning on July 1 of each odd-numbered year. The budget approved for the 2013-15 biennium remains in effect from July 1, 2013 through June 30, 2015.

By law, the Governor must propose a biennial budget in December, the month before the Legislature convenes in regular session. The biennial budget enacted by the Legislature can be modified in any legislative session through changes to the original appropriations. Since the inception of annual legislative sessions in 1979, it has become common for the Legislature to enact annual revisions to the state’s biennial budget. These revisions are referred to as supplemental budgets.

The next State Economic and Revenue Forecast is scheduled for release on February 19, 2014.

2014 Legislative Session

The 2014 legislative session is a short, 60-day session that begins on Monday, January 13 and ends on Thursday, March 13.

- Attachments:
- A. Draft 2014 Legislative Agenda - With December 10 Changes Highlighted
 - B. Kirkland December Letter to legislators on the transportation revenue package
 - C. Joint statement from Governor Inslee and the bipartisan House and Senate transportation negotiators, issued December 18, 2013
 - D. Liquor Control Board recommendations on regulating medical cannabis, released December 18, 2013
 - E. Governor Inslee’s December 17 News Release on his proposed supplemental budget
- Resolution of the City Council Approving the 2014 Legislative Agenda
- Exhibit A. 2014 Legislative Priorities Agenda
 - Exhibit B. 2014 Legislative Support Agenda



CITY OF KIRKLAND 2014 LEGISLATIVE AGENDA

General Principles

Kirkland supports legislation to promote the City Council's goals and protect the City's ability to provide basic municipal services to its citizens.

- Protect shared state revenue sources available to the City, including the State Annexation Sales Tax Credit, and provide new revenue options and flexibility in the use of existing revenues.
- Support long-term sustainability efforts related to City financial, environmental and transportation goals.
- Oppose unfunded mandates.
- Oppose any further shifting of costs or services from the State or County to cities.
- Defend against state consolidation/central administration of taxes including business and occupation and telecommunication taxes.

City of Kirkland 2014 Legislative Priorities

1. Kirkland supports providing state and local transportation revenue to maintain infrastructure investments, fund transit agencies and complete projects that enhance economic vitality.
2. Kirkland supports \$5 million in funding for the next phase of the I-405 / NE 132 Interchange ramp design and for the I-405 / NE 132 Interchange to be included in any statewide transportation package.
3. Kirkland supports continued state financial assistance and other tools that further the development of the Cross Kirkland Corridor and implement multiple uses including recreation and transportation.
4. Kirkland supports restoring funding to the Public Works Assistance Account that was swept in 2013.
5. Kirkland supports restoring local liquor revenue sharing formulas in order to adequately fund public safety and other local impacts of liquor consumption.
6. Kirkland supports sharing marijuana revenue to address public safety needs and other local impacts.
7. Kirkland supports harmonizing medical marijuana regulations to reflect recreational marijuana regulations.
8. Kirkland opposes legislation that proposes lending products or practices that adversely impact the middle class and the poor.



CITY OF KIRKLAND 2014 LEGISLATIVE SUPPORT AGENDA

Kirkland generally supports the policy principles of the items below, however, formal City support is contingent upon reviewing and approving the specific language of any legislative proposal drafted to advance a particular item.

2014 Legislative Support

Legislation on Kirkland's Support agenda from 2013

- Support legislation to enable local funding sources for multi-benefit watershed projects.
- Support providing cities with financing options to support public/private partnerships.
- Support brown grease to energy conversion legislation and programs.
- Support legislation providing for the safe collection and disposal of unwanted drugs from residential sources through a producer provided and funded product stewardship program.
- Support an amendment to RCW 46.68.090 that would allocate gas tax revenues between counties and cities based on a per capita allocation rather than the current fixed percentages.

Additionally, Kirkland supports selected items of the 2014 legislative agendas for the following organizations:

Association of Washington Cities

Ensure fiscal sustainability and flexibility

- Restore local liquor revenue sharing to the historic revenue sharing formulas.
- Share new marijuana revenue.

Foster and invest in infrastructure and economic development

- Fund transportation needs now, including providing new local transportation options.
- Halt and refrain from raiding infrastructure funds like the Public Works Trust Fund and Model Toxics Control Accounts and build them back to health

Transportation Issues

Eastside Transportation Partnership

- *(As of December 19th, there is not yet a draft 2014 agenda available)*

Transportation Choices Coalition

- *(As of December 19th, there is not yet a draft 2014 agenda available)*

Washington Bikes (formerly Bicycle Alliance of Washington)

- Investments that get Washingtonians where they want to go via safe routes to schools, complete streets, and trails and bikeways.
- Reducing student transportation costs by increasing safe routes to schools
- Addressing intersection safety, including clarifying how cars should cross bike lanes at intersections, approving bike head signals for everyday use(traffic lights), and consolidating groups of cyclists to pass through intersections

Human Services Issues

Eastside Human Services Forum

- Increase Access to Basic Needs:
 - Support local option investments in public transportation that are sustainable, flexible, and distributed directly to public transit agencies to meet local and regional priorities.
- Prevent and End Homelessness:
 - Protect the State investment in the Housing Trust Fund by continuing to make new investments in 2014 that address the growing need for homes affordable to low-income families and individuals. Strengthen the process for identifying which programs are funded, to reflect equity principles and sound investments.
 - Repeal sunset of document recording fees. If the document recording fees are not extended beyond 2015, King County homeless housing programs will face a \$6.6 million reduction.
- Support the Most Vulnerable Older Adults and People with Disabilities:
 - Maintain the investment in Family Caregiver Support.
 - Expand community based respite for family care givers.

Washington Low Income Housing Alliance

- *(As of December 19th, there is not yet a draft 2014 agenda available)*

Environmental Issues

Environmental Priorities Coalition

- *(As of December 19th, there is not yet a draft 2014 agenda available)*

Northwest Product Stewardship Council

- While the NPSC does not develop a legislative agenda, the NPSC does advocate in support of the principles of product stewardship and producer responsibility in policies and legislation.

Water Issues

WRIA 8

- Thank state legislators for \$70 million for the Puget Sound Acquisition and Restoration Fund, of which WRIA 8 received \$1.4 million to award as grants.
- Thank state legislators for continued funding for salmon recovery Lead Entities

Cascade Water Alliance

- **High Efficiency Toilet Legislation:** Cascade proposes a measure that would require By January 1, 2014, toilets sold or installed in this state must be high efficiency toilets that go beyond the current standard (1.6 gallons per flush) and use less than 1.3 gallons per flush, which would, if every home in the US replaced old toilets with new high efficiency toilets would save more than 900 billion gallons of water per year.

Public Safety Issues

Washington Association of Sheriffs and Police Chiefs

- Law Enforcement Officer Accountability Act
- Changes to misdemeanor probable cause arrests (Ortega fix)
- Legislation that would require all licensed liquor establishments to report to the Liquor Control Board their losses due to theft, breakage, or other causes

Washington Fire Chiefs Association

- All Risk Mobilization (HB 1126)
- Oppose Ambulance Billing Direct to Patient (HB 1263)
- Wildland Fire Prevention Act/Ready, Set, Go (HB 1127)
- Raise EMS Levy Cap to \$.75 (HB 1136)
- Regional Fire Authority Bills:
 - Allowing municipality to form RFA (HB 1654)

Parks Issues

Washington Recreation and Parks Association

- Protect WWRP funding in 2014 Capital Budget
- Support Department of Revenue (DOR) request legislation on "Amusement and Recreation Services" sales taxes
- Advocate for key "Safe and Healthy Communities" needs, local funding, and "lid removal" in any Transportation Investment Package worked on in late 2013 or 2014
- Support general-obligation bonds to restore a prior-year diversion of funds from the Recreation Resource Account (RRA)

Planning Issues

Washington Chapter of the American Planning Association

- *(As of December 19th, there is not yet a draft 2014 agenda available)*



December 12, 2013

The Honorable Curtis King, Co-chair, Senate Transportation Committee
The Honorable Tracey Eide, Co-chair, Senate Transportation Committee
The Honorable Judy Clibborn, Chair, House Transportation Committee
The Honorable Rodney Tom, Senate Majority Caucus Coalition Leader
The Honorable Mark Schoesler, Senate Republican Leader
The Honorable Sharon Nelson, Senate Democratic Leader
The Honorable Frank Chopp, Speaker of the House
The Honorable Pat Sullivan, House Majority Leader
The Honorable Dan Kristiansen, House Republican Leader
The Honorable Don Benton, Vice Co-chair, Senate Transportation Committee
The Honorable Steve Hobbs, Vice Co-chair, Senate Transportation Committee
The Honorable Jake Fey, Vice Chair, House Transportation Committee
The Honorable Marko Liias, Vice Chair House Transportation Committee
The Honorable Luis Moscoso, Vice Chair House Transportation Committee
The Honorable Ed Orcutt, Ranking Republican, House Transportation Committee

RE: Proposed Transportation Revenue Package Negotiations

Dear Legislators:

On behalf of the City of Kirkland, thank you for your commitment to negotiate a transportation revenue package. We understand how difficult this task must be, and appreciate your efforts. We would like to reiterate our support, and also respond to information we have received about issues you are discussing.

We respectfully request no delay for funding to complete State Route 520. Sources indicate the current package would significantly delay this project. As you know, this is a major transportation corridor – one that is already under construction. In fact, much of the east side of this project is completed. While this is positive, it also creates a potential bottleneck as the completed portion of the corridor reaches the west side, which has yet to be constructed. Delaying completion by six to eight years would create a massive traffic congestion problem impacting one of the most traveled east-west corridors in the state. In addition, it will increase costs as material and labor prices rise and inflation impacts the final price. Current funding in today's dollars would not be sufficient to finish SR 520 if the project is delayed. Let's finish what has already been started.

Don't underfund transit and alternative travel modes such as bicycle and pedestrian mobility. We understand only a few percent of the transportation dollars in the current package are available for transit and bike/pedestrian mobility. The geography east of Lake Washington limits large-scale additions to our highway system, both in the north-south direction but also across Lake Washington to the west. Transit and alternative travel options up and down the I-405 corridor and across the lake will be imperative in the years ahead to avoid complete gridlock and its detrimental impact on our state's economy and quality of life.

Please include local transportation revenue authority for King County. In line with the point above, it is clear the state's most populated county – and cities and towns within the county – need additional local authority to raise revenue for transit and local needs. King

County Metro's planned cuts beginning in January 2014 will have severe impacts on the daily lives of residents throughout the area, particularly those such as the elderly, many of whom rely on public transportation to go to the store or visit the doctor.

We respectfully request you take our specific concerns noted here into consideration as your negotiations continue.

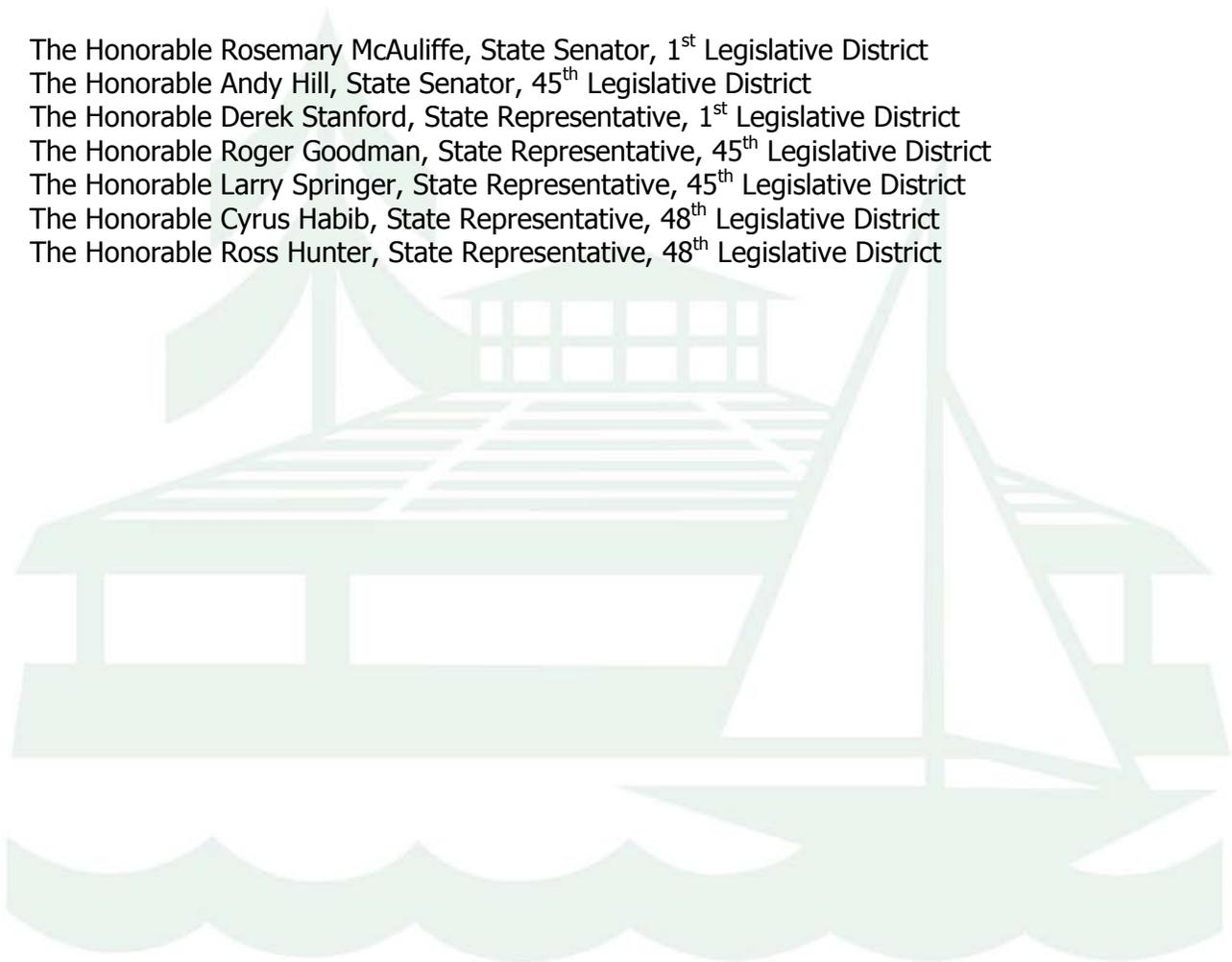
Sincerely,
KIRKLAND CITY COUNCIL



By Joan McBride, Mayor

cc:

The Honorable Rosemary McAuliffe, State Senator, 1st Legislative District
The Honorable Andy Hill, State Senator, 45th Legislative District
The Honorable Derek Stanford, State Representative, 1st Legislative District
The Honorable Roger Goodman, State Representative, 45th Legislative District
The Honorable Larry Springer, State Representative, 45th Legislative District
The Honorable Cyrus Habib, State Representative, 48th Legislative District
The Honorable Ross Hunter, State Representative, 48th Legislative District



From: [Harper, Lisa \(GOV\)](#)
To: GOVERNORS_PRESS_ROOM@LISTSERV.WA.GOV
Subject: Joint Statement from the Governor and bipartisan House and Senate transportation negotiators on transportation revenue package negotiations
Date: Wednesday, December 18, 2013 6:02:59 PM

JAY INSLEE
Governor



Dec. 18, 2013

Contacts:

David Postman, Governor Inslee's Communications Office | 360-902-4136,
david.postman@gov.wa.gov

Joint Statement issued tonight from Governor Jay Inslee and the bipartisan House and Senate transportation negotiators on the next phase of transportation revenue package negotiations

“Through 12 negotiating sessions we made progress on finding a compromise package of statewide transportation improvements. But today it has become clear this phase of the process has run its course and we have not reached an agreement.

“We agree that transportation infrastructure is important to our state and we remain committed to finding a solution in the regular legislative session that works for everyone.

“The next step in this process will be to continue this dialogue in the legislative process.”

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Washington State Liquor Control Board

Medical Marijuana Recommendations

Budget Proviso Language: 3ESSB 5034 Sec. 141(2):

(a) The liquor control board must work with the department of health and the department of revenue to develop recommendations for the legislature regarding the interaction of medical marijuana regulations and the provisions of Initiative Measure No. 502. At a minimum, the recommendations must include provisions addressing the following:

- (i) Age limits;
- (ii) Authorizing requirements for medical marijuana;
- (iii) Regulations regarding health care professionals;
- (iv) Collective gardens;
- (v) Possession amounts;
- (vi) Location requirements;
- (vii) Requirements for medical marijuana producing, processing and retail licensing; and
- (viii) Taxation of medical marijuana in relation to recreational marijuana.

(b) The board must submit its recommendations to the appropriate committees of the legislature by January 1, 2014.

1. Age limits

- Adults 18 to 20 years old should be allowed access to medical marijuana with proper authorization from a health care professional.
- Children 17 years old or younger should be allowed access to medical marijuana with parent or guardian consent to the authorization. The parent or guardian should participate in the child's treatment.
- Re-examinations occur at least once every year or more frequently as medically indicated.
- The child's parent or guardian should be required to act as the child's designated provider and be entered in the registry as such.
- The parent or guardian should have sole control over the child's medical marijuana. The child should be allowed to possess no more medical marijuana than necessary for his or her next dose.
- Medical marijuana consumed in a school setting should be held and administered by school personnel in the same manner as any other medication. Consistent with current law, schools should not be compelled to accommodate on-site use of medical marijuana on school grounds or school buses.
- Medical marijuana products should be prohibited from being labeled in a manner that mimics candy, soda or other treats attractive to children.

Under I-502:

A person must be 21 years old to legally possess marijuana, to hold a marijuana license or enter a licensed marijuana premise.

2. Authorizing requirements for medical marijuana

- A mandatory patient and designated provider registry should be established and maintained by the Department of Health.
- The registry should be mandatory for all patients as a condition of receiving an authorization.
- The registry should be used to determine eligibility for exemption from state and local retail sales and use taxes on marijuana purchases by qualified patients.
- Designated providers should be required to participate in the registry in conjunction with the patient.

- Patient and designated provider information should be entered into the registry by the authorizing health care professional. The information must contain sufficient unique identifiers (Washington driver's license or identification card number) to ensure accurate identification of the patient or designated provider.
- Registration should expire annually and the patient or designated provider may be re-entered in the registry only after a new or follow-up examination.
- Cards should be issued from the registry to identify patients and designated providers.
- The registry should be available to law enforcement and to the Department of Revenue as necessary to verify tax-exempt purchases under Title 82 RCW.
- Disciplining authorities for the health care professions allowed to authorize medical marijuana should have access to the registry to monitor compliance by their licensees.
- Consistent and reliable funding must be provided to establish and maintain the registry.
- The registry should contain sufficient security features to protect patient privacy. Information in the registry that could identify patients should be excluded from public disclosure.
- All existing authorizations should expire on a date certain to coincide with full implementation of the registry and retail market. All patients with existing authorizations would need to be re-evaluated by a health care professional pursuant to the revised standards and placed in the registry within a designated timeframe.
- Authorization system should not place an undue burden on healthcare providers.

Under I-502:

N/A

3. Regulations regarding health care professionals

- Require the Department of Health, in consultation with medical professional stakeholders, to define "debilitating" and "intractable pain" to clearly indicate the condition must be severe enough to significantly interfere with the patient's activities of daily living and ability to function, and can be objectively assessed and evaluated.
- Enact comprehensive requirements defining the standard of care for health care professionals who authorize medical marijuana similar to those required by ESHB 2876 (2010) regarding the use of opioids to manage chronic pain. The requirements should address topics such as adequacy of examination, follow-up care and recording keeping.
- Restrict a health care professional's practice to ensure it does not consist primarily of authorizing medical marijuana. Any restrictions regarding what percentage of a health care provider's practice can or should be devoted to authorizing medical marijuana shall not be considered to set a statutory precedent for limitations on other services provided by a health care provider. The boards and commissions that license health care providers who may authorize medical marijuana shall develop guidelines and/or rules to monitor and regulate the scope of a provider practice to ensure it does not consist primarily of authorizing medical marijuana.
- Require a permanent physical location for a health care professional's place of practice.
- Require in person examinations for authorizations.
- Require an expiration of authorizations to ensure a regular cycle of re-examination and follow-up care. Re-examination should occur at least once a year or more frequently as medically indicated.
- Continue to allow the provision for petitions to add qualifying conditions and amend the statute, RCW 69.51A.070, to allow the Medical Quality Assurance Commission to make a preliminary finding of good cause prior to holding a hearing and expand the time frame for the hearing to be completed.

Under I-502:

N/A

4. Collective gardens

Eliminate Collective Gardens.

Under I-502:

N/A

5. Possession amounts

- Reduce the amount a qualified patient or designated provider can possess at any given time from twenty-four ounces of useable marijuana to three ounces. Allow additional limits for marijuana infused products in solid or liquid form.
- Allow home grows and the ability for a qualified patient or designated provider to possess marijuana plants. A qualified patient or designated provider may possess 6 plants, 3 flowering and 3 nonflowering. Define “plant” to avoid any misinterpretation of this provision.
- Require labeling to include the levels of tetrahydrocannabinol (THC) and cannabinoids in medical marijuana products.
- Restrict labeling and marketing of medical marijuana products to ensure that they are not intentionally attractive to minors or recreational users.
- Continue to allow the provision in RCW 69.51A.045 that grants qualified patients or designated providers an affirmative defense to criminal charges of possession above the legal amount if they can prove at trial the patient’s necessary medical use exceeds the amount determined in law.

Under I-502:

One ounce of useable marijuana; 16 ounces of marijuana infused product in solid form; and 72 ounces of marijuana infused product in liquid form.

6. Location requirements

There would not be specific medical marijuana location requirements because only I-502 licensed retail stores may sell marijuana and accept medical marijuana authorization cards.

Under I-502: Medical marijuana licensed business cannot be within one thousand feet of the perimeter of the grounds of any of the following entities:

1. Elementary or secondary school;
2. Playground;
3. Recreational center or facility;
4. Child care center;
5. Public park;
6. Public transit center;
7. Library; or
8. Any game arcade where admission is not restricted to persons age twenty-one or older.

7. Requirements for medical marijuana producing, processing and retail licensing

Integrate medical and recreational marijuana producers, processors and retailers into one licensing system. Only recreational marijuana retailers with an endorsement may accept medical marijuana authorization cards. Make the new regulatory system for medical marijuana effective no sooner than January 1, 2015.

Under I-502:

1. Three separate license tiers: producer, processor and retailer;
2. A licensee may hold both a producer and processor license simultaneously, but not a retailer license;
3. Open registration for all license types for a 30-day window;
4. Three month state residency requirement to qualify for a license;
5. Personal criminal history, fingerprint and background checks of applicants;
6. Point system for all arrests and/or convictions;
7. License limits;
8. Production limits; and
9. Maximum allowable amount of marijuana on licensed locations.

8. Taxation of medical marijuana in relation to recreational marijuana

Utilize the same tax structure as recreational marijuana, but provide an exemption from state and local retail sales and use taxes on purchases by medical marijuana patients registered with the Department of Health.

Under I-502:

1. Producers
 - a. Pay 25% excise tax on wholesale sales*
 - b. Pay B&O tax as wholesaler
2. Processors
 - a. Pay 25% excise tax on wholesale sales*
 - b. Pay B&O tax as manufacturer
3. Retailers
 - a. Pay 25% excise tax on retail sales
 - b. Pay B&O tax as retailer
 - c. Collect state/local retail sales & use tax
4. Retail Buyers
 - a. Pay state/local retail sales & use tax

* This level of tax may not apply to certain producer/processor licensees.

From: [Harper, Lisa \(GOV\)](#)
To: GOVERNORS_PRESS_ROOM@LISTSERV.WA.GOV
Subject: Governor proposes hold-steady supplemental budget big challenges loom next year
Date: Tuesday, December 17, 2013 11:16:46 AM

JAY INSLEE
Governor



Dec. 17, 2013

Contacts:

Jaime Smith, 360-902-4136, Jaime.smith@gov.wa.gov

Ralph Thomas, 360-902-7607, Ralph.thomas@ofm.wa.gov

Governor proposes hold-steady supplemental budget, big challenges loom next year

OLYMPIA — Governor Jay Inslee today proposed modest adjustments to the state’s 2013–15 operating budget, primarily to cover mandatory cost increases and meet key obligations.

The governor’s supplemental budget also includes small, targeted investments aimed at continuing his Working Washington agenda to revitalize the state’s economy, create jobs and ensure we have workers with the knowledge and skills to fill those jobs.

Inslee noted that by sticking to a minimal supplemental budget, the state will be better positioned a year from now to begin tackling the significant fiscal challenges that loom in the 2015–17 biennium.

“The good news is, our economy continues its slow, steady recovery from the worst recession in generations,” Inslee said. “Unfortunately, the economy and our revenue collections are not growing fast enough to keep pace with the costs of maintaining current services, let alone provide the billions of dollars still needed to meet our court-mandated basic education obligations. This is a hold-steady budget that keeps us whole the remainder of the biennium, but we’ll have to make some tough decisions again next year.”

The bulk of the added spending in the governor’s supplemental budget covers a variety of mandatory cost increases, meets legal or contractual obligations and continues delivering services at current levels. About one-third of those mandatory cost increases are driven by rising school enrollment and program caseloads. The budget also includes:

- \$8 million to begin complying with a legal settlement requiring the state to significantly expand mental health services for children;

- \$10 million to fund a collectively bargained rate increase for family home child care providers; and
- \$11 million to cover wildfire costs, primarily last season's.

The budget also addresses several high-priority needs such as almost \$7 million to increase prison capacity, most of which will be used to open a medium-security unit at the Washington State Penitentiary.

It also funds key elements of the governor's plan to invest in the state's aerospace future and, ultimately, convince The Boeing Company to assemble its new 777X jetliner — and the plane's carbon fiber wing — here in Washington.

The governor is proposing several small but important investments in education, such as \$3 million for a new teacher mentoring program, \$300,000 to develop new career and technical education curricula that will provide students multiple paths to meet math and science graduation requirements and \$250,000 for an early warning dropout prevention program. The budget also makes targeted investments to enhance science, technology, engineering and math, or STEM education in the K-12 and community college systems.

Inslee urged the Legislature to adopt the budget in timely fashion, noting that the state must soon turn its attention to the next biennial budget. The governor last spring proposed extending expiring taxes and closing tax loopholes to help solve the 2013–15 budget shortfall and fund basic education. But instead, the budget that was passed relies heavily on one-time fixes, unspecified reductions and assumed savings.

“This approach is simply not sustainable in the next biennium,” Inslee said.

Barring an unforeseen increase in revenue collections, the state will face a sizable shortfall when work begins on the 2015–17 budget. Besides having to patch holes left by the one-time fixes in the current budget and address a backlog of needs, the state must make another large investment — between \$1 billion to \$2 billion — toward meeting basic education obligations.

“We cannot — and will not — meet all these needs and obligations by cutting services to vulnerable children and adults, higher education and communities,” Inslee said. “I fully expect we'll continue our rigorous discussion about closing tax loopholes and using those resources to fund our children's education.”

Proposed 2014 Supplemental Budget and Policy highlights can be found [here](#).

#

RESOLUTION R-5027

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND APPROVING A CITY OF KIRKLAND LEGISLATIVE AGENDA TO BE ADDRESSED TO THE 2014 SESSION OF THE STATE LEGISLATURE.

WHEREAS, actions of the State Legislature in respect to local government issues, services and funding have a profound impact upon the ability of local governments to provide adequate local services; and

WHEREAS, the Kirkland City Council supports legislation that promotes the City Council's goals and protects the City's ability to provide basic municipal services to its residents; and

WHEREAS, the City of Kirkland seeks to protect shared state revenue sources available to the City, including the State Annexation Sales Tax Credit, and provide new revenue options and flexibility in the use of existing revenues; and

WHEREAS, the Kirkland City Council supports long-term sustainability efforts related to City financial, environmental and transportation goals; and

WHEREAS, the Kirkland City Council opposes the imposition of unfunded mandates that draw on City resources and opposes any further shifting of costs or services from the State or County to cities; and

WHEREAS, the Kirkland City Council seeks to defend against state consolidation/central administration of taxes including business and occupation and telecommunication taxes; and

WHEREAS, the Kirkland City Council believes it appropriate to set forth its position as to issues affecting local government operations coming before the State Legislature during its 2014 session, including issues which the City Council requests the State Legislature to consider;

NOW, THEREFORE, be it resolved by the City Council of the City of Kirkland as follows:

Section 1. The "General Principles" and "City of Kirkland 2014 Legislative Priorities" set forth in the "City of Kirkland 2014 Legislative Agenda" attached as Exhibit A and by this reference incorporated, are adopted as Kirkland's recommendation to the 2014 Session of the State Legislature.

Section 2. The "2014 Legislative Support Agenda" attached as Exhibit B and incorporated by reference, is adopted as reflecting the City's support of the policy principles underlying selected priority legislative items of the City's ally organizations. Formal City support of items on this list is contingent upon reviewing and approving the

specific language of any legislative proposal drafted to advance a particular item.

Section 3. The City administration shall transmit the 2014 Legislative Agenda, including any subsequent changes or updates, to members of the State Legislature representing the legislative districts in which Kirkland is located, together with other members of the State Legislature and to the Association of Washington Cities, the Sound Cities Association and other ally organizations.

Passed by majority vote of the Kirkland City Council in open meeting this ____ day of _____, 2014.

Signed in authentication thereof this ____ day of _____, 2014.

MAYOR

Attest:

City Clerk



CITY OF KIRKLAND 2014 LEGISLATIVE AGENDA

General Principles

Kirkland supports legislation to promote the City Council's goals and protect the City's ability to provide basic municipal services to its citizens.

- Protect shared state revenue sources available to the City, including the State Annexation Sales Tax Credit, and provide new revenue options and flexibility in the use of existing revenues.
- Support long-term sustainability efforts related to City financial, environmental and transportation goals.
- Oppose unfunded mandates.
- Oppose any further shifting of costs or services from the State or County to cities.
- Defend against state consolidation/central administration of taxes including business and occupation and telecommunication taxes.

City of Kirkland 2014 Legislative Priorities

1. Kirkland supports providing state and local transportation revenue to maintain infrastructure investments, fund transit agencies and complete projects that enhance economic vitality.
2. Kirkland supports \$5 million in funding for the next phase of the I-405 / NE 132 Interchange ramp design and for the I-405 / NE 132 Interchange to be included in any statewide transportation package.
3. Kirkland supports continued state financial assistance and other tools that further the development of the Cross Kirkland Corridor and implement multiple uses including recreation and transportation.
4. Kirkland supports restoring funding to the Public Works Assistance Account that was swept in 2013.
5. Kirkland supports restoring local liquor revenue sharing formulas in order to adequately fund public safety and other local impacts of liquor consumption.
6. Kirkland supports sharing marijuana revenue to address public safety needs and other local impacts.
7. Kirkland supports harmonizing medical marijuana regulations to reflect recreational marijuana regulations.
8. Kirkland opposes legislation that proposes lending products or practices that adversely impact the middle class and the poor.



CITY OF KIRKLAND 2014 LEGISLATIVE SUPPORT AGENDA

Kirkland generally supports the policy principles of the items below, however, formal City support is contingent upon reviewing and approving the specific language of any legislative proposal drafted to advance a particular item.

2014 Legislative Support

Legislation on Kirkland's Support agenda from 2013

- Support legislation to enable local funding sources for multi-benefit watershed projects.
- Support providing cities with financing options to support public/private partnerships.
- Support brown grease to energy conversion legislation and programs.
- Support legislation providing for the safe collection and disposal of unwanted drugs from residential sources through a producer provided and funded product stewardship program.
- Support an amendment to RCW 46.68.090 that would allocate gas tax revenues between counties and cities based on a per capita allocation rather than the current fixed percentages.

Additionally, Kirkland supports selected items of the 2014 legislative agendas for the following organizations:

Association of Washington Cities

Ensure fiscal sustainability and flexibility

- Restore local liquor revenue sharing to the historic revenue sharing formulas.
- Share new marijuana revenue.

Foster and invest in infrastructure and economic development

- Fund transportation needs now, including providing new local transportation options.
- Halt and refrain from raiding infrastructure funds like the Public Works Trust Fund and Model Toxics Control Accounts and build them back to health

Transportation Issues

Eastside Transportation Partnership

- *(As of December 19th, there is not yet a draft 2014 agenda available)*

Transportation Choices Coalition

- *(As of December 19th, there is not yet a draft 2014 agenda available)*

Washington Bikes (formerly Bicycle Alliance of Washington)

- Investments that get Washingtonians where they want to go via safe routes to schools, complete streets, and trails and bikeways.
- Reducing student transportation costs by increasing safe routes to schools
- Addressing intersection safety, including clarifying how cars should cross bike lanes at intersections, approving bike head signals for everyday use(traffic lights), and consolidating groups of cyclists to pass through intersections

Human Services Issues

Eastside Human Services Forum

- Increase Access to Basic Needs:
 - Support local option investments in public transportation that are sustainable, flexible, and distributed directly to public transit agencies to meet local and regional priorities.
- Prevent and End Homelessness:
 - Protect the State investment in the Housing Trust Fund by continuing to make new investments in 2014 that address the growing need for homes affordable to low-income families and individuals. Strengthen the process for identifying which programs are funded, to reflect equity principles and sound investments.
 - Repeal sunset of document recording fees. If the document recording fees are not extended beyond 2015, King County homeless housing programs will face a \$6.6 million reduction.
- Support the Most Vulnerable Older Adults and People with Disabilities:
 - Maintain the investment in Family Caregiver Support.
 - Expand community based respite for family care givers.

Washington Low Income Housing Alliance

- *(As of December 19th, there is not yet a draft 2014 agenda available)*

Environmental Issues

Environmental Priorities Coalition

- *(As of December 19th, there is not yet a draft 2014 agenda available)*

Northwest Product Stewardship Council

- While the NPSC does not develop a legislative agenda, the NPSC does advocate in support of the principles of product stewardship and producer responsibility in policies and legislation.

Water Issues

WRIA 8

- Thank state legislators for \$70 million for the Puget Sound Acquisition and Restoration Fund, of which WRIA 8 received \$1.4 million to award as grants.
- Thank state legislators for continued funding for salmon recovery Lead Entities

Cascade Water Alliance

- **High Efficiency Toilet Legislation:** Cascade proposes a measure that would require By January 1, 2014, toilets sold or installed in this state must be high efficiency toilets that go beyond the current standard (1.6 gallons per flush) and use less than 1.3 gallons per flush, which would, if every home in the US replaced old toilets with new high efficiency toilets would save more than 900 billion gallons of water per year.

Public Safety Issues

Washington Association of Sheriffs and Police Chiefs

- Law Enforcement Officer Accountability Act
- Changes to misdemeanor probable cause arrests (Ortega fix)
- Legislation that would require all licensed liquor establishments to report to the Liquor Control Board their losses due to theft, breakage, or other causes

Washington Fire Chiefs Association

- Oppose Ambulance Billing Direct to Patient (HB 1263)
- Regional Fire Authority Bills:
 - Allowing municipality to form RFA (HB 1654 / SB 5520)

Parks Issues

Washington Recreation and Parks Association

- Protect WWRP funding in 2014 Capital Budget
- Support Department of Revenue (DOR) request legislation on "Amusement and Recreation Services" sales taxes
- Advocate for key "Safe and Healthy Communities" needs, local funding, and "lid removal" in any Transportation Investment Package worked on in late 2013 or 2014
- Support general-obligation bonds to restore a prior-year diversion of funds from the Recreation Resource Account (RRA)

Planning Issues

Washington Chapter of the American Planning Association

- *(As of December 19th, there is not yet a draft 2014 agenda available)*