



CITY OF KIRKLAND
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MEMORANDUM

To: David Ramsay, City Manager
From: Erin Leonhart, Intergovernmental Relations Manager
Date: February 18, 2010
Subject: 2010 LEGISLATIVE UPDATE 5

As of the March 2 Council meeting, the 2010 State Legislative session will be in its tenth week. February 26th is the last day for committees to pass bills from the opposite house (except fiscal and transportation committees) and March 1st is the cutoff for bills in the fiscal and transportation committees. This is an update on the City's interests as of February 17th. As the legislative deadlines approach, changes happen rapidly. Status reports from Gordon Thomas Honeywell for February 22nd and March 1st will be emailed to Council in advance of the meeting on March 2nd.

COUNCIL LEGISLATIVE COMMITTEE – FEBRUARY 8

Members of the Council Legislative Committee (Council Member Asher and Council Member Marchione) met on February 8th to discuss the status of bills and other legislative issues.

State Sales Tax Credit – Conversations with Representative Springer and staff from the Department of Revenue are increasingly discouraging. Council considered an Ordinance to institute the sales tax credit at the February 16th meeting as notice is due to the Department of Revenue by March 1st in order to enact the credit on July 1, 2010.

Fiscal Flexibility Package (HB3179 and SB6424) – The Senate considered SB6424 during an executive session on February 9th. The proposed substitute bill includes:

- Eliminating the following non-supplant clauses until January 1, 2014:
 - 0.1% criminal justice sales tax for cities and counties
 - 0.3% public safety sales tax for cities and counties
- Allowing county council/commission authority for the 0.3% public safety sales tax through 2014. Revenues split 60 – 40 county/cities. Voter approval required after 2014.
- Allowing city council authority to levy 0.1% of the 0.3% public safety sales tax after 2010 if the county doesn't act or use the entire .3%. Retain the current 85-15 city/county split. Voter approval required after 2014.
- Allowing the second 0.25% real estate excise tax to be used for the same purposes as the first 0.25% through 2014 (broadens use to include parks, recreational facilities, law enforcement facilities, fire protection facilities, trails, libraries, administrative and/or judicial facilities, and river and/or waterway flood control projects).
- Allowing both 0.25% real estate excise taxes to be used for park maintenance and operations expenditures and maintenance of capital facilities through 2014.
- Expanding the gambling tax to include public safety until 2014 (it is currently authorized for gambling enforcement purposes only).

The House Finance Committee's combined bill is HB3179 and the 1st substitute passed out of committee on February 9th. It includes all items in SB6424 in addition to clarification related to collection of brokered natural gas tax and flexibility of hotel-motel tax revenues.

Growth Management Act Extension (SSB6611 and SHB2992) – Bills calling for a one-time, three-year extension of comprehensive planning related to the State Growth Management Act (GMA) passed out of committee in both the House and the Senate. Legislation that would permanently change the cycles from 7 years to 10 off the table for now but the Department of Ecology and Governor's Office interested in talking about this during the interim (the period between Legislative Sessions).

Expansion of Wrongful Death Statute (SB6508) – The Association of Washington Cities (AWC) is seeking help to oppose. Since this issue is not included on the 2010 Legislative Agenda, Erin Leonhart presented to Council for direction on February 16th. Council member Marchione contacted Senator Oemig to discuss AWC's concerns about increased liability.

- Passed out of the Senate Government Operations & Elections Committee and executive action was taken in Senate Ways and Means Committee on February 9th.
- Existing law currently allows wrongful death claims by spouses, children, and parents of adult children who are financially dependent on that adult child.
- This bill allows parents of adult children to file a claim when the parents had significant involvement in the adult child's life. The bill also increases the cost of claims by allowing non-economic or punitive damages for pain and suffering.
- AWC's Risk Management Services Agency estimates SB6508 to have a fiscal impact of up to an additional \$2 million per claim.

Public Disclosure Request Exemption (SSB6428) – Substitute Bill passed out of committee. The substitute changed the definition of investigative agency for the purpose of exempting disclosure of personal information of persons filing complaints with investigative agencies.

Storm Water Funding (SB6851 and HB3181) – Long-awaited bills to establish funding for state and local storm water projects were referred to committees. Both bills include:

- Additional 1.3% "imposed on the privilege of possession of hazardous substances in this state" (Model Toxics Control Act tax, currently 0.7%, approved by voters in 1988)
- Creates a storm water account
- Through June 2011, 20% must be deposited in storm water account
- July 2011 - June 2015, 45% must be deposited in storm water account
- June 2015 and after, 70% must be deposited in storm water account
- Grant monies must be used by local governments in three primary ways:
 - To fund local government projects or activities that mitigate or prevent contamination of storm water. Monies allocated for this purpose must be matched by local funds. Generally, 50 percent of the money in the Storm Water Account must be used for these purposes;
 - To fund retrofit programs that address contamination of storm water or projects that mitigate the air deposition of storm water. Generally, 40 percent of the funds in the Storm Water Account must be used for these purposes; and
 - To fund existing storm water grant programs. Generally, 10 percent of the funds in the Storm Water Account must be used for these purposes.

Exemption from impact fees for low-income housing (SHB2566) – ARCH requested Kirkland's help to get this bill pulled to the House floor for a vote. This legislation is consistent with the 2010 Legislative Agenda. Council member Marchione agreed to contact Representatives Eddy and Springer.

League of Women Voters – "They Represent You" booklet for Council – Committee requested copies of the annual pamphlet that provides contact information for elected officials. The booklets were delivered to Council members' in-boxes in the Council Study.

COUNCIL LEGISLATIVE COMMITTEE – FEBRUARY 16

The Council Legislative Committee (Deputy Mayor McBride, Council Member Asher and Council Member Marchione) met on February 16th to discuss the status of bills and other legislative issues.

Fiscal Flexibility (ESH3179 and ESSB6424)

- Engrossed Substitute Senate Bill 6424 passed out of the Senate on February 15th
 - Includes flexibility for: Public Safety 3/10% Sales Tax, Gambling Tax, Real Estate Excise Tax
- Engrossed Substitute House Bill 3179 passed out of the House on 2/16
 - Includes flexibility for: Public Safety 3/10% Sales Tax, Gambling Tax, Real Estate Excise Tax, County and City Utility Tax, Brokered Natural Gas

Kirkland's Lodging Tax Advisory Committee expressed concerns about Hotel-Motel Tax flexibility and asked that Kirkland oppose that section of HB3179. Since the adopted 2010 Legislative Agenda expresses support for this flexibility as a portion of the AWC Fiscal Flexibility Package, Erin Leonhart shared this concern with the City Council and requested direction at the February 16th Council meeting. The section related to Hotel-Motel Tax was not included in the version of ESH3179 that passed the House so this was no longer an issue as of the Council meeting but it was discussed. After the Council meeting, Erin Leonhart sent a follow up email to Les Utley about the Legislature's action and Council direction.

Storm Water/Clean Water Act Funding (HB3181 and SB6851)

- All of Kirkland's Legislators have signed on as sponsors
- House Bill 3181 scheduled for public hearing and executive session in the House Committee on Capital Budget on February 17th at 3:30 PM (no Kirkland members on committee)

Wrongful Death Statute Revisions (2ESSB6508)

- Second Engrossed Substitute Bill 6508 passed out of Senate
- Scheduled for public hearing in the House Committee on Judiciary on February 17th at 8:00 AM (Representative Goodman is vice chair of committee)
- Legislation comes from trial attorneys nearly every legislative session
- "Joint & Several" and "adequacy of preventative actions by governmental agency" language removed in version passed by the Senate
- AWC - still a harmful bill to cities but request to House is to keep bill in current form (2ESSB) if they must pass it
- Received direction from Council and sent email to Representative Goodman requesting that he oppose the bill or pass it in the form in which it passed the Senate.

Election of Municipal Court Judges (SSB6686) – Removes exemptions from elections related to community size and would require the Point communities to hold election for Kirkland's Municipal Court Judge

- AWC requested Kirkland's help to oppose Substitute Senate Bill 6686
- Scheduled for public hearing in the House Judiciary Committee February 18th at 10am
- Committee directed Erin Leonhart to determine where Representative Goodman is on the bill and he is leaning to oppose but would like support from cities and other committee members.
- Committee asked Mayor McBride to call Representative Goodman and express concerns related to Point cities.

Amending Initiative 960 Provisions (ESSB6130) – Suspension of Legislature's 2/3 voting requirement for tax increases through July 1, 2011.

- Engrossed Substitute Senate Bill 6130 passed out of the Senate on February 10th and out of House Finance Committee on February 13th
- Placed on third reading on February 16th

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- Committee proposed that Council be asked to send a letter to Legislators in support of the bill. Council approved so an email was sent to all Legislators on February 17th.

Tour of Police Department February 17th – In support of Kirkland's federal appropriations request for help with funding for the City Hall/Public Safety Expansion, Mayor McBride and Police Chief Eric Olsen led a tour of the Police Department for staff from Senator Murray's King County and Washington D.C. offices (Sergio Cueva-Flores and Jason Park, Esq.). While very supportive of Kirkland's needs, Mr. Park said there are rarely appropriations for building construction; however, they will try to get Kirkland some planning/design funds during the FY2011 process.

Senate Appropriations requests were submitted on February 12th and House requests are due on February 26th.