



CITY OF KIRKLAND
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MEMORANDUM

To: Kurt Triplett, City Manager
From: Lorrie McKay, Intergovernmental Relations Manager
Date: May 6, 2011
Subject: 2011 LEGISLATIVE UPDATE 8

RECOMMENDATION:

Council should receive an eighth update on the 2011 special legislative session.

BACKGROUND DISCUSSION:

Governor Gregoire convened a special session of the legislature on Tuesday, April 26. By law, the special session is convened for a period of thirty consecutive days. As of the City's May 17 Council meeting, the legislature will have concluded the 22nd day of this 30 day special session. Currently, the full Senate is in Olympia along with House budget leaders and leadership. The bulk of House members are on "rolling recess," prepared to return when budget negotiations reach an ending point.

The agreed upon primary purpose of the special session is for the adoption of the operating and capital budgets for the 11-13 biennium and the bills necessary to implement those budgets. It is unlikely they will stray from that agenda.

As of the writing of this memo, very little detailed information is available about either Capital or Operating budget. One of the major issues to be resolved is workers' compensation. Several Republicans and moderate Democrats introduced HB 2109, which would authorize voluntary settlements and create a return-to-work subsidy program. This is in addition to 41 Republicans who signed on to an identical bill, HB 2108. Both bills have been referred to the House Labor & Workforce Development Committee and all indications are that they will not receive a public hearing.

According to the AWC, the Governor has stated she doesn't want the Legislature to quit without reaching an agreement on changes to the state's workers' compensation system. In fact, she has stated that without resolving the workers' comp issue, there is no budget. She doesn't believe there are enough votes in the Senate to vote out an operating budget unless this issue is addressed. This is a major sticking point among members of the House and between the two chambers as well, and will take a lot of negotiation before a compromise can be reached.

It is uncertain if the legislature and the Governor will complete their business during this special session.

COUNCIL LEGISLATIVE SUBCOMMITTEE:

The Council's Legislative Subcommittee meets weekly on Friday's at 4pm (Mayor McBride, Council Member Asher, and Council Member Marchione).

The City is monitoring the following bills during this special session. These bills, and many others are considered "necessary to implement the budget".

SB 5942 Warehousing and distribution of liquor. Warehousing and distribution of spirits – would contract out the state's liquor distribution and warehousing facilities, but would not assume a \$300M payment up front to the operating budget. The bill does not detail how local government revenues would be impacted.

SJR 8215 The "debt reduction act of 2011". This proposed constitutional amendment would:

- Phases the 9 percent debt limit down to 7 percent in half percent increments every two years beginning in Fiscal Year (FY) 2016 and completing in FY 2022.
- Change the current debt limit calculation to extend the average annual general revenue from a three-year to a ten-year average.
- Include state property taxes as part of the definition general state revenues (in other words, state property tax would now be included as part of the debt limit calculation.)

HB 2048 Concerning low-income and homeless housing assistance surcharges. This bill relates to the court document recording fee already in existence, plus a new surcharge. 60% collected goes to counties and cities for homeless housing plans, and in certain instances for cities to use to pay costs associated with housing plans. A large portion of the money also goes to the State's Home Security Fund. The additional surcharge would be \$30 through July 31, 2011; then increase \$40 from August 2011 through June 30, 2015; then decrease to \$30 from July 1, 2015 through to June 30, 2017; and decreasing further to \$10 beginning on July 1, 2017.

SB 5862 Regarding the administration of natural resources programs. Establishes hydraulic project approval fees. Integrates hydraulic project approvals for forestry activities into the associated forest practices application. Increases forest practices application fees. Makes other changes to the hydraulic project approval and forest practices application processes.

HB 2053 Concerning additive transportation funding (fee bill). Increases a series of fees that are based on the 2009 Joint Transportation Committee Study. Most of these fees have not been raised in several years and have not kept pace with inflation. The revenue from these fees (approximately \$130 to \$160 million a biennium) would be dedicated to an array of programs that would assist the state in key areas and help cities and counties, too. The fees include \$13 million to the Transportation Improvement Board, \$5 million for Safe Routes to School, \$3 million to the Freight Mobility Strategic Investment Board, \$25 million in ferry operating funding, \$26 million for Washington State Patrol Funding, and \$19 million for transit funding.

2011 LEGISLATIVE PRIORITIES:

Four of the City's priority bills have been scheduled for the Governor's consideration and/or signature.

- o Thursday, May 12 - Annexation census (SB 5505)
- o Monday, May 16 - REET Flexibility (HB 1953), Express lane tolling on I-405 (HB 1382), and Fiscal relief & regulatory relief (HB 1478)

A fifth bill among the City's legislative priorities, (SB 5705) concerning new financing tools to support public/private partnerships, remains on the list of nearly 60 bills necessary to implement the budget. While this bill remains alive, its prospects have not looked good for some time.

Kirkland's 2011 Legislative Priorities	Bill Number	Status
Financial assistance for the construction of the Public Safety Building	HB 1497 – Dunshee SB 5467 – Kilmer	- Funding request not included in either chamber's budget.
Flexibility in the use of Real Estate Excise Tax	HB 1953 – Springer	- 5/16 – Scheduled for the Governor's signature
Annexation census requirements	SB 5505 – Hill	- 5/12 – Scheduled for the Governor's signature
Roadway pricing tools (tolling) on I-405	HB 1382 – Clibborn	- 5/16 – Scheduled for the Governor's signature
New financing tools to support public/private partnerships	HB 1881 – Springer SB 5705 – Kilmer	- 4/26 Retained in present status 4/26 – Retained in present status
Streamline SEPA process	HB 1952 – Upthegrove	- 4/26 Retained in present status
"Fiscal relief" and "regulatory reform"	HB 1478 – Springer	- 5/16 – Scheduled for the Governor's signature
Support the principles of growth management by assigning funding priority for infrastructure in communities with designated urban centers	HB 1335 - Springer SB 5243 - Tom	- 4/26 Retained in present status
Eliminate cities' obligation to pay impact fees exempting low-income housing	HB 1398 - Fitzgibbon	4/26 Retained in present status
Fire benefit authority	(<i>HB 1230 & SB 5155</i>)	- 4/26 Retained in present status

A detailed matrix tracking the status of Kirkland's legislative priorities as of May 6 is attached to this memorandum (Attachment A).

2011 LEGISLATIVE SUPPORT OF ALLIES:

Support of Ally Org Select Priority Items	Bill Number	Status
PDR on behalf of inmates ineligible for penalties Changing penalty amounts for public records violations	SB 5025 – Hargrove HB 1899 – Miloscia	4/22 – Delivered to the Governor 4/22 – Delivered to the Governor
joint provision and management of municipal water	HB 1332 – Eddy	4/22 – Delivered to the Governor
Creating a complete streets grant program.	HB 1071 - Moeller	4/19 – Delivered to the Governor
<ul style="list-style-type: none"> • Public Works Trust Fund • Maintain the current investment in home visiting funding • Maintain current funding for Washington Information Network (2-1-1) • Maintain the State's investment in Housing Trust Fund. 	Proposed Budgets	4/25 - Governor convened special session on April 26.

A detailed matrix tracking the status of selected legislative items of Kirkland's ally organizations is also attached to this memorandum (Attachment B). Changes since the May 3 council meeting are highlighted in gray (dead), yellow (alive). The status of bills that the City has been tracking is shown in Attachment C.

Matrices updated May 16 will be emailed to Council in advance of the meeting on May 17.

Attachments: Status of City's 2011 legislative priorities
 Status of Ally Support 2011 legislative priorities
 List of bills the City is tracking and positions

City of Kirkland Legislative Priorities and Status: 2011 Legislative Session

Attachment A

Updated 5.6.11

	Legislative Priority	Bill #	Prime Sponsor	Status
1	Oppose new mandates and cost shifting			See bill tracker – monitoring status of all bills.
2	Financial assistance for the construction of the Public Safety Building	HB 1497 SB 5467	Kirkland Legislators	PSB funding request was not included in either Capital Budget
3	Flexibility in the use of Real Estate Excise Tax revenue for infrastructure and parks maintenance.	HB 1953 (AWC)	Rep. Springer	5/16 – Scheduled for the Governor's signature
4	Financial relief for annexation census requirements through the ability to use alternate enumeration methods such as the federal census.	SB 5505	Sen. Hill	5/12 – Scheduled for the Governor's signature
5	Support legislation for roadway pricing tools that provides funding for high priority transportation routes, promotes multi-modal transportation modes and mitigates collateral impacts.	HB 1382	Rep. Clibborn	5/16 – Scheduled for the Governor's signature
6	Preserve all options for future use of the BNSF corridor and state financial assistance to implement multiple uses.	NA		Monitored bills that would restrict possible uses of the corridor and continue to bring project to legislator's attention for future action.
7	New financing tools to support public/private partnerships including flexibility in the use of existing tax sources to support new development and to facilitate small business growth through the use of microloans.	HB 1881 (AWC) SB 5705	Rep. Springer Sen. Kilmer	4/26 By resolution, reintroduced & retained in present status. 4/26 By resolution, reintroduced & retained in present status.
8	Streamlining the state environmental policy act process.	HB 1952	Rep. Upthegrove	4/26 Reintroduced and retained in present status
9	"Fiscal relief" bill to postpone various city reporting requirements.	HB 1478	Rep. Springer	5/16 – Scheduled for the Governor's signature

City of Kirkland Legislative Priorities and Status: 2011 Legislative Session

Updated 5.6.11

10	Support the principles of growth management by assigning funding priority for infrastructure in communities with designated urban centers	HB 1335 SB 5243	Rep. Springer Sen. Tom	4/26 Reintroduced and retained in present status 4/26 Reintroduced and retained in present status
11	Amend RCW 82.02.060 to eliminate cities' obligation to pay impact fees from qualifying public funds when exempting low-income housing from impact fee requirements.	HB 1398	Rep. Fitzgibbon	2/22 Passed House - yeas, 86; nays, 8; absent, 0; excused, 4 4/26 Reintroduced and retained in present status
12	Fire benefit authority	HB 1230 SB 5155		4/26 Reintroduced and retained in present status

Legislative Support Issue	Bill #	Prime Sponsor	Status
Association of Washington Cities			
<p>Provide flexibility within current revenue and regulatory frameworks to respond to these challenging times</p> <ul style="list-style-type: none"> • City fiscal flexibility package, such as greater flexibility in the expenditure of locally collected real estate excise tax (REET). • Fund, Flex, Repeal, Amend, Pause (FFRAP), such as delaying adoption of new storm water regulations until the existing ones are successfully implemented and funded. 			See Top Priorities Sheet for Update...
<p>Enact new tools to help cities recover, thrive and be efficient</p> <ul style="list-style-type: none"> • Pro-active public record proposals that address some of the problems that come with the burgeoning public records requests. • Options for creating sustainable personnel related costs. • Additional tools for combating gang activity including funding for gang intervention and prevention activities. • Street maintenance utility authority. 	<p>SB 5022</p> <p>HB 1033</p> <p>SB 5025</p> <p>HB 1034</p> <p>SB 5049</p> <p>SB 5062 HB 1139</p>	<p>Sen. Kilmer</p> <p>Rep. Eddy</p> <p>Sen. Hargrove</p> <p>Rep. Takko</p> <p>Sen. Kline</p> <p>Sen. Pridemore Rep. Armstrong</p>	<p>3/4 Passed - yeas, 47; nays, 0; absent, 1; excused, 1 4/26 By resolution, reintroduced & retained in present status</p> <p>4/26 By resolution, reintroduced & retained in present status</p> <p>4/22 – Delivered to the Governor</p> <p>4/26 By resolution, reintroduced & retained in present status</p> <p>4/26 By resolution, reintroduced & retained in present status</p> <p>4/26 By resolution, reintroduced & retained in present status</p> <p>4/26 By resolution, reintroduced & retained in present status</p>
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<p>Maintain essential state revenues and authorities for cities</p> <ul style="list-style-type: none"> • Ensure continued appropriation of committed state shared funds and preserve existing local revenue authorities. • Preserve infrastructure funding such as the Public Works Trust Fund and storm water funding. • Retain current authorities – neither add new requirements or take any away. 	<p>HB 1086</p> <p>HB 1497 SB 5467</p>	<p>Rep. Hunter</p> <p>Rep. Dunshee Sen. Kilmer</p>	<p>Passed by House 2/17. Passed by Senate 2/18 Governor partially vetoed.</p> <p>See AWC document on shared revenue and PWTF. http://www.awcnet.org/portals/0/documents/legislative/governor201113budget.pdf</p>
<p>Cascade Water Alliance</p>			
<p>Clarify and improve the tools available to voluntarily provide utility services on a joint basis.</p>	<p>HB 1332</p> <p>SB 5198</p>	<p>Rep. Eddy</p> <p>Sen. Pridemore</p>	<p>4/22 – Delivered to the Governor</p> <p>4/26 By resolution, reintroduced & retained in present status</p>
<p>Eastside Human Services Forum</p>			
<ul style="list-style-type: none"> • Maintain the current investment in home visiting funding and advocate for evidence-based home visiting programs such as Healthy Start by the federal government. • Maintain current funding for Washington Information Network (2-1-1) and improve quality and accessibility of services. 			<p>The Governor’s and House supplemental budget proposal make up an error of \$300K for the Council for Children & Families for home visiting (if these aren’t restored home visiting ends 3 months early). The Governor did not propose funding home visiting in the 11-13 budget. There is some flexible money in the Department of Early Learning in the Governor’s proposed 11-13 budget that could be used for home visiting but it is not exclusive.</p> <p>In the previous biennium, the appropriation for home visiting was divided into three funds: Council for Children and Families, home visiting account, Dept of Early Learning (total of \$2.3M)</p> <p>The Governor's 2011-2013 budget eliminates home visiting money that was in the Council for Children and Families and the home visiting account but leaves \$600,000 for Dept of Early</p>

			<p>Learning home visiting appropriations.</p> <p>However, the federal health care plan included provisions for home visiting grants if the state's home visiting account is funded at a "maintenance effort" around the \$1.6M-\$1.7M level.</p> <p>To take advantage of these grants, the House transferred the \$600k for home visiting from Dept of Early Learning and put it into the Home Visiting Account managed by the Office of Financial Management and appropriated an additional \$1.2M into the home visiting account. In total, the House appropriates \$1,868,000 into the Home Visiting Account.</p> <p>For Home Visiting, the Senate proposed \$500K for 2011 for the home visiting program and of that \$500k, \$200k shall go to the Home Visiting Account.</p> <p>211 funding was not cut in the Governor's proposed supplemental nor in the House proposed supplemental (HB 1086) and the Washington Telephone Assistance Program account (where 211 is funded from) was not swept. The Governor, however, did not propose funding 211 in the 11-13 budget.</p> <p>The House proposed \$500K in funding for 2012 and \$500K for 2013 through the Washington Telephone Assistance Program (Springer amendment in W&M)</p> <p>The Senate budget provides \$500K for 2012 and \$500k for 2013 for 2-1-1 funding.</p>
Environmental Priorities Coalition			
<ul style="list-style-type: none"> • Budget Solutions for our Environment – Develop a proactive approach that will improve the economy while maintaining environmental protections. • 2011 Clean Water Act/Working for Clean Water -- Fund job-creating projects across 	<p>HB 1735 SB 5604</p>	<p>Rep. Ormsby Sen. Nelson</p>	<p>4/26 By resolution, reintroduced & retained in present status 4/26 By resolution, reintroduced & retained in present status</p>

the state by building water infrastructure that will clean up our water ways.			
Washington Fire Chiefs Association			
<ul style="list-style-type: none"> Require simple majority elections (50% +1) for Emergency Medical Services levies and Benefit Charge elections. Provide funding for CBRNE/Funded Regional Hazardous Materials Teams. Mandate radio repeaters for use by emergency responders inside buildings larger than 10,000 square feet. Exempt major fire department capital equipment purchases from State sales tax or allow for some form of a rebate. 	HB 1476 SB 5381	Rep. Haigh Sen. Prentice	4/26 By resolution, reintroduced & retained in present status 4/26 By resolution, reintroduced & retained in present status
Washington Association of Sheriffs and Police Chiefs			
<ul style="list-style-type: none"> Burglar Alarm Program information protection – Amend RCW 42.56 to protect law enforcement false alarm program information from public disclosure that would compromise the security of properties. Require that red light cameras comport with federal standards and that fines are equalized. Increase penalties for vehicle prowl. 	HB 1234 SB 5244	Rep. Moscoso Sen. Fraser	2/25 Passed - yeas, 97; nays, 0; absent, 0; excused, 1 4/26 By resolution, reintroduced & retained in present status 2/2/ Passed - yeas, 46; nays, 0; absent, 0; excused, 3 DEAD 4/26 By resolution, reintroduced & retained in present status WASPC ended up not putting these on their agenda.
Washington Bicycle Alliance			
Safe Routes to School – Protect existing funding and find ways to improve the program to better meet the demand created by schools.	HB 1071	Rep. Moeller	4/19 – Delivered to the Governor
Washington Recreation and Parks Association			
<ul style="list-style-type: none"> Real Estate Excise Tax -- Provide local-option legislation allowing cities and 			

<p>counties to use up to 25 percent of the revenue from the two local 1/4-percent Real Estate Excise Tax (REET) collections to be used for maintenance and operations of parks and recreational facilities.</p> <ul style="list-style-type: none"> Washington Wildlife Recreation Program (WWRP) – Support the request by the Recreation and Conservation Funding Board, the Washington Wildlife and Recreation Council (WWRC), WRPA, and others to preserve a \$100 million 2011 Capital Budget funding level for the Washington Wildlife and Recreation Program (WWRP) Grant program. 			<p>See Top Priorities Update Sheet.</p> <p>The Governor’s proposed capital budget for 11-13 created the “Puget Sound Washington Wildlife and Recreation Grants” program, which selects certain projects off the WWRP ranked list. The House proposed capital budget funds WWRP at \$50 million using the traditional RCO ranking. The Senate proposed capital budget funds WWRP at \$20 million with traditional ranking plus pulls some WWRP projects in to a new program called “Jobs in Recreation” and funds that at about an additional \$16 million.</p>
Washington Low-Income Housing Alliance			
<ul style="list-style-type: none"> Maintain the State’s investment in Housing Trust Fund. 			<p>The Governor’s proposed capital budget for the 11-13 biennium gives \$40m to the Housing Trust Fund. The House proposes \$60 million and the Senate proposes \$30 million.</p>
Washington Chapter of the American Planning Association			
<ul style="list-style-type: none"> Create a funding mechanism for Planned Action EIS -- Amend RCW 82.02.020 to allow jurisdictions to impose a fee or charge on development for preparation of a Planned Action EIS. 			
WRIA 8			
<ul style="list-style-type: none"> Funding – Support legislation to establish a sustainable funding mechanism to implement the Puget Sound Partnership agenda including funding for projects, programs, permitting and monitoring 	<p>HB 1332</p> <p>SB 5198</p>	<p>Rep. Eddy</p> <p>Sen. Pridemore</p>	<p><u>Watershed Bills:</u> 4/22 – Delivered to the Governor</p> <p>4/26 By resolution, reintroduced & retained in present status</p>

<p>related to storm water pollution in Puget Sound and throughout Washington State.</p> <ul style="list-style-type: none"> • Authorize legislation for creation of multipurpose Watershed Districts. 	<p>HB 1735 SB 5604</p> <p>HB 1497 SB 5467</p>	<p>Rep. Ormsby Sen. Nelson</p> <p>Rep. Dunshee Sen. Kilmer</p>	<p>Storm Water: 4/26 By resolution, reintroduced & retained in present status 4/26 By resolution, reintroduced & retained in present status</p> <p>Capital Budgets: Salmon Recovery money – Senate at \$70m (\$60 fed and \$10m state) compared to House \$60m. Puget Sound restoration projects – Senate at \$15m vs. House at \$30m Stormwater - Senate at \$50m vs. House at \$46m</p>
<p>Additional Legislation to Support</p>			
<ul style="list-style-type: none"> • Support brown grease to energy conversion legislation and programs. • Support modification of the Washington State Department of Licensing’s (DOL) implementation of the Commercial Driver’s License process. • 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. • Support legislation that would allow cities access to the State Department of Labor and Industries data as a means of verifying local business tax payments. 	<p>HB 1370 SB 5234</p>	<p>Rep. De Wege Sen Kline</p>	<p>4/26 By resolution, reintroduced & retained in present status 4/26 By resolution, reintroduced & retained in present status</p>

Bill	Title	Position	Status
<i>Support</i>			
HB 1012	Planning commissioners	Support	Signed by the Governor
HB 1014	Watersh mgmt partnerships	Support	DEAD
HB 1071	Complete Streets grant prog	Support	Delivered to the Governor
HB 1087	2009-11 & 2011-13 operating appropriations		Retained in present status
HB 1223	Street vacation hearings	Support	Signed by the Governor
HB 1234	Security alarms, crime watch	Support	DEAD
HB 1332	Utility services joint mgmt	Support	Delivered to the Governor
HB 1382	Express toll lanes/eastside	Support	5/16 - Schdd for the Governor's signature
HB 1398	Low income housing/fee ex.	Support	DEAD
HB 1406	intrastate building safety mutual aid system	Support	Delivered to the Governor
HB 1469	Landscape conservation	Support	DEAD
HB 1478	Fiscal relief/cities & towns	Support	5/16 - Scheduled for the Governor's signature
HB 1497	2011-2013 capital budget	Support	NTIB
HB 1730	Authorization of bonds issued by local gov	Support	Delivered to the Governor
HB 1881	Community redevelopment financing	Support	DEAD; possibly NTIB
HB 1953	Real Estate Excise Tax	Support	5/16 - Scheduled for the Governor's signature
HB 1969	Exempting FCDZ from regular property tax lev	Support	Delivered to the Governor
<i>Neutral</i>			
HB 1702	impact fees/convenants	Neutral	DEAD
HB 1812	Relating to community municipal corporations	Neutral	DEAD
HB 1997	Tourism, workfrce hsg, art & hrtge progrms	Neutral	DEAD
HB 1634	Regarding underground utilities.	Neutral	Delivered to the Governor
<i>Oppose</i>			
HB 1026	Adverse possession actions	Oppose	Delivered to the Governor
<i>Undecided</i>			
HB 1217	Speed limits		Retained in present status
HB 1662	appeal/shoreline mgmt act		Retained in present status
HJR 4217	Community redevelopment financing		Retained in present status
HB 2048	Low-income & homeless hsng asst surcharges		5/11 - Exec Session Ways and Means
HB 2053	Additive transportation funding (fee bill)		Retained in present status

Bill	Title	Position	Status
<i>Support</i>			
SB 5022	Court actions/42.56.550	Support	DEAD
SB 5025	Inmate public record req.	Support	Delivered to the Governor
SB 5034	Concerning private infrastructure developmen	Support	Signed by the Governor
SB 5098	minors in parks/recs progs	Support	Signed by the Governor
SB 5143	Annexation/fire prot. Dists.	Support	DEAD
SB 5154	Modifying vehicle prowling prov	Support	DEAD
SB 5192	Shoreline Management Act	Support	Delivered to the Governor
SB 5244	security alarms, crime watch	Support	DEAD
SB 5253	landscape conservation	Support	Delivered to the Governor
SB 5467	2011-2013 capital budget	Support	NTIB
SB 5505	census data/annexation	Support	5/12 - Schldd for the Governor's signature
SB 5705	Community redev financing	Support	NTIB
SB 5834	Extending lodging taxes to programs arts/her	Support	DEAD
<i>Neutral</i>			
SB 5607	impact fees/covenants	Neutral	Senate Rules "X" file
SB 5457	Funding from car tabs for Transit		Delivered to the Governor
<i>Oppose</i>			
SB 5553	Requiring cities post certain info on web sites	Oppose	DEAD
<i>Undecided</i>			
SB 5188	Traffic control signals		Senate Rules "X" file
SB 5265	Multijurisdiction flood control zones		Retained in present status
SB 5693	"Copy"/public records act		Senate Rules "X" file
SB 5695	Local gov't bonds		Concurrence Cal. Ref to Senate Rules 3
SJR 8213	Community redevelopment financing		Retained in present status
SJR 8215	debt reduction act of 2011		4/29 Read into House CB
SB 5862	Regarding the admin of natural resources prog		Retained in present status
SB 5952	low-income & homeless hsing assist surcharges.		Retained in present status