



CITY OF KIRKLAND
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MEMORANDUM

To: Kurt Triplett, City Manager
From: Lorrie McKay, Intergovernmental Relations Manager
Date: May 22, 2015
Subject: 2015 LEGISLATIVE UPDATE #9

RECOMMENDATION:

Council should receive its ninth update on the 2015 legislative session.

BACKGROUND DISCUSSION:

The legislature concluded its 105-day regular legislative session in a stalemate over the biennial budget on April 24. State lawmakers were immediately called back into a 30-day special legislative session by the Governor on April 29 to complete their work on the biennial budgets and related matters (operating, capital and new-law transportation package). They are not limited to these items, however.

By law, special sessions of the legislature can only run for 30 consecutive days. This means that the current special session will officially conclude Thursday, May 28th.

While budget negotiators have been working in Olympia over the past three weeks, not much has moved forward. With less than a week left in the current special session, all signs point to this special session ending on Thursday the 28th without a budget deal. The Governor will immediately reconvene lawmakers for a second special session, which could run close to June 30th, which is also the day state budgets are due. After that point, their options without a budget are very limited, including government shut down.

The House is expected to be in session Wednesday, May 27 through Thursday the 28th, however they are not expected to reach a budget deal.

"Early" 2nd Quarter State Revenue Forecast

The state Economic and Revenue Forecast Council voted unanimously the second week of May to release the latest revenue forecast early, on Monday 18, instead of mid-June as previously scheduled. As reported by the Associated Press, the move was done to help lawmakers who continue to struggle to reach an agreement on a state operating budget. There are differing ideas between the two chambers on how best to proceed. Democrats seek more revenue and Republicans say that new taxes are not needed.

The May 18th revenue forecast shows they have a little more money to work with during their extended budget negotiations. The forecast found that the state's revenue collections through the middle of 2017 are expected to increase by more than \$400 million, with nearly \$327 million for the upcoming 2015-2017 budget and \$79 million for the current two-year budget through the end of June. The projected overall state budget for 2015-17 is expected to be somewhere between \$38 and \$39 billion.

The revenue forecast also showed an uptick in marijuana revenues, with the assumption that more taxes will come in now that the Legislature reconciled the medical and recreational marijuana industries, meaning more marijuana will be subject to taxes. The forecast shows that marijuana could bring in about \$1 billion to the state through the middle of 2019, though officials cautioned that those numbers will continue to change as the industry continues to develop.

Council's Legislative Committee

The Council's Legislative Committee (Mayor Walen, Councilmember Asher and Councilmember Marchione) typically meets on Friday afternoons during the regular session. However, with five of Kirkland's seven legislative priorities still in play during the special session (Attachment A), the committee's focus over the last three weeks has been to meet individually with the members of Kirkland's delegation. The purpose of these meetings was to thank them for their work and to remind them of the status of the City's priorities, as all three budgets and related legislation move closer to being finalized.

Kirkland's remaining 2015 legislative priorities

1. State and local transportation revenue
2. \$75M for the I-405 / NE 132nd Interchange ramp
3. Capital budget funding for multimodal safety investments
4. Flexibility to site marijuana retail facilities and revenue sharing with cities that allow retail facilities
5. Additional Sound Transit revenue authority and that such authority may also be used to fund trail development and alternative transportation along the Eastside Rail Corridor

Status Summary of Five of the City's Seven Priorities as of May 22:

1. State and local transportation revenue - ESSB 5987 is parked in Senate Rules
The Senate passed a revenue package (5987) and a project list (5988). The House passed strikers of these bills out of committee. Among other things, both proposals include annual direct distributions to cities for 16 years, vehicle license fee proposals, funding for SR 520 corridor as well as Renton to Lynnwood I-405 corridor widening.
2. \$75M for the I-405 / NE 132nd Interchange ramp - ESSB 5988 is parked in Senate Rules
While the project and its funding was not included in the Senate transportation proposal, the project and \$75 million in funding was included in the House proposed project list.
3. Capital budget funding of \$1,068,600 at NE 52nd Street - EHB 1115 in House Rules
The House passed a capital budget, but did not include any of Kirkland's capital budget requests. However, the Senate passed capital budget did include \$1,069,000 for the NE 52nd St. project. Each chamber is negotiating from these positions.

NOTE The House version of the transportation budget project list (ESSB 5988) also includes \$1,086,000 for the same NE 52nd St.

4. Siting flexibility for marijuana retail & revenue share with cities - E2SHB 2136 is parked in House Rules
The House and Senate are negotiating 2136, the revenue sharing bill, which includes Kirkland's siting flexibility language.
5. Additional Sound Transit revenue authority, which may also be used to fund trail development and alternative transportation along the Eastside Rail Corridor: ESSB 5987 is parked in Senate Rules (see #1 above)
The Senate and House are negotiating as part of transportation revenue bill. The House proposal includes language allowing Sound Transit to use new funding on regional trails that directly connect to its system.

2015 Session bills that the Governor has signed into law

Bills that Kirkland supported:

HB 1011	Assigning counties to two climate zones for purposes of the state building code.
HB 1069	Concerning preservation of DNA work product.
HB 1223	Allowing the use of lodging taxes for financing workforce housing.
HB 1252	Prescribing penalties for allowing or permitting unlicensed practice of massage therapy or reflexology.
HB 1431	Modifying exemptions relating to real estate appraisals
HB 1550	Simplifying the taxation of amusement, recreation, and physical fitness services.
HB 1851	Creating an expedited permitting and contracting process for bridges owned by local governments that are deemed structurally deficient.
ESHB 1980	Implementing recommendations of the sunshine committee.
SB 5158	Require call location info be provided to law enforcement responding to an emergency. Providing first responders with contact information for subscribers of life alert services during an emergency.
SB 5346	Homeless youth prevention and protection.
SB 5404	Addressing the disclosure of global positioning system data by law enforcement officers.
SB 5482	

Bills that Kirkland was neutral on:

SB 5048	Subjecting a resolution or ordinance adopted by the legislative body of a city or town to assume a water-sewer district to a referendum
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Bills that Kirkland was opposed to:

SB 5923	Promoting economic recovery in the construction industry.
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The above listing of bills represent those that the City took a position on during the regular 2015 session which were passed by both chambers and that have now been signed into law by Governor Inslee. These bills have been removed from the City's Bill Tracker (Attachment B).

Attachments:

- A. Status update on Kirkland's 2015 Legislative Priorities (05-22-15)
- B. Bill Position Tracker (05-22-15)

2015 Legislative Priorities and Status – City of Kirkland
Updated: May 22, 2015

Attachment A

Legislative Priority	Bill #	Prime Sponsor	Status
State Transportation Revenue Package 5987 5990 5994 5988 5991 5995 5989 5992 5996 5993 5997	SB 5987	Sen. King	3/2 – Passed Senate: yeas, 27 ; nays, 22 ; absent, 0; excused, 0. 4/20 – House Striker passed committee 4/29 – By resolution, reintroduced/retained in Senate Rules for 3 rd reading
	SB 5988	Sen. King	3/2 – Passed Senate: yeas, 41 ; nays, 8 ; absent, 0; excused, 0. 4/17 – House Striker included ➤ NE 132 nd St. Ramps at \$75M and NE 52 St. Sidewalk project funding \$1.86M in House proposed Transpo Pkg 4/29 – By resolution, reintroduced/retained in Senate Rules for 3 rd reading
Local Transportation Revenue			❖ TBD – included in both: Senate \$20 to \$40 (only after \$20 for two years) House \$20 to \$50 (only after \$20 for two years) ❖ Fuel Tax / Direct Distributions to Counties and Cities both: Senate at \$375M split 37% / 63%. House \$433M split 50% / 50%.
\$75M for the next phase of the I-405 / NE 132nd Interchange ramp	SB 5988	Sen. King	4/17 – Included in House striker 5988, referred to Rules 2 Review 4/29 – By resolution, reintroduced/retained in Senate Rules for 3 rd reading
Continued state financial assistance and other tools that further the development of the Cross Kirkland Corridor (CKC)			3/4 – ERC/CKC/RCC lunch-time open-house held in Olympia
Capital budget funding for multimodal safety investments • Juanita Dr. Multimodal Safety Investments: \$1,021,000 • CKC to Redmond Central Connector: \$750,000 • NE 52nd Street Sidewalk: \$1,068,600	HB 1115	Rep. Dunshee	4/2 – Passed House: yeas, 96 ; nays, 2 ; absent, 0; excused, 0. 4/14 – Passed Senate: yeas, 39 ; nays, 10 ; absent, 0; excused, 0. ➤ Includes NE 52 St. Sidewalk project funding at \$1.69M 4/24 – On concurrence calendar. Referred to House Rules 3
Flexibility to help site marijuana retail facilities and marijuana revenue sharing with cities that allow retail facilities	SB 6062 HB 2136	Sen. Hill Rep. Carlyle	4/3 – Passed Senate: yeas, 27 ; nays, 22 ; absent, 0; excused, 0. 4/29 – By resolution, reintroduced/retained in Senate Rules for 3 rd reading 4/10 – Passed House: yeas, 67 ; nays, 28 ; absent, 0; excused, 3. 4/29 – Passed House: yeas, 70 ; nays, 25 ; absent, 0; excused, 3. 5/1 – Referred to Ways & Means
Additional Sound Transit revenue authority <i>and that such authority may also be used to fund trail development and alternative transportation along the Eastside Rail Corridor.</i>	SB 5987	Sen. King	3/2 – Passed Senate: yeas, 27 ; nays, 22 ; absent, 0; excused, 0. 4/20 – House Striker to Rules 2 Review ➤ Authorizes \$15B ➤ Includes language allowance to fund trail dev & alt trans 4/29 – By resolution, reintroduced/retained in Senate Rules for 3 rd reading
Allow both the state and local governments the option of replacing the property tax cap			

* No **HIGHLIGHTS** = No change in status from last update.

Bill	Title	Position	Sponsor	Status
Support				
HB 1314	Implementing a carbon pollution market program to reduce greenhouse gas emissions.	Support	Fitzgibbon	5/14 - Heard in Appropriations
HB 1517	Concerning the distribution of liquor revenues to local jurisdictions.	Support	Reykdal	4/7 - Heard in Appropriations 4/29 - By resolution, reintroduced and retained in present status (Appropriations).
HB 1651	Concerning definitions related to human trafficking.	Support	Ryu	3/10 - PASSED - yeas 98, nays 0, abs/exc 0 4/29 - By resolution, reintroduced and retained in present status (Rules).
HB 1850	Exempting certain department of transportation actions from local review or permit processes under the shoreline management act.	Support	Hayes	3/10 - PASSED - yeas 97, nays 0, abs/exc 1 4/15 - PASSED - yeas 25, nays 23, abs/exc 1 4/29 - On Concurrence Calendar
HB 2086	Prohibiting certain limitations on the hosting of the homeless by religious organizations.	Support	McBride	3/6 - PASSED - yeas 56, nays 42, abs/exc 0 4/29 - By resolution, reintroduced and retained in present status (Rules).
HB 2122	Concerning real estate as it concerns the local government authority in the use of real estate excise tax revenues and regulating real estate transactions.	Support	McBride	3/13 - Referred to House Rules for 2nd reading 4/29 - By resolution, reintroduced and retained in present status (Rules).
HB 2136	Relating to comprehensive marijuana market reforms	Support	Carlyle	4/10 - PASSED - yeas 67, nays 28, abs/exc 3 4/29 - PASSED - yeas 70, nays 25, abs/exc 3 5/1 - Referred to Senate Ways & Means
HB 2156	Relating to promoting the fiscal sustainability of cities and counties.	Support	Reykdal	4/17 - Heard in House Finance. 4/29 - By resolution, reintroduced and retained in present status (Finance)
HB 2247	Concerning local community development.	Support	Wylie	4/24 - Referred to Community Dev, Housing & Tribal 4/29 - By resolution, reintroduced and retained in present status (CDHT)
Neutral				
HB 2084	Imposing fines, withholding taxes, and other measures to encourage local jurisdictions to timely file state-required reports.	Neutral	Hunter	3/10 - PASSED - yeas 83, nays 15, abs/exc 0 4/29 - By resolution, reintroduced and retained in present status (Rules).
Oppose				
HB 1123	Regulating the minimum dimensions of habitable spaces in single-family residential areas	Oppose	Blake	3/5 - PASSED - yeas 91, nays 7, abs/exc 0 4/29 - By resolution, reintroduced and retained in present status (Rules).
HB 1639	Concerning technology-enhanced government surveillance.	Oppose	Taylor	3/3 - PASSED - yeas 73, nays 25, abs/exc 0 4/15 - PASSED - yeas 43, nays 4, abs/exc 2 4/24 - On Concurrence Calendar

Bill	Title	Position	Sponsor	Status
Support				
SB 5395	Modifying exemptions relating to real estate appraisals	Support	Roach	3/9 - PASSED - yeas 49, nays 0, abs/exc 0 4/29 - By resolution, reintroduced and retained in present status (Rules).
SB 5463	Concerning access to and creation of cultural and heritage programs and facilities.	Support	Hill	3/4 - PASSED - yeas 44, nays 4, abs/exc 1 4/29 - By resolution, reintroduced and retained in present status (Rules).
SSB 5585	Granting counties & cities greater flexibility w/REET.	Support	Dansel	3/23 - Senate Rules X file
SB 5694	Allowing assessments for nuisance abatement	Support	Padden	3/10 - PASSED - yeas 40, nays 9, abs/exc 0 4/29 - By resolution, reintroduced and retained in present status (Rules).
SB 5987	Concerning transportation revenue	Support	King	3/2 - PASSED - yeas 27, nays 22, abs/exc 0 4/29 - By resolution, reintroduced and retained in present status (Rules).
SB 5988	Concerning additive transpo funding and appropriations	Support	King	3/2 - PASSED - yeas 41, nays 8, abs/exc 0 4/29 - By resolution, reintroduced and retained in present status (Senate Rules).
SB 6062	Relating to marijuana.	Support	Hill	4/3 - Passed-yeas, 26; nays, 22; abs/exc 1 4/29 - By resolution, reintroduced and retained in present status (Senate Rules).
Oppose				
SB 6115	Limiting tax imposed by a city on a water / sewer distribution; water / sewerage system business.	Oppose Actively	Chase	4/24 - First read into Sen. Gov Ops. 4/29 - By resolution, reintroduced and retained in present status (Gov Ops).
ESB 5994	local permitting of WSDOT activities	Neutral - lean oppose	King	3/5 - PASSED - yeas 39, nays 19, abs/exc 0 4/29 - By resolution, reintroduced and retained in present status (Rules).