



CITY OF KIRKLAND

City Manager's Office

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MEMORANDUM

To: David Ramsay, City Manager

From: Tracy Burrows, Senior Management Analyst

Date: March 22, 2007

Subject: 2007 Legislative Session Status Report

On Monday, March 30th, the Legislature will reach its next "cutoff." All measures, other than those in the fiscal and transportation committees, that have not passed out of their committee in the opposite house by March 30th are deemed technically dead for this session.

Below is a brief summary of the status of the City's major issues that have been addressed to date:

Municipal Courts: *Kirkland supports cities' ability to form municipal courts and is working to preserve all options for providing municipal court services in the future.*

House Bill 1590, which authorizes cities to contract with one another for court services, passed the House Floor on a 97-0 vote. It has been referred to the Senate Judiciary Committee, but faces serious opposition in the Senate. Kirkland has requested that the Bill be scheduled for a hearing, but it has not been scheduled for a hearing as of this date.

Offender Supervision: *Kirkland supports a change in state law that would extend immunity to the activities of municipal probation officers conducting misdemeanor supervision except in cases of gross negligence.*

Substitute House Bill 1669, which would provide for a gross negligence liability standard for misdemeanor supervision, passed out of the House on a 97-0 vote. It has been referred to the Senate Judiciary Committee. The substitute bill includes compromise language to address the concerns of the Washington State Trial Lawyers. The original bill provided limited immunity for damages arising from "any act or omission in the provision of probation, supervision, or monitoring services," whereas the substitute bill applies to damages arising from "inadequate supervision or monitoring." This would be a good step towards addressing the significant issue of offender supervision liability for cities such as Kirkland. This bill has been scheduled for a hearing on March 30th.

Streamlined Sales Tax: *Kirkland supports the objectives of the Streamlined Sales Tax project, including the application of sales tax to internet and catalogue sales. Kirkland supports the seven principles for SST implementation that have been agreed upon by the Association of Washington Cities (AWC) SST Committee, including the goal of full mitigation for the sales tax revenue losses of negatively impacted cities.*

The Streamlined Sales Tax passed both the House and Senate and was signed by the Governor on March 22nd.

Local Infrastructure Financing: *Kirkland supports legislation that would make additional economic development tools available to local governments, including modifications to the LIFT statute to address additional competitive funds, removal of the limit of one LIFT project per county, streamlined process, more flexibility in funding sources and uses, and other changes.*

House Bill 1277 passed out of the House on a 96-0 vote and was heard by the Senate Economic Development, Trade and Finance Committee. It has been referred to the Senate Ways and Means Committee. This bill continues to limit LIFT implementation to one project per county. The Senate Companion Bill (SB 5115) passed out of the Senate on a 47-0 vote. This bill has a hearing in the House on March 26th. The Senate Bill offers more flexibility for local governments.

Incentives for Affordable Housing: *Kirkland supports incentives for affordable housing, including property tax exemptions to new or rehabilitated multi-family housing.*

Kirkland worked with A Coalition for Regional Housing (ARCH) and AWC to a bill that would expand cities' ability to grant property tax exemptions for new or rehabilitated multifamily housing, and in particular would allow for partial exemptions for rental housing. This bill did not make it out of committee. House Bill 1910 and Senate Bill 5404 require this property exemption program to be targeted to affordable housing units. The affordability requirement appears to have support in the legislature and would be consistent with Kirkland's application of the program. These bills are both likely to proceed out of committee and to the floor of the respective houses.

Telecommunications: *Kirkland supports maintaining local franchising and opposes any legislation that would create a statewide franchise. Kirkland recognizes the importance and need for local governments to manage their rights-of-ways and be able to deliver local programming.*

SB 6003, which removes local government franchising authority for competitive cable and video service providers, did not make it out of committee and is dead for this session.

Of more concern is the recent Federal Communications Commission ruling at the federal level. The Federal Communications Commission (FCC) released a final version of a rule on competitive video franchising which broadly pre-empts numerous longstanding local video franchising requirements and procedures. These new rules will have three profoundly negative impacts on local government:

1. Only a fraction of households will be served. The FCC Rule allows new providers to avoid upgrading facilities in poorer neighborhoods while affluent neighborhoods receive cutting-edge services and lower prices. Local regulations to eliminate "cherry-picking" of affluent customers and the resulting digital isolation of other neighborhoods are preempted.
2. Unreachable process deadlines are imposed, which would cause any negotiations to likely fail. Communities will have only 90 days to issue a franchise to new entrants. In Washington, this includes Verizon and Qwest, among other companies. If parties can't reach agreement within the 90-day time frame, the rules deem that a cable franchise is automatically granted. This would clearly put local governments at a disadvantage in the negotiating process as telecommunications companies would not have any motivation to reach agreement.
3. Critical support for community services (schools, libraries and media) is eliminated. Fees to support public, educational and government (PEG) access would be deducted from the 5% franchise fees communities currently receive.

The National League of Cities, the National Association of Counties, NATOA and the Alliance for Community Media all oppose the rules and are expected to file for injunctive relief.

Gambling

Senate Bill 5558, relating to gambling, requires that if a city that prohibits gambling annexes an area that includes a casino, it must adopt an ordinance to prohibit gambling in the annexed territory. This prohibition cannot take effect for eighteen months after ordinance adoption. In addition, the Bill appears to require a referendum vote on the gambling prohibition in the annexed area. This bill would complicate any effort to prohibit gambling in Kirkland's annexation area.

The City has drafted an amendment to this bill to ensure that any legislative action prohibiting gambling in the annexation would not be subject to referendum. Kirkland is working with our Representatives and AWC to garner support for this amendment that would protect our interests and options on this issue.

**2007 Legislative Issues Update
as of
03/22/2007**

Kirkland Legislative Contacts

Senator Eric Oemig: <http://www.sdc.wa.gov/oemig.htm>

Rep. Roger Goodman: <http://www.housedemocrats.wa.gov/members/goodman/>

Rep. Larry Springer: <http://www.housedemocrats.wa.gov/members/springer/>

Senator Rodney Tom: <http://www.sdc.wa.gov/tom.htm>

Rep. Ross Hunter: - <http://www.housedemocrats.wa.gov/members/hunter/>

Rep. Deb Eddy: <http://www.housedemocrats.wa.gov/members/eddy/>

Bill Number	Legislative Issue	Current Status – from AWC and leg.wa.gov	Action Needed/Initiated
MUNICIPAL FINANCE			
SSB 5089	Streamlined Sales Tax	This bill would conform Washington's tax structure to the streamlined sales and use tax agreement.	Delivered to governor.
HB 1072	Streamlined Sales Tax	This bill would conform Washington's tax structure to the streamlined sales and use tax agreement.	Dead.
HB 1342 SB 5647	LTAC Flexibility	Clarifies the use of existing lodging tax revenues for tourism promotion. The bill would define “tourism promotion” to also include the operation of special events, not just marketing. It also allows cities to support tourism-related facilities owned by a nonprofit organization.	HB 1342: Dead. SB 5647: Public hearing in House Committee on Economic Development and Trade March 26.
SHB 1254	LTAC Flexibility	This bill expands the definition of “tourism related facilities” to include those owned by a nonprofit 501©6 organization. It allows municipalities to contract with nonprofit 501©6 organizations for tourism promotion activities.	Passed to Rules Committee for second reading March 15.
HB 1369	City Fiscal Flexibility	This bill expands voter-approved multi-year property tax lid lifts to all local jurisdictions i.e. library and fire districts. It also removes non-supplanting language on the lid lifts for cities and counties.	Passed to Rules Committee for second reading March. 6.
HB 2309	Property Taxes	Would permit annual increases in property taxes at the rate of inflation.	Dead.
HB 1466	Tourism Promotion	This bill would expand “tourism promotion” to include expenditures to nonprofit organizations.	Dead.
HB 1825 SB 5729	Dedicated Funding for Public Health Services	This proposal to legislation would create a health financing account and direct revenues from the cigarette tax to the account which would be spent after appropriation.	SB 5729: Dead. HB 1825: Public hearing in Senate committee on Health & Long-Term Care March 22.
HB 1139 SB 5330	Local Sales Tax	These companion bills will modify the local sales and use tax that is credited against the state sales and use tax when a large annexation occurs.	HB 1139: First reading, referred to Ways & Means Senate March

			15. SB 5330: Dead
SSB 5404	Multi-Family Ten Year Property Tax Exemption	This bill will modify property tax exemption provisions relating to new and rehabilitated multiple-unit dwellings in urban centers to provide affordable housing requirements.	Dead.
HB 1737	Multi-Family Ten Year Property Tax Exemption	This bill would lower the population threshold to 5,000 and allow a partial exemption to be used for rental properties, currently authorized for owner occupied units.	Dead.
HB 1910	Multi-Family Ten Year Property Tax Exemption	This bill lowers the population threshold to 15,000 and require an affordability component.	Scheduled for executive session in Senate Committee on Consumer Protection & Housing March 29.
SB 5558 HB 1477	Regulating House-Banked Social Card Games	This bill limits the number of licenses that may be issued for conducting house-banked social card games, grants local jurisdiction limited authority to determine the areas within which house-banked social card games may be conducted, and grandfathers existing city moratoriums that limit the number of card rooms.	SB 5558: Scheduled for public hearing in the House Committee on Commerce & Labor March 23. HB 1477: Dead
SB 5854	Utility Liens	If a landlord notifies a city, town, or county, in writing, of a tenant's complete and accurate mailing address, the jurisdiction may not place a lien against a landlord's property due to a tenant's delinquent or unpaid charges. Also, the jurisdiction has no right of action against the landlord.	Senate Rules "X" file March 21.
HB 2334 HB 2117	Property Tax Bills	HB 2334 would allow cities to increase property taxes to 100% plus the implicit price deflator (IPD) in lieu of imposing impact fees. Proceeds above 101% would be used fro infrastructure needs. HB 2117: Would reenact the limitations on regular property tax growth adopted under 1-747.	HB 2334: Dead. HB 2117: Dead.
ENVIRONMENT AND GROWTH MANAGEMENT			
	Ecology Issues NPDES Phase II Permit	Stormwater permit which affects 101 cities in Washington. The permit includes details about stormwater management requirements.	32 cities have filed an appeal.
HB 1726	Housing Density	Changes the OFM population forecasting method based to account for job growth – will likely increase King County's share of Puget Sound growth. Also requires	Dead.

		UGA to be sized for part-time, vacation, and second homes.	
SHB 1727	Housing Density	<p>Substitute Bill eliminates most objectionable language of the original bill. Establishes new requirements for the land use and housing elements of comprehensive plans adopted under the Growth Management Act.</p> <ul style="list-style-type: none"> • Expands the statutory list of innovative land use management techniques that should be provided for in comprehensive plans to include zoning for mixed-use development and accessory dwelling units. • Authorizes cities and counties to establish subregions of adjacent cities and counties for specific purposes, including ensuring the existence of a sufficient amount of housing to meet the needs of projected population growth. 	Scheduled for public hearing in the Senate Committee on Government Operations & Elections March 26.
HB 1358	Requiring Performance and Reasonable Measures for the Purpose of Growth Management Planning	Requires all 29 GMA-planning counties to adopt policies and performance measures that regularly review progress towards accommodating 20-year population and employment growth projections.	Dead
SB 5871	Energy Element	Would require local governments to adopt an energy element as part of the Comprehensive Plan.	Dead
SB 5286	Funding Puget Sound Clean-Up	Establishes a more coordinated state process to prioritize state funds aimed at clean-up efforts.	Dead
SB 5372 HB 1374	Puget Sound Planning and Clean-Up Reorganization	Recreates the state agency, Puget Sound Action Team, to be called the Puget Sound Partnership. This partnership will be governed by a seven-member council appointed by the Governor and confirmed by the Senate. Bill creates an action agenda which directs and coordinates efforts to restore Puget Sound Health by 2020. This agenda will affect the activities put on in surrounding counties.	SB 5372: Scheduled for public hearing in the House Committee on Select Committee on Puget Sound March 23. HB 1374: Scheduled for public hearing in the Senate Committee on Water and Energy & Telecommunications March 23.
ECONOMIC DEVELOPMENT and INFRASTRUCTURE			

<p>SB 5115 HB 1277</p>	<p>Local Infrastructure Financing Tool</p>	<ul style="list-style-type: none"> ▪ Increases the competitive portion from \$2.5 million to \$5.0 million. ▪ Repeals the one per county prohibition on using this authority. ▪ Eliminates an assessed value per square foot requirement. ▪ Provide several technical changes that will make the authority more flexible. 	<p>SB 5115: Scheduled for public hearing in the House Committee on Community & Economic Development & Trade March 26. HB 1277: EDTM - Majority; do pass with amendment(s). Referred to Ways and Means.</p>
<p>HB 1091 SB 5090</p>	<p>Innovation Zones</p>	<p>Authorizes CTED to designate innovation zones that must include a university or college, a concentration of R&D firms, and training capacity. Innovation zones will be eligible for LIFT and possibly other funding sources.</p>	<p>HB 1091: Public hearing in the Senate Committee on Economic Development and Trade & Management March 16. SB 5090: Scheduled for public hearing in the House Committee on Community & Economic Development & Trade March 21.</p>
<p>HB 1361 Now HB 2331</p>	<p>Dedicating Existing Revenue Infrastructure Funding</p>	<p>New bill directs \$20 million to TIB for transportation improvements. Criteria for distribution of funds are being developed.</p>	<p>HB 2331: Dead.</p>
<p>SB 5762 HB 1790</p>	<p>Funding for Jobs, Economic Development, and Local Capital Projects</p>	<ul style="list-style-type: none"> • No more than 25 percent of financial assistance approved by CERB may consist of grants. • Financial assistance may be provided for the acquisition of real property not for projects located outside the jurisdiction of the applicant. • Applicants for CERB funds must demonstrate convincing evidence that a specific private development, consistent with economic development commission standards, is ready to occur. • Applicants in rural counties do not need to show that a specific private development is ready to occur but must demonstrate project feasibility 	<p>HB 1790: Dead SB 5762: Dead</p>

		<p>and that the project is part of a local economic development plan.</p> <ul style="list-style-type: none"> • Tourism projects in rural counties are also eligible for CERB funding. • Grants of up to \$50,000 are allowed for plans, studies, and analyses related to a project. • Applicants must demonstrate approval from a local jurisdiction, support from a local • Associate Development Organization, local participation, and local matching funds. 	
2SSB 5803	Regional Transportation Commissions	This bill would create a regional transportation commission in Puget Sound.	Scheduled for public hearing in the House Committee on Transportation March 27.
2SHB 1303	Encouraging the Use of Cleaner Energy	This bill has a variety of incentives and incentives to use clean energy in vehicles. Requires all state and local fleets to satisfy their fuel needs by 2015.	Public hearing in the Senate Committee on Water and Energy & Telecommunications March 21.
TELECOMMUNICATIONS			
SB 6003	State-wide Cable Franchise	Creates a state-wide cable franchise. Cities are strenuously opposed to this bill.	Dead.
SSB 5592	Revising regulation of telecommunications companies.	This bill was stripped of it original purpose and rewritten to call for an interim task force to study reform of telecommunications regulation, including a review of the local franchise process.	Senate Rules "X" file March 21.
ENERGY			
HB 1036	Creating Sustainable Energy Trust	Entails charging all electric and natural gas retail customers a benefit charge to be then used to develop sustainable renewable resources.	HB 1036: Dead.
HB 1037	Transmission Siting Preemption	<p>Allows a person developing new transmission in excess of 115 kilovolts to seek site certification through the Energy Facility Site Evaluation Council (EFSEC).</p> <p>Substitute bill was passed with amendment brought forth.</p>	Scheduled for public hearing in the Senate Committee on Water and Energy & Communications March

			28.
SSB 6001	Mitigating Impacts of Climate Change	<ul style="list-style-type: none"> • A green house gas performance standard is set that will affect energy generation facilities permitted after June 30, 2008. • Each even-numbered year, the Department of Community, Trade & Economic Development will prepare a report for the Governor and the Legislator, detailing gas emissions for the preceding two years and identifying each major source sector. • Most of the Governor's green house reduction goals are adopted. • Electric utilities will be prohibited from entering into long term energy supply agreements unless the energy supplied from those agreements complies with the emissions performance standard established in the bill. 	Scheduled for public hearing in the House Committee on Technology and Energy & Communications March 27.
LAW & JUSTICE			
HB 1669	Offender Supervision	Establishes a gross negligence standard of liability for a district or municipal court's provision of misdemeanor probation or supervision services, or monitoring of a misdemeanor defendant's compliance with a court order.	Scheduled for public hearing in the Senate Committee on Judiciary March 30.
SB 5353 SHB 1590	Municipal Courts Contracting Authority	This bill includes provisions to clarify city authority to contract for municipal court services only.	SB 5353: Senate Rules "X" file March 21. SHB 1590: In Senate First reading, referred to Judiciary.
HB 1561	Eminent Domain for Cascade Water Alliance	A watershed management partnership and a separate legal entity created by it to conduct the operation of the partnership may exercise the power of eminent domain if all of the public agencies that form the partnership do themselves have the power of eminent domain. This would give Cascade Water Alliance the authority to exercise eminent domain.	Scheduled for public hearing in the Senate Committee on Judiciary March 21.
HB 2244	Restricting Cities' Authority to Regulate Tent Encampments	<ul style="list-style-type: none"> • Counties, cities, and towns are prohibited from restricting religious organizations from hosting homeless temporary encampments. • Local jurisdiction are prohibited from fining a religious organization unless it has clearly endangered the health and safety of the community. • Permit fees for temporary encampments are limited to \$500. • Permit applications must receive a response within 60 days. 	Dead.
HB 1994	Allowing Courts to Retain	This bills allows courts to retain overpayments of \$10 or less, rather than	Scheduled for public

	Small Overpayments	referring them to the department of revenue under the Unclaimed Property Act.	hearing in the Senate Committee on Judiciary March 30.
TRANSPORTATION			
HB 1858 SB 5767	Transportation Benefit Districts	Transportation Benefit Districts are currently authorized and funding mechanisms require a vote of the people. This bill would authorize an additional \$20 in Motor Vehicle License Fees by councilmanic vote. This would be approximately \$600,000 in revenue in Kirkland. AWC is in the process of collecting bill signatures in the House and Senate for a proposed modification to TBDs.	HB 1858: Public hearing in the Senate Committee on Transportation March 21. SB 5767: Dead
PUBLIC RECORD			
SSB 5435 HB 1444	Creating the Public Records Exemptions Committee	The bill calls for a thirteen-member committee consisting of members from four legislative caucuses, reps. of local media, local gov., the state Auditor, the state Attorney General, the Governor, and four members of the public.	SSB 5435: Scheduled for executive session in the House Committee on State Government & Tribal Affairs HB 1444: Dead
SB 5436 HB 1446	Correcting the Statute	This clarifies that the statute of limitations is one year for actions under the Public Records Act, including the failure to provide a response to a request for a public record, and for any other violation.	SB 5436: Senate Rules "X" file March 21. HB 1446: First reading, referred to Government Operations & Elections Feb. 26.
SB 5437 HB 1445	Recodification of the Public Records Act	This bill makes some corrections to the Public Records Act. It is not intended to change public records policy.	SB 5437: Senate Rules "X" file March 21. HB 1445: In the Senate -First reading, referred to Government Operations & Elections Feb 26 th .
SB 5420	Requiring Website Postings Within Five Days	This bill will require all public agencies to post ordinances, rules, regulations, orders, and directives adopted by its governing body with five days of their adoption.	Senate Rules "X" file March 21
HOUSING/PROPERTY			

SB 5444 HB 1458	Requiring Notice to Property Owners Before Condemnation Decisions	This bill would ensure better notice is given to the public for proposed eminent domain condemnation actions by either public or corporate entities.	SB 5444: dead. HB 1458: Executive action taken in the Senate Committee on Judiciary March 21.
HB 1359	Promoting Affordable Housing for All	This bill declares that a decent, appropriate, and affordable home in a healthy safe environment for every household should be a state goal and should be accomplished for every very low income household by 2020.	Scheduled for executive session in the Senate Committee on Consumer Protection & Housing March 21.
HB 1412	Extending Timelines to Update Shoreline Master Programs	This bill provides cities with the option of taking an additional year to complete their SMPs.	Passed to Rules Committee for second reading in Senate.
HB 1781	Allowing Shared Use of Best Available Science	This bill acknowledges that science used to figure out the best way to protect the environmental values in one community can be used by another community if it is applicable to the same types of land and conditions.	Dead
SB 5104 HB 1885	Lake Washington Technical College	Creates a pilot program for an applied Baccalaureate Degree at two technical colleges in the state.	Scheduled for public hearing in the House Committee on Higher Education March 28. HB 1885: Referred to Appropriations Feb. 28th
SB 5507 HB 1463	Changing Washington's Vesting Laws	This bill would align our laws with the majority of other states. Most other states establish the applicable rules and regulations for land use applications at the time of application.	SB 5507: Made eligible to be placed on second reading March 6 th . HB 1463: Dead
HB 1733	Siting State Community Justice	This bill would require cities and counties to establish agreed-upon siting criteria for a variety of community justice facilities.	Scheduled for public hearing in the Senate Committee on Government Operations & Elections March 22.
HB 1558	GMA Task Force	This bill will create a task force comprising various interests and legislators to explore a variety of "hot button" issues surrounding implementation of the Growth Management Act	Referred to Appropriations Feb. 27 th
Personnel & Labor Relations			
HB 1322	Definition of Disability	This bill expands the definition to encompass any impairment, temporary or	HB 1322: First reading,

SB 5340		permanent, that is medically cognizable or diagnosable, regardless of whether the impairment has any impact on the individual's work or life.	referred to Judiciary March 16. SB 5340: Scheduled for executive session in the House Committee on Judiciary.
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