



**CITY OF KIRKLAND**

City Manager's Office

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**MEMORANDUM**

**To:** David Ramsay, City Manager  
**From:** Erin J. Leonhart, Intergovernmental Relations Manager  
**Date:** March 9, 2009  
**Subject:** 2009 LEGISLATIVE UPDATE 5 – MARCH 17, 2009

As of the March 17<sup>th</sup> Council meeting, the 2009 Legislative Session will be in its tenth week. The third legislative cutoff date, when bills must have progressed out of their originating body, is March 12<sup>th</sup>, with the exception of bills that are "Necessary to Implement the Budget." This is an update on the City's interests as of March 9<sup>th</sup>. A matrix with the current status of topics on the legislative agenda will be available at the Council meeting.

**COUNCIL LEGISLATIVE COMMITTEE 3/2**

The Council Legislative Committee met with Mike Ryherd on March 2<sup>nd</sup> to discuss the status of bills as the second cutoff approached. The primary topics of conversation were:

- Tolls on SR-520 Corridor Bill (HB 2211) – King County is concerned that the bill excludes the ability to use toll revenues for transit operations and requested Kirkland's support. Action: The Committee recommended staff prepare a letter for consideration at the March 3<sup>rd</sup> Council meeting.
- Authorizing King County cities to provide & contract for supplemental transportation (HB 2179) – The City of Bellevue requested Kirkland support for this bill. Action: The Committee requested additional information about the funding source and if service would be provided by an established provider.
- Annexation Bill (HB 2249) – Representative Hunter's original bill included language that would require cities in King County that did not annex PAA's by 1/1/2012 to share sales tax revenues with the County. Action: The Committee requested additional information about the impacts that would have on Kirkland. [Note: The Substitute Bill that passed out of committee did not include this language. See details in report below.]
- Limitations on Rental Housing Inspections Bill (HB 1296/SB 5495) – Mike Ryherd provided additional information about this bill. Action: The Committee requested analysis from the City Attorney.
- Federal Appropriations Requests – Staff reported that Jake Johnston was meeting with Kirkland's Congressional Delegation in Washington, DC on March 3<sup>rd</sup>. Staff will be meeting and conducting tours of the 116<sup>th</sup> Non-motorized and 120<sup>th</sup> Street Extension projects on March 9<sup>th</sup> and 13<sup>th</sup>. An invitation would be sent to the Committee from staff. Deputy Mayor McBride expressed an interest in attending.

**COUNCIL LEGISLATIVE COMMITTEE 3/9**

The Council Legislative Committee met with Mike Ryherd on March 9<sup>th</sup> to discuss the status of bills as the third cutoff approached. The primary topics of conversation were:

- Regulating House-Banked Social Card Rooms (HB2162) – Staff heard from AWC that the bill was on hold in Rules. Mike thought the Muckleshoot Indian Tribe and AWC were still in discussions. Mike will check and confirm status.
- Tolls on SR-520 Corridor Bill (HB2211) – Staff reported follow-up to March 3<sup>rd</sup> Council meeting that the City of Seattle's tolling position is that revenues can be used for transit operations;

however, Seattle is not taking a position on HB2211. Action: The Committee supported staff sending emails to legislators consistent with the City of Kirkland tolling statement.

- Use of Real Estate Excise Tax for Operations & Maintenance (SHB1744) – Jennifer Schroder requested that the Committee direct Mike to make a request of Representative Eddy to pull the bill from Rules. Mike indicated that there was a hold on the bill in Rules but he would follow up.
- Rental Housing Inspections (SSB5495) – The House Bill is on hold in Rules but the Senate bill has been made eligible for second reading. Mike said he felt it would eventually be “killed.” Action: Committee did not feel the bill was still an issue for Kirkland.
- Annexation (SHB2249, SSB5321) – The Committee asked about the status of annexation bills. So far, these two are still alive. The Substitute House Bill has been placed on the second reading calendar. The Substitute Senate Bill was made eligible for second reading. Action: Committee asked that Mike keep watching both.
- Reducing greenhouse gas emissions through land use and transportation requirements (SHB1490) – The Committee asked if the bill was still progressing. Mike said still under negotiations between AWC, counties and environmental community but was on the second reading calendar.
- JDF Grant Update – Mike reported on the previous week’s meeting between Kirkland staff and House Capital Budget staff. Mike will follow up with Rep. Dunshee (House Capital Budget Chair) this morning and is working to get the same messages through Senators Tom and Oemig to Senator Fraser (Senate Ways & Means, Capital Budget Vice-Chair). Action: Committee asked that Mike keep working to ensure that Kirkland does not lose the funding – needs to be resolved by the end of the legislative session.
- Federal Appropriations Update – Jake Johnston’s meetings in Washington, D.C. went well. The Mayor and Deputy Mayor will coordinate follow-up calls to staff in D.C. Meetings with District staff scheduled today and Friday.

### **ANNEXATION & KING COUNTY BUDGET ISSUES**

Substitute House Bill 2249, modifying local government revenue options in King County is sponsored by Representative Hunter and has been placed on second reading. Two sales and use tax issues were removed from the substitute bill; it still contains these issues:

- Provide an extension for cities to qualify for the annexation sales tax credit until January 1, 2012;
- Allow the county to impose a utility tax until 2012 in the unincorporated area;
- Authorize cities to impose a utility tax on water-sewer districts (if potential annexation areas have been annexed);
- Allow cities and counties to use the 2nd quarter real estate excise tax for park maintenance and operations;
- Modify non-supplant requirements for multi-year levy lid lifts for 2009, 2010, and 2011; and
- Require the State Auditor do a performance audit of King County by January 1, 2011.

Substitute Senate Bill 5321, relating to extending a local sales and use tax for annexation has multiple sponsors, including Senator Tom. This bill has been made eligible to be placed on second reading. The substantive change to the substitute bill was to allow a city that has commenced annexation of enough areas prior to 2010, which would have allowed them to exceed the 0.2 percent limit, may receive an additional 0.1 percent sales tax credit beginning July 1, 2011.

### **CLIMATE CHANGE & ENVIRONMENT**

House Bill 1490 establishes land-use and development patterns to achieve and support state and federal greenhouse gas emissions reduction requirements. It has multiple sponsors including Representative Goodman. The first substitute bill has been placed on second reading. AWC continues working with the proponents of this bill to express strong concerns or opposition to parts of it that don’t work for cities and press for funding and incentives to translate into reality, well-intentioned plans for development around transit stations.

Second Substitute House Bill 1165 and Senate Bill 5279 (Secure Medicine Return Bill) establishes a producer-provided medicine return program that is convenient, safe and secure for residents throughout

the state. The bill has multiple sponsors including Representatives Hunter and Goodman and Senator Oemig. The Second Substitute House Bill passed out of committees to Rules. The Senate Bill did not make the first cutoff.

### **EMINENT DOMAIN**

Substitute Senate Bill 5910 and Substitute House Bill 1332 would grant authority of a watershed management partnership (Cascade Water Alliance) to exercise powers of its forming governments, including eminent domain. The Substitute Senate Bill was placed on second reading. The Substitute House Bill passed out of the House into the Senate and is scheduled for public hearing on March 13<sup>th</sup>.

### **GAMBLING**

Substitute House Bill 2162 permits local jurisdictions to limit the number of house-banked social card games to those locations licensed as of the effective date of the act. This bill has multiple sponsors including Representative Goodman. The bill passed out of committee to Rules.

### **HOMELESSNESS & HOUSING**

Substitute House Bill 1141 provides an exemption in the form of a refund for state sales and use taxes paid by qualifying entities related to the construction of "eligible affordable housing developments exempts state & local taxes on affordable housing projects receiving public funding. This bill did not make the second cutoff.

Substitute House Bill 1173 creates the Affordable Housing for All program be implemented and administered by CTED with the goal of providing decent, affordable housing for all economic segments by the year 2020. This bill did not make the second cutoff.

Substitute House Bill 1360 creates the Residential Infrastructure Program and would dedicate future state Real Estate Excise Tax above a growth factor into the program to provide loans to eligible jurisdictions and grants to nonprofit organizations for public infrastructure projects (or land related to infrastructure) that supports increased capacity for dense, affordable residential development in areas near transit service. This bill did not make the second cutoff.

### **INFRASTRUCTURE AND ECONOMIC DEVELOPMENT**

House Bill 1109/Senate Bill 6056 amends provisions of local infrastructure financing in multiple ways including, increasing state contribution to \$10.5 million and eliminating the limitation of one revenue development area per county. Neither bill made the second cutoff.

Substitute House Bill 1744 allows, until June 30, 2012, proceeds from a locally-imposed real estate excise tax (REET) to be used for park maintenance and operation expenditures. It prohibits, with some exceptions, jurisdictions that are using proceeds from a locally-imposed REET for park and maintenance operation expenditures from using REET proceeds for property acquisition or capital projects. Finally, it modifies, subject to expiration provisions, the list of capital projects for which certain REET proceeds may be used. This bill passed out of the originating committee to Rules.

House Bill 1947 allows for regulation and preservation of urban streets through a local option street utility. This bill did not make the first cutoff.

Substitute House Bill 5045 provides that local governments may finance public improvements using local revitalization financing. Local revitalization financing is the use of bond financing to pay for public improvements within a designated area and the use of increased local property tax revenues and increased sales and use tax revenues from within that locally defined area to pay off the bonds. Permissible public improvements are expanded beyond those allowed for Community Revitalization Financing to include bridges, rail, landscaping, environmental remediation, and utility infrastructures. This bill passed out of the Senate and was referred to the House Community & Economic Development & Trade Committee.

Substitute House Bill 1591 clarifies the use of Transportation Benefit District (TBD) funds and projects. Authorizes TBD's to impose a voter-approved sales & use tax beyond the 10-year limitation, but not to exceed 30 years, without seeking additional voter approval if the sales & use taxes are dedicated to the repayment of general obligation bonds. This bill passed out of committee to Rules.

#### **NON-MOTORIZED TRANSPORTATION**

Substitute House Bill 1403/Senate Bill 5387 requires vehicle-activated traffic control devices to routinely and reliably detect motorcycles and bicycles, subject to availability of funds appropriated. This bill has multiple sponsors including Rep. Goodman. The Substitute House Bill passed out of the originating committee and has been placed on second reading. The Senate Bill did not make the first cutoff.

House Bill 1491/Senate Bill 5335 requires that vehicles passing pedestrians & bicycles allow a minimum distance of three feet. This bill has multiple sponsors including Rep. Goodman. The House Bill passed the House. The Senate version did not make the first cutoff.

House Bill 1535 requires that thoroughfares through construction and maintenance worksites must be provided for pedestrians, bicycles and persons with disabilities. This bill did not make the first cutoff.

Substitute House Bill 1793/Senate Bill 5743 addresses alternative student transportation. The Substitute House Bill:

- Places the Washington State Department of Transportation (WSDOT) Safe Routes to Schools Program (Program) in statute and establishes the Program's grant application guidelines; and
- Requires the WSDOT to provide information, resources, training, and grant evaluation.

This bill has multiple sponsors including Representatives Goodman and Eddy. The Substitute House Bill has been placed on second reading. The Senate version did not make the first cutoff.