



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: June 4, 2009
Subject: 2009 FINAL STATE LEGISLATIVE UPDATE – JUNE 2, 2009

The 2009 Washington State Legislative Session ended on April 26 and the Governor had until May 19 to take action on bills that passed the Legislature. This is the final legislative update on the City's interests as of May 20. A detailed matrix including the final status of bills related to topics on the legislative agenda is attached.

COUNCIL LEGISLATIVE COMMITTEE 4/28

The Council Legislative Committee met with Mike Ryherd on April 28th to discuss the status of bills and the State budget. The Legislative Session adjourned Sunday, April 26th. The primary topics of conversation were:

- Annexation (ESSB5321) – This bill, as amended in the House, extends the annexation sales & use tax credit to 2015 and includes a grandfather clause for card rooms. It passed the Legislature and was forwarded to the Governor for action.
- Capital Budgets – Funding appeared to be redesignated to Park Place under the Department of Community, Trade & Economic Development (CTED) community projects in the amount of \$2 million. Mike was not sure if the \$3 million was still in the reappropriation area in addition to the \$2 million. Action: Mike will see if it is clear in the hard copy of the budget. Kirkland staff will contact CTED staff. [CTED later confirmed that \$2 million was reappropriated and redesignated.]

Mike Ryherd announced during this meeting that he was going to retire at the end of June. He requested an in-person meeting with the Committee to debrief from the session. [Meeting scheduled for June 10.]

ANNEXATION

Substitute Senate Bill 5321, relating to extending a local sales and use tax for annexation passed the Legislature and was signed by the Governor with an effective date for this act is July 26, 2009. The act extends the annexation sales and use tax credit to January 1, 2015. It also includes:

- Defines "commence annexation" as the initiation of annexation proceedings under the direct petition method or the election method under chapter 35.13 or 35A.14 RCW.
- A city or town with a prohibition or limitation on house-banked social card game licenses that annexes an area that is within a county that permits house-banked social card games may allow a house-banked social card game business that existed on the effective date of the act [July 26, 2009] to continue operating...A city or town that allows a house-banked social card game business in an annexed area to continue operating is not required to allow additional house-banked social card game businesses.

EMINENT DOMAIN

Substitute House Bill 1332 grant authority of a watershed management partnership (Cascade Water Alliance) to exercise powers of its forming governments, including eminent domain, with some restrictions. The bill passed the Legislature and was signed into law by the Governor with an effective date of July 26, 2009.

INFRASTRUCTURE AND ECONOMIC DEVELOPMENT

Second Substitute Senate 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. To use local revitalization financing, local governments must adopt an ordinance designating a revitalization area and specifying the proposed public improvements. No revitalization area may overlap with Hospital Benefit Zones, LIFT revenue development areas, CRF increment areas, or other local revitalization areas under this act. The bill passed the Legislature and was signed into law by the Governor with an effective date of July 26, 2009.

NON-MOTORIZED TRANSPORTATION

Substitute House Bill 1793 addresses alternative student transportation. The bill that passed the Legislature places the Washington State Department of Transportation (WSDOT) Safe Routes to Schools Program (Program) in statute. The bill passed the Legislature and was signed into law by the Governor with an effective date of July 26, 2009.

TOLLING/ROADWAY PRICING

Substitute House Bill 2211 addresses the authorization, administration, collection, and enforcement of tolls on the State Route 520 corridor. This bill passed the Legislature and was signed into law by the Governor with an effective date of August 1, 2009.

STATE BUDGET – CITY OF KIRKLAND REAPPROPRIATION REQUESTS

The City of Kirkland had two requests for reappropriation in the 2009 Legislative session: a \$3 million Jobs Development Fund (JDF) grant and a \$750,000 appropriation for Public Safety Facilities.

The JDF grant was reappropriated at a reduced amount of \$2 million and redesignated to Park Place under the Community Projects program of the Department of Community, Trade & Economic Development (CTED). House Capital Budget staff confirmed that the final amount was finalized in budget negotiations as one of many compromises. Economic Development Manager Ellen Miller-Wolfe is in contact with Dan Aarthun at CTED about the parameters of the new funding. Ellen and Capital Projects Manager Ray Steiger will continue to manage this project together.

The \$750,000 appropriation for Public Safety Facilities was reappropriated at the full amount. Projects related to this funding are being directed by Internal Services Manager Donna Burris. The grant contract is in the routing process. According to Donna, the remaining funds awarded, less the CTED fee of \$9,375, will be \$740,625. Of this funding, required use of 40 percent (\$296,250) will be land acquisition and 60 percent (\$444,375) is required to be used for design activities. The land acquisition portion will be applied towards acquisition of the Municipal Court Building (in process). The remaining funds are planned to be spent in the following manner:

- 1) McClaren Space Needs Assessment Update & Conceptual Design Update –Contracted \$137,500 (in process)
- 2) Balance of funds (\$306,875) planned for future design work for Public Safety Expansion

Donna's contact at CTED is Beth Prihoda.

New information in **bold**, signed by Governor **highlighted**

Issue	Kirkland's 2009 Legislative Agenda	Bill Number(s)	2009 Status/Summary
	<p><i>Other Annexation Legislation</i></p>	<p>ESSB5808</p> <p>HB1710</p> <p>SHB2249</p>	<ul style="list-style-type: none"> King County is authorized to impose additional property tax at a rate not to exceed 7.5 cents per \$1,000 of assessed value. The first 1 cent is dedicated to expanding transit capacity along state route 520. The remainder of money is dedicated to transit-oriented expenditures. <p>Passed Legislature, signed into law by Governor with an effective date of 7/26/2009. Provides for a new additional method of annexation by interlocal agreement. If a city, the county and fire district(s) serving an area all agree and participate in a public involvement process, annexations may proceed w/o referendum. Other provisions involve transfer of fire district employees and assurances that fire and emergency response times will be maintained in newly annexed areas at least through the budget cycle, or the following budget cycle if the annexation occurs in the last half of the current budget cycle.</p> <p>Did not pass out of house of origin by 3rd cutoff. Extends the annexation sales tax credit...</p> <p>Did not pass out of house of origin by 3rd cutoff. Extends commencement date to 1/1/2012...</p>
Climate Change	<p><i>Kirkland supports legislation that builds on the land use and transportation planning that is already required of state and local governments to help accomplish the State's adopted greenhouse gas emissions reduction goals.</i></p> <p><i>Kirkland also supports legislation that implements the Governor's Climate Advisory Team recommendations and that provides monetary incentives for reducing vehicle miles traveled and increasing fuel efficiency through annual motor vehicle license fees.</i></p>	<p>E2SSB5735 (SHB1819 did not make 3rd cutoff)</p> <p>2SHB1481 (SB5418 did not make 3rd cutoff)</p>	<p>Did not make the final cutoff. Directs the state to take a step back and consider the best way to proceed to accomplish the state's targets for reducing greenhouse gas emissions (reduce the state's overall carbon dioxide and other emissions to 1990 levels by 2020, and 50% of 1990 levels by 2050). Programs to be determined by 2011 Legislature.</p> <p>Signed into law by Governor Gregoire with an effective date of 7/26/2009.</p> <ul style="list-style-type: none"> Directs the Puget Sound Regional Council to seek federal or private funding to develop recommendations regarding development of electric vehicle infrastructure.

New information in **bold**, signed by Governor **highlighted**

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		E2SHB1747	<ul style="list-style-type: none"> • Directs the state to install charging outlets for electric vehicles in areas such as rest stops and state parking and maintenance facilities. • Provides tax incentives for electric vehicle infrastructure. • Authorizes an alternative fuels corridor pilot project. <p>Did not pass out of Senate Ways & Means by 5th cutoff. Requires development & implementation of a strategic plan to direct future code increases with targets for new buildings similar to the architecture 2030 challenge schedule.</p>
		E2SSB5854	<p>Signed into law by Governor Gregoire with an effective date of 7/26/2009.</p> <ul style="list-style-type: none"> • Would require the State Building Code Council to adopt state energy codes that require homes and buildings constructed from 2013 through 2031 to move towards a 70% reduction in energy use by 2031. • The Department of Community, Trade and Economic Development (CTED) must develop a strategic plan for enhancing energy efficiency and reducing GHG in homes, buildings, districts, and neighborhoods by 12/21/2010. The strategic plan must be used to direct increases in energy efficiency in the State Building Code. • By 1/1/2010, qualifying utilities must maintain energy consumption data for all nonresidential and qualifying public agency buildings to which they provide service. Upon written authorization of a nonresidential building owner or operator, a qualifying utility must upload all of the energy consumption data to a portfolio manager. By 1/1/2011 or 2012, depending on building size, the property owner or operator of a nonresidential building must disclose energy performance data to prospective buyers, lessees, or lenders. • Includes other energy efficiency requirements for State agency buildings.

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Issue	Kirkland's 2009 Legislative Agenda	Bill Number(s)	2009 Status/Summary
		SHB1490/2SSB5687	Bills did not pass out of house of origin by 3 rd cutoff. Establish land-use and development patterns to achieve & support state & federal greenhouse gas emissions reduction requirements.
Eminent Domain	<i>Kirkland supports the right of eminent domain for Cascade Water Alliance.</i>	SHB1332 (SB5910 did not make 3 rd cutoff)	Signed into law by Governor Gregoire with an effective date of 7/26/2009. Granting authority of a watershed management partnership (Cascade) to exercise powers of its forming governments, including eminent domain. <ul style="list-style-type: none"> • Watershed partnership must provide notice to the city, town, or county with jurisdiction over the subject property by certified mail thirty days prior to the partnership board authorizing condemnation; and • With any city that is not a member of the watershed management partnership and that has water or sewer service areas within one-half mile of Lake Tapps or water or sewer service areas within five miles upstream from Lake Tapps along the White river, enter into an interlocal agreement to allow eminent domain within that city prior to exercising eminent domain authority under this section.
Housing	<i>Kirkland supports protection of and new state contributions to the Housing Trust Fund levels established in 2008 to support statewide public-private investment in low-income housing.</i>	EHB1464 (SSB5544 did not make 3 rd cutoff) SHB1360 SHB1141	Signed into law by Governor Gregoire with an effective date of 7/26/2009. Modifies provisions governing affordable housing incentive programs that may be enacted or expanded in jurisdictions planning under the Growth Management Act. Did not make 2 nd cutoff. Would dedicate future state Real Estate Excise Tax above a growth factor into the residential infrastructure program... Did not make 2 nd cutoff. Exempts state & local taxes on affordable housing projects receiving public funding.
Infrastructure Funding	<i>Kirkland supports revisions to grant eligibility that would reward cities for accepting density in accordance with the Growth Management Act and additional grant funding to assist cities with implementation of new stormwater regulations.</i>	2SSB5045	Signed into law by Governor Gregoire with an effective date of 7/26/2009. Expands the Community Revitalization Funding program to allow local governments to finance public improvements using increased sales & use tax revenues (in addition to local property tax revenue) from a locally defined

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		<p>HB1109/SB6056</p> <p>SHB1744/SSB5630</p> <p>SHB1591</p> <p>HB1947</p>	<p>petroleum contamination of storm water through the implementation of the National Pollutant Discharge Elimination System programs.</p> <p>Did not make 2nd cutoff. Amends provisions regarding local infrastructure financing.</p> <p>Did not make 3rd cutoff. Allows proceeds from a locally-imposed real estate excise tax to be used for park maintenance and operation expenditures...</p> <p>Did not pass out of house of origin by 3rd cutoff. Clarifies the use of Transportation Benefit District funds and projects...</p> <p>Did not make 2nd cutoff. Regulation and preservation of urban streets through a local option street utility</p>
<p>Non-Motorized Transportation</p>	<p><i>Kirkland supports non-motorized transportation and issues raised by the Bicycle Alliance of Washington.</i></p> <p><i>Other – Safe Routes to School</i></p>	<p>HB1491 (SB5335 did not make 3rd cutoff)</p> <p>SHB1793 (SB5743 did not make 3rd cutoff)</p> <p>SHB1403/SB5387</p> <p>HB1535</p>	<p>Did not make 5th cutoff. Vehicles passing pedestrians & bicycles must allow a minimum distance of three feet.</p> <p>Signed into law by Governor Gregoire with an effective date of 7/26/2009. Places the Safe Routes to School Program in statute.</p> <p>Did not make 3rd cutoff. New traffic control signals detect motorcycles and bicycles...</p> <p>Did not make 2nd cutoff. Thoroughfare through worksites...</p>
<p>Tolling/Roadway Pricing</p>	<p><i>Kirkland generally supports roadway pricing as an effective tool for managing the regional transportation system and generating additional revenue to leverage against existing revenue sources.</i></p>	<p>ESHB2211</p>	<p>Signed into law by Governor Gregoire with an effective date of 7/26/2009. Authorizes early tolling and sets rates for SR-520.</p> <ul style="list-style-type: none"> • The initial imposition of tolls on the state route number 520 corridor is authorized, the state route number 520 corridor is designated an eligible toll facility; • The state route number 520 corridor consists of that portion of state route number 520 between the junctions of Interstate 5 and state route number 202. The toll imposed by

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		HB2319	<p>this section shall be charged only for travel on the floating bridge portion of the state route number 520 corridor.</p> <ul style="list-style-type: none"> • In setting the toll rates for the corridor, the tolling authority shall set a variable schedule of toll rates to maintain travel time, speed, and reliability on the corridor and generate necessary revenue for sufficient to pay for the replacement of the floating bridge segment and necessary landings of SR-520; • Creates the SR-520 work group consisting of the following members: <ul style="list-style-type: none"> ▪ The legislators from the 43rd and 48th legislative districts; ▪ The secretary of transportation; ▪ Two legislators from each of the 46th and 45th legislative districts as jointly determined by the Speaker of the House and the President of the Senate; ▪ The chairs of the transportation committees of the legislature, who may each appoint one additional legislator from the joint transportation committee representing a legislative district outside of the SR-520 corridor; and ▪ The member of the transportation commission representing King County. • The work group must review and recommend a financing strategy, in conjunction with WSDOT, to fund the projects in the SR-520 corridor that reflects the design options that provide for a full project, including projects in the corridor for which the department applies for federal stimulus funds, that meets the needs of the region's transportation system while providing appropriate mitigation for the neighborhood and communities in the area directly impacted by the project; that does not exceed \$4.65 billion. <p>Authorizes early & variable tolling on SR-520 and will add tolling on the I-90 floating bridge if avg vehicle speed in the peak direction during peak hours on I-405 decreases by more than 50% for 3 consecutive months after the imposition of tolls on</p>

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Others	N/A	<ul style="list-style-type: none"> • SB6164 • SSB5301 • HB1196 • SHB1197 • HB1199 • 2SHB1172 • ESSB5967 • 2SHB1469/SB5543 • 2SHB1165/SB5279 	<p>the SR-520 corridor... Sponsors include Reps Hunter and Eddy.</p> <ul style="list-style-type: none"> • Did not make final cutoff. Provides local flexibility with existing revenues during severe economic downturns. Expands use of existing tax revenues (REET for operations, Lodging Tax for public safety, Gambling Tax for public safety) and removes public safety sales tax supplanting language through 2012. • Did not make final cutoff. Allows King Co. to use moneys collected under the sales & use tax to supplant existing funding for chemical dependency or mental health treatment services or therapeutic courts thru 7/1/2014. • Signed into law by Governor Gregoire with an effective date of 7/26/2009. Increasing small works roster project dollar limits. • Signed into law by Governor Gregoire with an effective date of 7/26/2009. Expands design-build project opportunities. • Signed into law by Governor Gregoire with an effective date of 7/26/2009. Public works projects - retainage adjustment. • Signed into law by Governor Gregoire with an effective date of 7/26/2009. Establishing a framework for a regional transfer of development rights program in the central Puget Sound. • Signed into law by Governor Gregoire with an effective date of 7/26/2009. Requires parks departments to adopt or maintain an anti-discrimination policy and disseminate that policy to groups that sign contracts or agreements to use community playfields. • Did not make 3rd cutoff. Mercury-containing light recycling • Did not make 3rd cutoff. Unwanted drug disposal
Fiscal Aid for Distressed Cities & Counties	<i>Kirkland supports assistance for low-tax base cities and counties most impacted by the repeal of MVET but not at the expense of the Public Works Trust Fund.</i>	SB5592	Did not make the 2 nd cutoff. Requires voter acknowledgment and approval for the continuation of government assistance tax payments to cities and counties...
Gambling – Zoning & Grandfather Existing	<i>Kirkland supports legislation that would clarify that local governments have the ability to ban and zone gambling activities & that would allow</i>	SHB2162	Did not pass out of house of origin by 3 rd cutoff. Allows local governments to limit house-banked social card games within their jurisdictions...

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	<i>grandfathering of existing gambling establishments in annexation areas without having to allow additional establishments.</i>		
Homelessness	<i>Kirkland supports legislative action aimed at preventing homelessness and moving the homeless to stable, supported housing as quickly as possible.</i>	SHB1173	Did not make 2 nd cutoff. Establishes a State Affordable Housing for All program. Multiple sponsors including Rep. Goodman
Limit to Attorney-Client Privilege	<i>Kirkland opposes legislation that would limit a public agency's attorney-client privilege.</i>	HB1471 HB1105 HB1106 HB1107	Did not make 1st cutoff. Release of collective bargaining records. Did not make 1st cutoff. Prohibiting agencies from seeking to exempt records as "work product" that are created before actual litigation is filed. Did not make 1st cutoff. Prohibiting agency injunctions. Did not make 1st cutoff. Prohibits a self-insurance program from establishing terms under which a local government entity complies with the Public Records Act.
Public Safety – Medical Costs	<i>Kirkland supports clarification that charging entities are responsible for offender medical costs and proposals to provide additional funds for those costs.</i>	HB1780	Did not make 2nd cutoff. Removes the two-year sunset provision set to expire in June 2009, which clarifies that the charging entity is responsible for offender medical costs ...
Taping of Executive Sessions	<i>Kirkland opposes legislation that would require public agencies to tape executive sessions.</i> <i>Other</i>	HB1676 HB1784	Did not make 1st cutoff. Authorizes a governing body of a public agency to record closed executive session meetings... Did not make 1st cutoff. Expands the Public Disclosure Commission's authority to the open public meetings act and open public records act.
Workforce Housing	<i>Kirkland supports tax incentives and targeted investments in workforce housing.</i>	SHB1696/SB5585	Did not make 2nd cutoff. Provides tax relief to promote employer-assisted housing...