



Candidate name: Sen. Patty Kuderer	Legislative district: _48th LD
You are a candidate for: House of Representatives	S Senate X
If you are a candidate for the House of Representati which position are your running for?	ves, Position 1 Position 2
Local government background	

Have you ever been elected or appointed to a local government position, Yes No or served on a local government board, committee, or as staff? Local X governments include cities, counties, public utility districts, school districts, fire protection districts, port districts, and more.

If yes, in what capacity? Police Commission; City Attorney; Municipal Prosecutor (all in MN)

1. State-shared local revenues

When the state encounters fiscal problems, legislators often take revenues historically shared with cities, or increase fees on services provided to cities to fill the state's budget deficit. Recently, some shared revenues have been restored. However, during the last recession, the Legislature enacted cuts and diversions, while unfunded mandates and other local government cost drivers remained unaddressed, including the following items:

- Changes in liquor tax and profit distributions resulting in losses of nearly \$200 million in funds that supported essential local services, such as public safety;
- Sweeping and diverting over \$1 billion in local utility taxes, real estate taxes, and project loan repayments
 from the nationally-acclaimed Public Works Trust Fund (PWTF) that helps keep local infrastructure
 operating; and
- Requiring cities to pay training fees for officers attending the Basic Law Enforcement Academy (BLEA).

Do you support or oppose the Legislature continuing to use Support Oppose locally-shared revenues or revenues intended for capital X projects in order to balance the state's operating budget?

Briefly describe one or more actions that you would take to ensure your views on these issues are accounted for by your caucus and in a final budget.

Because the legislature views the Public Works Assistance Account as a piggy bank, I along with several other Senators worked to improve Sen. Hasegawa's public bank idea. I served on the State Infrastructure Task Force and it was my recommendation that was turned into a bill, one that passed out of committee on bipartisan support. It was eventually put in the budget and recently the state hired a professional public banking consultant to draft a business plan to create a public co-op bank, which cities, along with every other political subdivision that has a tax base and the state, can join. If enacted into law, this public depository bank will allow us to leverage tax dollars for our own benefit, ultimately creating a sustainable revenue source for infrastructure and economic development purposes. This is not to replace the Public Works Assistance Account, but it will not be a piggy bank for the legislature as members will control their own

equity. In addition, I support a more equitable distribution of proceeds from liquor and marijuana sales, as cities and counties in particular bear the brunt of law enforcement costs associated with expansion in both of those areas.

2. Basic infrastructure financing

Cities face many challenges when repairing and updating critical infrastructure such as drinking water and sewer systems. Historically, the Public Works Trust Fund (PWTF), a revolving loan fund, was a significant source for financing infrastructure. As the state wrestled first with a recession and then with the *McCleary* education funding challenges, legislators repeatedly turned to diverting these funds and leaving nothing in their place. Since 2013, nearly all of the tax revenues deposited into the PWTF were diverted to the state's education funding account instead. Those revenues were scheduled to come back to the PWTF in 2019, but the revenue diversions were extended another four years.

Would you support or oppose a budget that diverted more resourcesSupportOpposefrom the PWTF to address state general fund obligations?X

In general, I oppose sweeping this account to balance the budget.

Do you believe that it is part of the state's obligation to help	Yes	No
fund critical local infrastructure, especially when taxes and	Х	
fees raised to do so in 1985 continue to be levied?		

As a lawmaker, how will you work to secure the revitalization of the PWTF and protect it from future raids?

There was a recommendation out of the state infrastructure bank task force to beef up the PWAA just a bit, but did not permit it to bond or otherwise leverage deposits. While an internal lending program is good, a public co-op bank will be much more robust, growing revenue at a much faster pace. Our local governments need adequate funding for infrastructure development and improvement. We have a responsibility to keep our state moving, and that includes using the PWAA for what it was intended to be used for, as well as creating a public co-op bank.

3. Homelessness, affordable housing, and mental health

Across the state, housing costs are rising and affordability issues are impacting homebuyers and renters, as well as exacerbating the already critical homelessness problems in many communities. Mental health services are stretched thin and cities (not normally in the business of providing these particular social services) find themselves increasingly trying to help residents and keep their communities safe and secure. Cities have a strong desire to work together with the state, counties, business, nonprofit, and faith communities to help address these challenges. We continue to seek financing, regulatory, and funding tools to help.

Which of the following are priorities for you? Choose all that apply.

- X Help to end homelessness
- X Ensure adequate mental health services for those in need
- X Provide tools to help control the spiraling cost of housing

Would you support or oppose a proposal for the state to override local zoning Support Oppose or density decisions to promote more affordability in housing construction?

This is not a simple answer. It depends on what we are talking about. Issues dealing with affordable housing need to be carefully analyzed, and while I generally prefer local control to statewide solutions to problems that affect communities differently, the devil, as always, is in the details.

Please elaborate on what you suggest doing to address one or more of these issues:

During the last legislative session, I sponsored legislation that would expand mental health services for juveniles. I also did not support raising property taxes, a regressive tax that burdens the most vulnerable in our communities and disproportionately targets the voters in the 48th Legislative District and increases the cost of housing for many already feeling squeezed.

4. Economic development

Economic development opportunities vary greatly across the state. Some communities have deteriorating commercial or industrial areas or lack the needed infrastructure for critical development, and others lack access to adequate broadband services. AWC supports expansion of current programs and funding, including expansion of state Local Revitalization Financing (LRF) and Local Infrastructure Financing Tool (LIFT) programs as options to incentivize economic development and support job creation.

Would you support or oppose legislation that expands the financing	Support	Oppose
options available to local governments for economic development?	Х	

What other ideas do you have for bolstering the state's economic development opportunities? At the risk of sounding like a broken record, a public co-op bank will go a really long way in shoring up WA fiscal foundation. The banks make lots of money off our money, why shouldn't we?

5. Local control

Cities succeed when they can respond to local residents' unique needs and desired outcomes through exercising local control. The State Constitution and state statutes provide cities with wide discretion in serving their communities. However, the Legislature sometimes considers preempting cities from enacting local ordinances or engaging in certain activities. We believe that the relationship between the state and cities functions best as a partnership, where the state gives careful consideration to the varied conditions of local governments, and appreciates the importance of retaining local flexibility.

Do you believe that local control is important to ensuring responsive local government?	Yes X	Νο
If you disagree that local control should be preserved, please describe one or more specific issue areas or situations in which the state should preempt local control.	OR	If you agree that local control should be respected, please describe how you would argue for the protection of local control to colleagues who want to preempt local governments.

I truly believe that local government knows its communities best. The state should be a partner with counties and cities as we collaboratively tackle some really difficult and complex problems. But sometimes we do need a statewide solution. The state should enact laws to protect, for example, our LGBTQ community. I do not believe we need a statewide solution, however, on community health engagement

locations. I believe local public health officials need to be able to respond to all health issues in their community with the support of the state. The key comes in having the reasoned judgment to know when a state solution is appropriate, and when it is not.

If you have any questions, please contact Regina Adams, AWC Government Relations Coordinator, at 360-753-4137 or <u>ReginaA@awcnet.org</u>. Please return your survey **by the end of the day on Wednesday**, **July 4** by:

- Email to <u>ReginaA@awcnet.org;</u>
- Fax to (360) 753-0149; or
- U.S. mail to AWC Candidate Survey, 1076 Franklin Street SE, Olympia, WA 98501-1346.

Thank you for your participation!