



Legislative Bulletin

January 29, 2018

Hot topics

Resolution on capital budget and water issues has finally happened with significant benefit to cities

AWC has been working on this relentlessly for many months and the positive outcomes would not have happened without your help.

Senate's Voting Rights Act bill being considered in House committee

AWC testified on Friday. Interested cities are encouraged to contact their legislators with their own views.

From the Director

What city officials heard in Olympia

Nearly 400 attendees from 120 cities and towns heard from numerous legislators and Olympia insiders during City Action Days. Find out what our speakers shared in their conversations with city officials. Also, learn what's coming up in February.

Things you can do

Register for Washington State Archives records management trainings

The Washington State Archives provides guidance and support to state and local government in public records management by offering education and training opportunities. Live, in-person sessions and webinars are available, as well as online options. There are two free trainings on records management held each month, at different locations in the state. Find out the topics and register.

Media time

Understand the life of a bill and cutoff dates

Cutoff for policy bills to move from committee in the house of origin is Friday, February 2. Cutoff for fiscal bills follows on Tuesday, February 6. Watch this video to understand the steps required for a bill to become law, and how cutoff dates affect the life of a bill.

Check out City Action Days photos on Flickr!

Nearly 400 city officials descended on Olympia last week to tell legislators what strong cities need. The photos are in! Check out you and your colleagues learning, advocating, and connecting at City Action Days.

What you need to know

Budget & finance: **2SSB 5182** provides local governments an option to exempt very low-income households from paying property tax.

House-proposed **HB 2940** would change the state B&O tax to benefit small businesses.

Economic development: City officials express their support for bill that would create new local infrastructure financing tool for "business ecosystems areas."

Housing: Get the latest updates on the status of our four priority housing related bills that continue to move through the House.

Infrastructure: Bill would establish Lend Washington program to facilitate local infrastructure investment.

Bill that would allow for sewer extensions in rural areas for economic development is likely to draw opposition.

Open government: 2018 records management training calendar now posted. Two free trainings held each month, at different locations in the state.

Personnel: Companion bills **HB 2701** and **SB 6377** seek to expand the definition of veterans for the purpose of pension service credit. AWC monitors bill for impact on the LEOFF2 system.

Upcoming public meeting on the first draft rules of the state's new Paid Family and Medical Leave (PFML) program.

Public safety & criminal justice: AWC-supported body cameras bill has a hearing this week. **SB 6408** removes the sunset clauses which would ensure that these statutes continue to remain in law.

Bills to provide funding for mental health and law enforcement co-response programs have hearings this week. **SB 5970** and **HB 2892** propose grant programs to assist local law enforcement agencies to develop and operate mental health field response teams.

Bill clarifying use of evidence of law enforcement officer misconduct has hearing in the Senate.

Transportation: AWC supports bills that would "codify" revenues for important transportation funding programs.

Bills that would regulate companies like Lyft and Uber make their first public appearance in 2018.

continued

From the Legislative Director

What city officials heard in Olympia

During gatherings both on and off the Capitol Campus, officials from 120 cities and towns heard legislators, administration officials, and representatives of key interest groups share their perspectives on key issues and AWC's legislative priorities.

There was general consensus that:

- Even with Democrats now holding slim majorities in both the House and Senate, and with state revenues continuing to exceed projections, it's unlikely there's an appetite for enacting significant new revenues.
- This is a "short" 60-day session intended to make adjustments to the recently-adopted biennial budget, and majority Democrats appear bent on completing their work on time and heading home by March 8.
- With the K-12 McCleary funding battles mostly behind them, there are other court-mandated funding challenges, such as adequately funding services at Western State Hospital.
- While we don't anticipate cuts to revenues shared with cities, AWC proposals to add revenues or fund new ideas will have to compete for a relatively small amount of new funding.
- More housing is needed for a growing population and particularly for those on our streets.
- Mental health services need better focus and more funding.
- Everyone seems interested in helping spread the strong economy found in major urban areas to other parts of the state, but aren't quite sure how to do that.
- There's relief and a sense of returning good will among legislators after they finally passed a capital budget and agree upon fixes to some thorny water resources issues.

What lies ahead – Session cutoffs

As we enter the fourth week of an eight-week session, the focus turns to meeting the February 2 deadline to move or stop bills considered before policy committees. If bills without a fiscal impact on the state don't move by this Friday, they are less likely to see life again this session. This deadline doesn't apply to bills that have already passed from one chamber to the other, such as **SB 6002** dealing with establishing a Washington Voting Rights Act, which we expect will continue to be discussed and considered.

The next important deadline is February 6, when any policy bill having a fiscal impact on the state is supposed to move forward from a fiscal committee, otherwise it is also unlikely to have further consideration. By Valentine's Day, all policy bills that either the House or Senate want to keep moving through the process must be passed in that chamber for consideration by the other. On February 15, the next state revenue forecast is released (and it's expected to continue to show an uptick) and soon thereafter the House unveils supplemental budget ideas. At that point, the budget is the focus.

Curious about cutoff dates? Check out the Legislature's cutoff calendar (leg.wa.gov/legislature/Pages/cutoff.aspx), and watch this video (youtu.be/2SkRm4VQ2WE) where Jane Wall and I discuss what the cutoff dates mean for the life of a bill.

The strong chorus of voices from home is critical!

Having almost 400 officials in town meeting and talking about city issues with their legislators was both highly visible and extremely helpful. Many thanks! Over the coming weeks, there remain opportunities to check in with your legislators and highlight issues of importance to your communities. We'll continue to provide updates through the *Bulletin* and our Wednesday newsletter *CityVoice*, as well as with issue-specific action alerts when necessary. We look forward to hosting a Mayor's Exchange at our AWC offices on February 21 when the Governor will come speak to attendees and there will be opportunities to go to the Capitol to meet with legislators. *continued*

Budget & finance

House proposes state B&O tax reform for small businesses

HB 2940 is meant to level the playing field for small businesses for state business and occupation (B&O) taxes. The bill increases the minimum threshold for state B&O taxes to \$125,000 for all businesses from the current thresholds of \$28,000 and \$46,000 for some business sectors.

In addition, beginning January 1, 2020, all businesses must calculate their eligibility for a state B&O tax credit or a tax surcharge by calculating a margin. The margin will be calculated by deducting the cost of goods sold and employee costs from either total gross income or value of products manufactured or extracted, whichever is greater. Businesses with a margin below \$250,000 would qualify for a tax credit equal to the tax owed.

The bill also establishes a 12-person task force to review existing B&O tax preferences to determine if they are no longer needed and to make recommendations about improving the fairness of the state B&O tax or options for replacing it. The task force will report to the Legislature by January 1, 2022.

HB 2940 will be heard in the House Finance Committee on Tuesday, January 30 at 3:30 pm.

Resolution on capital budget and water issues finally happens

Before we let too much time pass in the crunch of the session, AWC would like to note a very significant set of accomplishments for cities that occurred on January 18. A series of votes by the Legislature finally brought us an approved capital budget and conclusion to a long battle over water management issues - each of which AWC has been working on for multiple years.

First, the capital budget finally passes

The capital budget that passed made major progress on critical issues for cities and makes dozens of other important investments.

AWC led a coalition to save the state's nationally-renowned local infrastructure investment program – the Public Works Trust Fund (PWTF). Funding for the \$97 million dollar loan list in the 2018 capital budget represents the first investments in that program since a series of continuous and devastating revenue diversions beginning in 2013. Heading into 2017 we faced the very real possibility of seeing the PWTF mothballed permanently. While we did not fully reverse this assault we managed to preserve the loan repayment streams and remaining tax revenues, and to live to fight another day for the remaining revenues when the diversions expire in 2023. AWC and our member cities have been working since the first revenue diversions to maintain and protect the PWTF, and with the help of a broad range of interests and key legislators, we were able to pull back from the brink. This could not have been done without the tireless advocacy of individual city officials pressing on their legislators. Thanks to all of you. We hope you feel a sense of accomplishment with this victory.

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Another important victory on infrastructure was a \$35 million commitment to the Centennial Clean Water program following the strong advocacy of our small-town mayors and AWC for this program that helps small- and fiscally-challenged communities fund much-needed infrastructure projects. This was a great example of a group of our members working with AWC and their legislators to focus attention on a critical issue.

A similar story could be told of our efforts to ensure that the delay in passage of the capital budget did not permanently harm projects that had received funding through the Drinking Water State Revolving Fund that were underway, but inadvertently left behind when the Legislature passed a stop-gap reappropriations-only capital budget last year. We worked with another coalition of local governments to ensure that there was clear language authorizing reimbursement of city costs incurred prior to the adoption of this full 2018 capital budget.

Finally, the 2018 capital budget contains \$19.7 million for what we hope will be a long-term program for local governments aimed at addressing local fish passage barriers – primarily culverts. AWC has been working since 2014 to develop and fund investment in fixes for the most critical fish-blocking culverts owned by private parties and local governments. When the state spends potentially billions of dollars fixing their own culverts, we want to ensure that the fish don't run into another blockage just upstream. In 2014 we supported funding for the Fish Barrier Removal Board and we have spent the last three years working as part of that board to develop a strategic plan and to vet hundreds of barrier correction projects to identify those with the greatest benefit for endangered salmon and steelhead. This budget funds the first \$20 million of those projects and honors the hard work of getting this program off the ground. Cities with identified fish-blocking culverts should keep an eye out for the next grant round as this program moves forward.

We had to address water issues to get the capital budget

All of these victories were on hold because of the challenging political fight over the resolution of the *Hirst* and *Foster* Supreme Court cases on water management. AWC worked tirelessly all last session, throughout the interim, and into this session to help secure a hard-fought bipartisan compromise on this complicated and emotional issue. The compromise bill, **ESSB 6091** will allow rural housing development to continue across the state in a way that protects the state's critical fish resources (the *Hirst* issue). In addition, the bill includes a significant first step to ensuring a viable path for cities to access water rights into the future (the *Foster* issue).

The final deal provides needed clarification of the cities' responsibilities under the Growth Management Act, and with building permit and subdivision approvals when it comes to availability of water. In addition the bill sets in motion a process to fix the *Foster* case that left cities needing new water rights with no viable path forward. It was a constant challenge to keep this *Foster* issue on the table as the Legislature was more focused on the more emotional and contentious rural well issues from the *Hirst* case. Without the steadfast support of the two Republican caucuses, several key Democratic lawmakers who understood the importance of addressing this issue, and the unwavering support of our friends in the counties and the development community, we would not have been able to make this progress.

ESSB 6091 authorizes three cities (Yelm, Port Orchard, and Sumner) to receive new water permits that utilize alternative mitigation methods that were lost as a result of the *Foster* decision. The experience of those communities will inform a legislative task force that is charged with developing a comprehensive solution.

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AWC has worked on this issue almost every day since late 2016, sometimes working closely with people we don't often agree with, and sometimes finding ourselves at cross purposes with our long-time friends. This has been an incredibly difficult and emotional issue for policymakers. We believe in the end that this will ensure that growth can occur in the state while at the same time protecting finite water resources.

For all the technical details on **ESSB 6091** see this post from MRSC.

Economic development

City officials express their support for local infrastructure financing bill

Sen. Sharon Brown's (R-Kennewick) Building Business Ecosystems (BBE) Act, **SB 6499**, received a public hearing on Thursday, January 25 where city officials, port representatives and labor representatives were on hand to provide supportive testimony.

SB 6499 would allow cities to create "business ecosystems areas" to target and incentivize development. The BBE program is modeled after the Local Revitalization Financing (LRF) tool that is now closed to new applications.

Under the bill a sponsoring local government – a city, town, or county – creates a business ecosystems area from which annual increases in revenues from local sales and use taxes and local property taxes are measured. Such increases in revenues and any additional funds from other local public sources are then used to pay for public improvements in the business ecosystems area and are also used to match a state contribution.

Local governments would need to apply to the Department of Commerce to receive a state contribution. Projection application criteria includes evaluation of the project's potential to increase state and local property and sales and use tax revenues, employment, wages and benefits, and economic health and vitality.

The annual state contribution limit for all projects is initially set at \$5 million, with required increases in fiscal years 2021 through 2024 based on state property value increases occurring in calendar years 2018 through 2021. The state contribution limit for each project is set at \$500,000 annually.

In addition to port and labor representatives, Kennewick Mayor Don Britain and City Manager Marie Mosley provided testimony in support of the legislation. In their testimony they detailed how Kennewick has taken advantage of the LRF program, and the resounding success they've seen as a result. In its first six years, the Kennewick LRF area has returned over \$14 million in state benefits, and received \$3 million locally. The LRF program is now closed to new applicants and this is one of the many reasons AWC is so supportive of a new program like the BBE.

Cities are very supportive of SB 6499 and hope to see the bill moved out of committee. We will continue to provide updates as they become available.

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General government

Senate's Voting Rights Act bill being considered in House committee

SB 6002 was heard in the House State Government, Elections & IT Committee last Friday. AWC testified as "other" and stated that the association continues to take an "actively neutral" position on this legislation, reaffirmed by AWC's board earlier last week. We acknowledged that cities have varying opinions about this issue.

At the hearing, we discussed some of the helpful changes to this legislation that have been made in response to city concerns over previous years' versions, and we have appreciated the opportunity to provide input. For example, this version of the bill includes authority for cities and other local governments to change their election system to allow district elections at the general election, which is not allowed under current law except for the 10 charter cities. But we noted that the bill limits that authority to addressing only a potential violation under the Act – unequal opportunity by a minority class to nominate or elect a candidate of their choice. However, in circumstances where a city might have other reasons to choose districts, such as to recognize the value of having areas with differing incomes or service needs represented on the council, voluntary change will still be prohibited under the new law as the bill is currently drafted. We also highlighted some of the other concerns, such as the low population threshold, outlined in our updated fact sheet at awcnet.org/portals/0/documents/legislative/VRAfactsheet.pdf.

AWC is working with **SB 6002**'s proponents to consider our suggestions. Interested cities are encouraged to contact their legislators at awcnet.org/Advocacy/Legislatordirectory.aspx with their own views.

Please contact Dave Williams or Shannon McClelland with any questions or concerns.

Housing

Housing and homelessness bill updates

There is progress to report on several bills that fall under housing, homelessness and human services. A floor vote is imminent on the local options bill (**HB 1797**) that we have worked on for the last few years. We believe there will be solid bipartisan support for this bill when it comes for a vote in the House. If you are tracking this bill, please discuss the issue with your legislators and share any feedback you receive from them with Carl Schroeder.

The Document Recording Fee increase in **HB 1570** is also working its way through the House and appears to be in good shape to pass that chamber.

A new proposal from Rep. June Robinson (D-Everett) **HB 2347** would allow counties, and if they decline, then cities to opt into receiving a share of state sales taxes to be dedicated to housing with a focus on creating a stable revenue source that could be bonded against for capital construction, but also flexible enough to fund rental vouchers and other operational expenses associated with affordable housing. We are also exploring whether there is receptivity to ensuring these funds could be used to support temporary housing for those facing behavioral health crises.

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Finally, we are supporting **HB 2667** which fixes a quirk in the law that is unnecessarily creating more homelessness on our streets. In all corners of the state, service providers and counties are working tirelessly to help stabilize people and stretch resources through the Housing and Essential Needs (HEN) program. HEN is for folks with temporary disabilities that prevent them from working. Counties are given a block grant with significant flexibility to provide whatever level of support is necessary to house someone, including shared rooms or creative solutions. Periodically individuals are reevaluated and if their disability is determined to be permanent, they graduate to the Aged Blind and Disabled (ABD) program. This program covers them until they become eligible for federal SSI disability support. The ABD program has a limited cash grant of only \$197 per month. People who have been stabilized, and in many cases kept out of homelessness by the HEN program, cannot maintain their HEN benefit when on the ABD program - even though the state gets reimbursed by the federal government for costs of the ABD program. This bill would allow a person to maintain both benefits and provide the authority for the county to maintain stability for people in the HEN program as they move to federal support. This bill will have an immediate impact preventing unnecessary homelessness in our communities.

For more information on these bills, see last week's *Legislative Bulletin*.

Ways & Means to hear local housing option to exempt property tax

The Senate Ways & Means Committee has scheduled **2SSB 5182** for a public hearing on Monday, January 29 at 3:30 pm. The bill gives local governments an option to adopt a property tax exemption program for property occupied by very low-income households. Local governments will be granted the authority to adjust the income level requirements within parameters set forth within the bill.

AWC supports the bill. Please contact Andrew Pittelkau or Carl Schroeder if you have concerns.

Infrastructure

Bill would allow for sewer extensions in rural areas for economic development

SB 6516 specifies that cities may extend storm and sanitary sewer systems in rural areas for allowed uses or in those limited circumstances, to protect basic public health and safety, protect the environment, or encourage economic development by designing and sizing the sewer line so that it may serve only particular structures and not intervening lands.

We expect this bill to encounter opposition, and from a practical standpoint we are not sure how a city would design a sewer line that would meet the requirements of this bill.

SB 6516 is scheduled for public hearing in the Senate Local Government Committee at 1:30 pm on Tuesday, January 30.

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Bill would establish Lend Washington program to facilitate local infrastructure investment

On January 25, the Senate Financial Institutions & Insurance Committee held a public hearing on **SB 6480** which was introduced at the request of the State Treasurer's Office. In the hearing a representative of the Treasurer's Office acknowledged that the bill is still a "work in progress." In short, the bill as presented would establish a new program aimed at improving delivery and coordination of infrastructure funding programs in the state.

While we appreciate the intent of this bill, as currently drafted, it is duplicative of efforts already underway through the Public Works Board. We will continue to monitor this bill if it moves forward.

Open government

Records management training calendar now posted

The Washington State Archives provides guidance and support to state and local government in public records management by offering education and training opportunities. Live, in-person sessions and webinars are available, as well as online options.

There are two free trainings on records management held each month, at different locations in the state:

Records Management 101: An Introduction to the 10 Leading Practices for Effective Records Management

This session covers the rules and requirements for managing records in accordance with RCW 40.14 - Preservation and Destruction of Public Records. Topics include:

- Terms and definitions commonly used in records management
- What a records retention schedule is
- How to implement and apply retention schedules to your records
- The 10 leading practices necessary to effectively manage records in your city

Making Records Management Work in Your Agency

You know the basics, but do you know how to make records management work for your city? This session will focus on applying basic records management tools and leading practices to the development of an effective records management function in your city, including eight steps that you can use to fix any specific records management problem.

Register for the trainings [here](#).

Personnel

Bill clarifying use of evidence of law enforcement officer misconduct has hearing in the Senate

Prosecutors have a duty to disclose to defense counsel evidence that tends to show that the defendant is not guilty. This duty is based on the constitutional right to a fair trial, as explained in a United States Supreme Court case, *Brady v. Maryland*. When a prosecutor violates this duty it is referred to as a "Brady violation."

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Prosecutors must also disclose evidence that could be used to discredit (or “impeach”) witnesses. Potential impeachment evidence is any information that calls into question the witness’ credibility or competence. For example, a law enforcement officer’s misconduct related to truthfulness, bias, or other behavior could show that the criminal defendant is not guilty. Such evidence of an officer’s misconduct must be disclosed under *Brady*.

SB 6188 clarifies the use of information of law enforcement officer misconduct by a law enforcement agency. The bill requires that:

1. A law enforcement agency may not take disciplinary action or any other adverse personnel action against a law enforcement officer solely because:
 - The officer’s name has been placed on a list maintained by a prosecuting attorney’s office of recurring witnesses for whom there is known potential impeachment information; or
 - The officer’s name may otherwise be subject to a *Brady* disclosure.
2. A law enforcement agency is not prohibited from taking disciplinary action or any other adverse personnel action against an officer based on the underlying acts or omission of the impeachment or *Brady* information, but the agency’s actions must conform to collective bargaining rules and procedures.

SB 6188 has a public hearing in the Senate Law & Justice Committee on Monday, January 29 at 10 am, and is scheduled for executive session on Thursday, February 1 at 10 am.

AWC is opposed to this bill. Please contact Logan Bahr with any questions.

Bills address definition of veteran when determining eligibility for plan membership

SB 6377, Sen. Judy Warnick (R-Ellensburg) and **HB 2701**, Rep. Steve Bergquist (D-Kent) amend the definition of veteran for purposes of pension service credit. The bills are requested legislation from the Law Enforcement Officers’ and Fire Fighters’ Plan 2 (LEOFF 2) Retirement Board. The expanded definition is meant to include service that would otherwise have qualified for a badge or medal but was not issued.

The hearing for **SB 6377** is Friday, February 2 in the Senate State Government, Tribal Relations & Elections Committee at 8 am. **HB 2701** was heard on Wednesday, January 24 in the House Community Development, Housing & Tribal Affairs Committee.

AWC is monitoring the bill to determine the fiscal impact to the LEOFF 2 system.

Paid Family & Medical Leave public meeting on draft rules

The Employment Security Department (ESD) is holding a public meeting on the first draft rules of the state’s new Paid Family and Medical Leave (PFML) program. There will be several phases of the rulemaking process. The first phase is related to the following topics: Collective bargaining agreements, premium liability, and voluntary plans.

The meeting is at 9 am on Friday, February 2 at ESD’s offices (esd.wa.gov/paid-family-medical-leave) in Lacey. The draft rules (pd-oth.s3.amazonaws.com/production/uploads/portals/289/forum/issue/5799/issue_asset/asset/8916/PFML_premium_CBA_and_voluntary_plan_rules_v2.pdf) are available for comment (peakdemocracy.com/portals/289/Issue_5799?cookies=detect) through March 13. Cities are encouraged to review and provide comments.

If you have questions, please contact Logan Bahr or Shannon McClelland.

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Public safety & criminal justice

Hearings scheduled for bills to provide funding for mental health and law enforcement co-response programs

SB 5970 and **HB 2892** propose grant programs to assist local law enforcement agencies to develop and operate mental health field response teams. The grant-funded teams would consist of mental health professionals trained to professionally, humanely, and safely respond to encounters involving persons with mental health issues. Both bills include studies to evaluate whether the use of crisis intervention response teams improve outcomes of interactions with persons experiencing behavioral health crises, including reduced rates of violence and harm.

SB 5970 has a public hearing on Monday, January 29 at 10 am in the Senate Law & Justice Committee and is scheduled for executive session on Thursday, February 1 at 10 am.

HB 2892 has a public hearing on Tuesday, January 30 at 1:30 pm in the House Public Safety Committee, and is scheduled for executive session on Thursday, February 1 at 8 am.

AWC supports both bills. Please contact Logan Bahr or Shannon McClelland with any questions.

AWC-supported body cameras bill has a hearing this week

SB 6408 concerns law enforcement body worn cameras, including policies related to their use and disclosure exemptions under the Public Record Act. The bill makes minimal changes to the current body worn camera statutes but, importantly, does remove the sunset clauses which would ensure that these statutes continue to remain in law. The bill came out of a two-year-long task force which issued a report and set of recommendations in December.

SB 6408 has a public hearing in the Senate Law & Justice Committee on Monday, January 29 at 10 am and is scheduled for executive session on Thursday, February 1 at 10 am.

AWC will testify in support of the bill. Contact Logan Bahr or Shannon McClelland with any questions or concerns.

Transportation

AWC supports bills that would “codify” revenues for important transportation funding programs

The passage of the Connecting Washington transportation package in 2015 came with additional funding for several programs and agencies that are important to cities including the Transportation Improvement Board, the Freight Mobility Strategic Investment Board, and the Bicycle and Pedestrian grant program through WSDOT. The package, which was passed with bipartisan support after extensive negotiations, includes a 16-year spending plan. Unfortunately the actual language in the bills did not “codify” funding for these important programs leaving them subject to appropriations from the Legislature in their biennial transportation budgets.

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HB 2896 and **SB 6530** seek to remedy this situation. Why is it important to codify the revenues for these programs?

- It would confirm the 2015 legislative commitment to these program that was hashed out in the negotiations.
- Funding certainty allows transportation agencies, cities, counties, ports, and transit districts to program projects.
- More certainty is helpful for leveraging other sources of funds.
- New revenue sources and programs historically get codified.

AWC supports these bills. **SB 6530** is currently scheduled for public hearing in the Senate Transportation Committee at 3:30 pm on Monday, January 29. At this time **HB 2896** has not yet been scheduled for a public hearing.

Dueling Lyft and Uber bills make first public appearance in 2018

Separate bills that would set up a regulatory system for Transportation Network Companies (such as Uber and Lyft) have made their debut in the 2018 Legislature.

SB 6043/HB 2716, Sen. Steve Hobbs (D-Lake Stevens)/Rep. Gael Tarleton (D-Seattle), are companion bills that are backed by the transportation network industry. These bills seek to limit the regulating authority of local governments.

Specifically, **SB 6043/HB 2716** establish a statewide regulatory authority of all Transportation Network Companies (TNCs). The Department of Licensing (DOL) would be the regulatory agency and city ability to regulate drivers would be significantly curtailed. DOL would be responsible for permitting individual drivers, conducting background checks, maintaining records of drivers, and regulating their conduct. TNCs would be responsible for vehicle inspections and assessing a \$0.10 surcharge on all TNC trips that would go to the DOL to cover the costs of administering the program. Any leftover money would be distributed to local governments proportionally based on the number of rides within each jurisdiction to cover the costs of local enforcement.

The bill specifically preempts local governments from regulating TNCs through licensing and permits for a TNC and TNC drivers including:

- All requirements, applications, certification, examinations, and background checks for TNC drivers;
- Rates, routes, safety and equipment requirements; and
- Any other operational requirements for a TNC.

The preemption does not affect local authority to impose safe and reliable requirements on for-hire vehicle services as long as they are consistent with the bill. This preemption also does not affect local authority with respect to regulating and enforcing traffic flow, traffic patterns, and roadways, to ensure public safety and convenience.

SB 6500/HB 2945, Sen. Rebecca Saldaña (D-Seattle)/Rep. Jake Fey (D-Tacoma), are companion bills backed by the City of Seattle, King County, and others.

SB 6500/HB 2945 retains much of local government's authority to regulate TNCs and their drivers.

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Among its numerous provisions the bills require a TNC to:

- Provide a weekly driver list with specified information to DOL;
- Provide a daily TNC vehicle list;
- Conduct annual safety inspections of vehicles and require background checks of drivers;
- Provide information regarding the recertification of TNC drivers and vehicles;
- Display a photograph of the TNC driver and the license plate before rider enters the vehicle;
- Provide electronic receipts to TNC riders within one hour of trip completion;
- Suspend a TNC driver upon receipt of a complaint alleging a violation of the zero tolerance policy;
- Inform DOL and local law enforcement of a complaint, conduct investigations of allegations, and take appropriate action for any violations of the policy;
- Implement a zero alcohol and drug policy for TNC drivers while accessing the TNC digital network or provided prearranged rides;
- Adopt a nondiscrimination policy regarding riders; and
- Provide notice of the zero tolerance and nondiscrimination policies on its web site, as well as procedures to report a complaint about a TNC driver.

The bill outlines requirements of TNC drivers, including mandatory fingerprinting and business licensing and violations by a TNC driver that invoke immediate revocation of a license.

The bill also specifies fee and surcharge requirements and allows for occasional auditing of drivers by local governments.

AWC has expressed support and preference for **SB 6500/HB 2495**.

The Senate versions of the bill had a public hearing in the Senate Transportation Committee on January 22. The House versions will have hearings the week of January 29.

AWC Legislative Contacts

During the legislative session, AWC's lobbyists often are unable to return your phone calls immediately. If you have a legislative or specific issue question, please request AWC's analyst staff, or send them an email.

Call AWC at (360) 753-4137 or 1-800-562-8981

Dave Williams

Director of Government Relations
davew@awcnet.org

Logan Bahr

Government Relations Advocate
loganb@awcnet.org
Issue areas: Emergency management, law & justice, liability, marijuana (policy), open government, pensions, personnel & labor relations, public records

Victoria Lincoln

Government Relations Advocate
victorial@awcnet.org
Issue areas: Energy, general government, marijuana (fiscal), municipal finance, state budget, telecommunications

Carl Schroeder

Government Relations Advocate
carls@awcnet.org
Issue areas: Environment & water, housing, human services, land use, state building codes

Jane Wall

Government Relations Advocate
janew@awcnet.org
Issue areas: Economic development, infrastructure, transportation

Dave Catterson

Government Relations Analyst
davec@awcnet.org
Issue areas: Economic development, energy, environment & water, housing, infrastructure, land use, state building codes, telecommunications, transportation

Shannon McClelland

Government Relations Advocate
shannonm@awcnet.org
Issue areas: Emergency management, general government, health care (non-personnel issues), human services (policy), law & justice, liability, marijuana (policy), open government, personnel & labor relations

Andrew Pittelkau

Government Relations Analyst
Issues areas: Human services (fiscal), marijuana (fiscal), municipal finance, pensions, state budget

Regina Adams

Government Relations Coordinator
reginaa@awcnet.org
Issues area: Federal

AWC CEO

Peter B. King, peterk@awcnet.org

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