



# Legislative Bulletin

February 12, 2018

## Hot topics

### **The document recording fee bill passes major milestone in the House**

**HB 1570** is a priority bill for AWC as we encourage the Legislature to give local communities tools to address conditions on our streets. The bill passed out of the House by a narrow margin. Find out what it does.

## From the Director

### **The time is right to remind legislators that new policy initiatives have local costs**

When legislators consider and enact changes to what cities must do or need to address, fiscal impacts are sometimes available. At other times – particularly if it's a new idea or responsibility – those impacts are hard to determine. There are several current examples that fall under this category. Read about them and tell your legislators how new costs will impact your city.

## Media time

### **City priority: Homelessness, housing, & human services**

Urban and rural communities throughout the state are grappling with increasing challenges on our streets. The number of people experiencing homelessness is growing in many of our communities, spurred on by lack of affordable housing and a poorly-funded mental health and substance abuse system. Cities are struggling to solve these issues with limited resources. Watch this video where AWC Government Relations Advocate Carl Schroeder explores the problem and asks for assistance from the Legislature. Learn how you can help.

## What you need to know

### **Economic development**

Building business ecosystems bill likely dead.

### **Environment & land use**

Bills to simplify annexation of “islands” move forward, with some changes.

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Bill requiring cities to itemize taxes on utility bills moves to Rules.

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# From the Legislative Director

## **The time is right to remind legislators that new policy initiatives have local costs**

Legislators consider and make policy choices – that’s a significant part of their jobs. When bills are introduced that expand or add new state responsibilities, fiscal notes are prepared and impacts are considered. Similarly, the same is true when they consider measures that add costs to cities, but with an important distinction.

If legislators want to move forward on a policy change that adds costs for the state, a fiscal committee considers that before a bill moves forward. Ultimately, if decisions are made to adopt the changes, there is most often a section of their operating or capital budget that appropriate funds to implement the changed direction.

When legislators consider and enact changes to what cities must do or need to address, fiscal impacts are sometimes available. At other times – particularly if it’s a new idea or responsibility, those impacts are hard to determine. In these instances, bills with new local responsibilities can and do keep moving and may or may not end up with appropriations in budgets to cover these added costs.

At this point in the 2018 session, there are several examples of legislator’s “good ideas” moving forward, that if enacted, will cost cities an indeterminate amount of money. Whether or not these costs can be accurately estimated, or matter to a majority of legislators who want to move ahead, is not yet known.

### **Example 1 – Voting Rights Act provisions**

For the past five years, a majority of House members have sought to enact a state Voting Rights package of bills aimed at expanding opportunities for citizens to participate in and influence election outcomes. AWC’s line of thinking on these issues has evolved and we agree with most parts of the bills because cities want engaged citizens. Some of the provisions will add costs, either relatively minor for some parts or potentially significant if resulting in costly litigation. To help lessen these potential cost burdens, we continue to seek changes to SB 6002 that would help make it work with less fiscal exposure.

### **Example 2 – Personnel costs**

There are bills under active consideration this year that would extend workers’ compensation benefits for local firefighters, investigators, and law enforcement personnel that will be costly for local governments, but not burden the state. Similarly, bills appear to be advancing that would expand city tort responsibilities in wrongful death cases that could be very costly and litigious. Again, if legislators are determined to enact some version of these, AWC continues to offer suggestions on how to lessen the fiscal hit on cities.

We may or may not be successful in convincing legislators that to make their “good ideas” work at the local level, the policies must be implementable and won’t disrupt ongoing local programs and services that they also value and help make cities strong. Add your voices now to remind legislators that their proposals can’t work if local resources aren’t available and ask them to join a small but growing number of their peers who recognize this and are beginning to stand up to say so.

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# Cannabis

## Bill limiting city authority to ban marijuana businesses survived committee cutoff dates

A substitute version of **HB 2336** passed out of its policy committee and is now in the House Rules Committee. The substitute bill requires that in order to put a marijuana ban in place, the public must make that decision through a vote. Current law does not require that a city must send its ban or moratorium to the voters.

In addition, the bill establishes a general legal principle that state law preempts municipal ordinances or regulations pertaining to recreational and medical marijuana. Court decisions to date have held that Initiative 502 (I-502) does not preempt local governments from restricting or banning state-licensed marijuana business in their communities. The state's Attorney General's Office has also interpreted I-502 to not interfere with local government's broad authority to regulate within their jurisdictions.

AWC opposes this bill and will continue to work to defeat it. Contact AWC staff Logan Bahr with questions or concerns.

# Economic development

## Building business ecosystems bill likely dead

**SB 6499**, Sen. Sharon Brown's (R-Kennewick) Building business ecosystems bill, appears to be dead. With this bill, Senator Brown had set out to establish a permanent, statewide financing program modeled after the successful Local Revitalization Financing program. You can learn more about the bill [here](#).

AWC was extremely supportive of the legislation and is disappointed the bill did not receive a vote out of committee.

As we move into the 2018 interim, AWC looks forward to working with Senator Brown and members of the Senate and House to craft economic development solutions for all of Washington's cities and towns.

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## Environment & land use

### **Bills to simplify annexation of “islands” move forward, with some changes**

Companion bills **SB 6312**, Sen. Sam Hunt (D-Olympia), and **HB 2665**, Rep. Nicole Macri (D-Seattle), would simplify the annexations of county “islands” within city limits. These bills have both passed out of their respective committees with some changes. Both bills would still remove the public referendum requirement for annexing islands. However, substitute versions of the bills have diverged on boundary review board authority. The Senate version would exempt island annexations from boundary review board review, while the House version would maintain boundary review board approval authority. The bills now also differ on who can provide testimony at annexation hearings (currently, only residents and property owners of the island may provide input at these hearings). The Senate version expands who can testify to any member of the public, while the House version would add only those jurisdictions providing services to the island.

AWC is supportive of removing obstacles to the efficient annexation of islands. Members are encouraged to contact their legislators to express support for the version of the bill they prefer. A recent article in The Olympian highlighted the types of issues faced by residents, businesses and service providers in communities where islands create confusing boundaries.

## General government

### **Bill requiring cities to itemize taxes on utility bills moves to rules**

Sen. Bob Hasegawa (D-Seattle) introduced **SB 6587** late last week. The bill was moved out of the Committee on Local Government and passed to Rules. The bill requires cities and towns operating municipal utilities to itemize rates and charges, including state and local taxes, on billing statements.

AWC and individual cities have expressed concerns with the bill draft, noting that this proposal may require many cities and towns, particularly smaller jurisdictions, to upgrade their billing systems to accommodate these changes without additional funding or a grandfathering of existing systems. If cities are required to make these changes they may need additional time to implement. We will continue to work with the prime sponsor to address these concerns.

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## **Voting Rights Act bill rescheduled for committee action on Thursday**

Although **SB 6002** was scheduled for action by the House State Government, Elections & IT Committee last week, it was removed from the schedule and rescheduled for Thursday, February 15. Because this bill moved so fast at the start of session, it has plenty of time to be considered and voted on in the House before any cutoff dates apply.

AWC continues to engage with House legislators in working to improve the clarity of language in this bill that pertains to implementation. We have been focused on working to ensure that the bill's language mirrors the proponent's intent, without creating unintended consequences. This includes a continued focus on discussing ways to exempt Washington's small cities and towns, the size of which is simply too small to gain any benefits by dividing into districts. We have also been working to ensure that the language in the bill does not presume a violation exists in every city. We anticipate that an amended version of **SB 6002** will be proposed before the committee meets on Thursday.

If you have concerns about this bill and you haven't already contacted your legislator, now is the time to do so. We continue to work hard on your behalf, but your individual stories and concerns are the most meaningful. Read our fact sheet on this issue. Please contact Dave Williams or Shannon McClelland if you have any questions or concerns.

## **Housing**

### **City priority House Bill 1570 passes major milestone**

After the longest bill debate of the session and once the dust settled, the state took a step forward in supporting individuals suffering from homelessness.

**HB 1570** from Rep. Nicole Macri (D-Seattle), is a priority bill for AWC as we encourage the Legislature to give local communities tools to address conditions on our streets. The bill eliminates the sunset date on the preeminent shared funding source for these purposes and makes permanent the document recording fee used to provide housing and supports to the homeless. Even more importantly, the bill would allow counties the ability to raise the fee by a maximum of an additional fifty dollars in support of homeless housing needs. This would represent almost a doubling of available resources to any region that chose to use this tool. The bill was passed out of the House by a narrow 51-47 margin.

The funding is the primary source of funding for helping individuals suffering homelessness in our communities. Without the passage of this bill, and the fee were to sunset in 2023, funding would be reduced by seventy five percent and would cause the most vulnerable individuals in our community to become homeless.

The bill would allow counties the ability to raise the fee by a maximum of an additional fifty dollars in support of homeless housing needs. The county option would allow counties the flexibility needed to address the increase in property values. The increase is a vital component to ensure that those in most need have supports available to them.

This bill is a big priority for cities, one that we've been working on in recent years. We are pleased to see it pass the House and look forward to working to do the same in the Senate.

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## Three bills supporting individuals suffering from mental health pass out of the House

Thursday, February 8 was a great night for the state on tackling problems on city streets. With all the discord around the country that we all read about every day, it is important to recognize how much more we all have in common than we have differences.

In one concentrated flurry, Representatives from both parties passed three bills with a combined total of 284-10. It was a truly encouraging signal that taking care of real problems back home is not a partisan item.

The bills provide supports to individuals suffering from mental health illnesses. Here's how:

- **HB 2667** fixes a quirk in the law that is forcing people with disabilities and mental illnesses who are already receiving housing support to fall into homelessness when their disabilities become permanent. The last thing cities struggling to care for their communities need is forcing individuals we've gotten back on their feet into homelessness for no good reason.
- **HB 2892** creates a grant program to help cities utilize mental health professionals in partnership with their police so that people in crisis can get the help they really need - rather than using the criminal justice system as the de facto behavioral health system. We hope this pilot can enhance the work of cities that are already doing this, and ensure that new communities make it a priority. It's very gratifying to see the recognition that our men and women in law enforcement need better tools to tackle today's problems.
- **HB 2287** follows through on that promise by investing in pilot diversion centers in Snohomish and Spokane counties so that there are coordinated facilities with temporary bed space to allow people who are facing these challenges to get the help they need. These pilots will provide connection with services and crisis intervention, rather than defaulting to the emergency room or the jail.

The Senate now has an opportunity to make these initiatives even better. And more importantly, the state needs to follow through with the resources commensurate to the challenges facing the entire state. We need to aggressively fund these pilots and we need to aim higher still because these challenges face all of us. We know the need is greater than the state can address in one year – but we need to be bold.

City elected officials and staff know we're facing a crisis of homelessness, and not just in the big cities. We know we have an opioid epidemic and a mental health system that is struggling to keep up with the need. We know our police are serving on the front lines and faced with both keeping our communities safe as well as gently caring for people who might be experiencing the worst day of their lives as their mental illness gets the best of them. In response, more and more cities are stepping up to the plate because we want to be part of the solution.

Let's embrace the reminder that elected officials in both parties are trying to do their best for their communities. And we all have a lot more in common than sometimes we remember.

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# Infrastructure

## Unit price contracting bill passes Senate, onto the House

**SB 6143**, Sen. Dean Takko (R-Kelso), passed the Senate unanimously Wednesday evening, February 7. This city-supported bill now moves to the House of Representatives. **SB 6143** would grant cities the ability to procure certain public works utilizing unit-priced contracts.

An amendment was added to the bill encouraging cities and towns to invite bids for unit-priced contracts from minority and women contractors whenever possible.

AWC is very grateful to Sen. Takko for ushering this legislation so seamlessly through the Senate and looks forward to working the bill in the House.

# Personnel

## Numerous labor relations bills continue to move

We are tracking numerous bills that would impact labor relations. The following bills must get voted out of their respective chamber by Wednesday, February 14 or they will die.

**HB 2624** and its companion bill, **SB 6229**, require employers to provide reasonable access of the exclusive bargaining representative to new union employees for the purpose of presenting information about the exclusive bargaining representative. The presentation may occur at an orientation or at another time mutually agreed to by the employer and the union. Access to the new employee must occur within 30 days of the employee's start date, for no less than 30 minutes, and must occur within normal working hours at the worksite unless an alternative is agreed upon.

**SB 6231** changes the statute of limitations for a public union employee to file an unfair labor practices complaint in state court from two years to six months. A statute of limitations sets a timeframe for when a claim can be filed in court.

**SB 6296** requires that if a union security provision exists in a collective bargaining agreement, the employer must deduct the required dues or fees from the employees' pay to transfer directly to the union. The bill does not require written authorization from the employee. If, however, the collective bargaining agreement requires deductions that are not subject to the union security provision or there is no union security provision, the bill requires written authorization from the employee before the employer may deduct the employee's pay.

## First responder occupational disease bills awaiting floor action

**HB 2633** and its companion **SB 6213** expand presumptive occupational disease coverage. The bills would add five infectious diseases for fire and law enforcement, nine additional cancers for fire personnel, and heart problems for law enforcement officers. The substitute version of **HB 2633** no longer includes the addition of strokes for law enforcement or fire personnel.

**SB 6214** creates an occupational disease presumption for a post-traumatic stress for law enforcement officers and firefighters who have served at least 10 years. A substitute version passed out of its policy committee.

These bills are all in their respective Rules committees. If they are not voted out of their chamber by Wednesday, February 14, they will die.

AWC opposes these costly expansions of occupational disease presumption.

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## State Actuary projects pension contribution rates to be lower in 2021-23

The Office of the State Actuary recently released projected pension contribution rates for the 2019-21 and 2021-23 biennia. The employee and employer contribution rates are expected to decrease for the PERS, SERS, and LEOFF systems.

However, the expected rate structure is intended only for information purposes and will most likely change due to future decisions by the Legislature, the Pension Funding Council, and the Law Enforcement Officers' and Fire Fighters' Plan 2 Board.

For more information on the proposed rates, visit the Office of the State Actuary contribution rate website at [leg.wa.gov/osa/pensionfunding/Pages/Contribution-Rates.aspx](http://leg.wa.gov/osa/pensionfunding/Pages/Contribution-Rates.aspx)

## Bill clarifying use of evidence of law enforcement officer misconduct survives committee cutoff

**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 - [awcnet.org/Advocacy/Newsandupdates/LegislativeIssues/TabId/677/ArtMID/1863/ArticleID/2024/Bill-clarifying-use-of-evidence-of-law-enforcement-officer-misconduct-has-hearing-in-the-Senate.aspx](http://awcnet.org/Advocacy/Newsandupdates/LegislativeIssues/TabId/677/ArtMID/1863/ArticleID/2024/Bill-clarifying-use-of-evidence-of-law-enforcement-officer-misconduct-has-hearing-in-the-Senate.aspx); or
  - The officer's name may otherwise be subject to a Brady disclosure - [awcnet.org/Advocacy/Newsandupdates/LegislativeIssues/TabId/677/ArtMID/1863/ArticleID/2024/Bill-clarifying-use-of-evidence-of-law-enforcement-officer-misconduct-has-hearing-in-the-Senate.aspx](http://awcnet.org/Advocacy/Newsandupdates/LegislativeIssues/TabId/677/ArtMID/1863/ArticleID/2024/Bill-clarifying-use-of-evidence-of-law-enforcement-officer-misconduct-has-hearing-in-the-Senate.aspx).
2. If a law enforcement agency takes any adverse personnel action against an officer based on the underlying acts or omission of the impeachment or *Brady* information, the agency's actions must conform to collective bargaining rules and procedures.

**SB 6188** will die if it is not voted out of the Senate on or before Valentine's Day.

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

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# Transportation

## State approved for \$112.7 million in VW lawsuit

The State of Washington has been approved to receive \$112.7 million from the Volkswagen lawsuit.

In the fall of 2016, Volkswagen agreed to a \$14.7 billion deal arising from its diesel emissions cheating scandal that rocked the nation and world in 2015. Volkswagen was found to have intentionally developed and incorporated computer programs for their cars to deceive U.S. emissions monitors. Called a “consent decree,” the agreement between Volkswagen and the government represents the largest civil settlement worldwide ever with an automaker. States and tribes were required to apply to the settlement trustee, Wilmington Trust, to become a beneficiary of these funds.

Wilmington Trust announced on Jan. 29 that Washington was approved to receive \$112.7 million of these funds. The money will be used to reduce and eliminate diesel emissions and promote electric vehicle usage. Another \$2 billion will be made available to states on a competitive basis to promote electric vehicle charging infrastructure, the development of zero-emissions ride-sharing fleets and other efforts to boost sales of cars that do not burn petroleum.

The Department of Ecology has been overseeing the process. In a statement from Ecology, “The \$112.7 million federal Volkswagen settlement represents an unprecedented opportunity to improve Washington’s transportation sector and reduce harmful air pollution. To best manage this opportunity, Ecology developed the VW Steering Committee to help guide and shape the state’s plan.”

To learn more about the Steering Committee, what they have been working on, and their upcoming work, visit Ecology's website at [ecology.wa.gov/Air-Climate/Air-quality/Vehicle-emissions/VW-federal-enforcement-action/Steering-committee](http://ecology.wa.gov/Air-Climate/Air-quality/Vehicle-emissions/VW-federal-enforcement-action/Steering-committee).

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## House and Senate pass bills addressing Sound Transit 3 costs

**SB 5955** and **HB 2201**, Sen. Patty Kuderer (D-Bellevue) and Rep. Mike Pellicciotti (D-Federal Way), seek to address the rising car tab fees faced by drivers in the Puget Sound region after the passage of Sound Transit 3 (ST3).

Voters passed the ST3 ballot initiative in 2016 to complete major mass transit extensions every few years over a 25-year period in the Puget Sound region. After passage, controversy arose among the public and legislators over the formula used to calculate how much a car is worth, and how much the owner should therefore be taxed. The valuation schedule was taken from legislation passed years earlier that values a car on the tax base of the manufacturer's base suggested retail price when the vehicle is first offered for sale, multiplied by a depreciation schedule.

This valuation schedule has frustrated many, as it does not reflect the Kelly Blue Book price of a vehicle. Many argue it instead inflates the value of the car, thus driving up car tab fees. Legislators have introduced a number of bills over the past two years to address this perceived inflation. During this session, two bills, one in the Senate and one in the House, appear to have the most momentum.

Both **SB 5955** and **HB 2201** would require a Sound Transit to implement a market value adjustment program, which calculates a credit on motor vehicle excise taxes (MVET). Under the Senate version, the program must allow additional, one-time credits between July 1, 2019 and the end of June 2020. These credits would be calculated in the same way as the ongoing credit program for a taxpayer who paid the MVET before September 1, 2018.

AWC has not taken a position on these bills. We are monitoring their progress closely. ST3 is a multi-billion-dollar transit package, and buy-downs for drivers will be costly. With revenues already spoken for in the 2015 Connecting Washington transportation package, AWC is concerned that large, new funding responsibilities could have an adverse impact on Connecting Washington projects.

AWC will continue to monitor the progress of these bills and provide updates as they become available.

## Only one rideshare bill survives cutoff

Of the four transportation network company (rideshare) bills, two in the House and two in the Senate, only one has survived cutoff and continues to move.

**SB 6043**, Sen. Steve Hobbs (D-Lake Stevens), is now in the Senate Rules committee awaiting further action. Companion bills **SB 6500/HB 2945**, Sen. Rebecca Saldana (D-Seattle)/Rep. Jake Fey (D-Tacoma), and **HB 2716**, Rep. Gael Tarleton (D-Seattle), failed to receive votes out of their respective committees. To learn more about these rideshare bills, see our previous Legislative Bulletin article.

AWC preferred the policies outlined in **SB 6500/HB 2945** and we were disappointed not to see them move forward.

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## **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

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