Hot topics

Register for AWC Lobby Day!
March 25 | Olympia
Come to Olympia for this one-day Capitol Campus event to add your voice and let legislators know how they can help retain and enhance strong cities. AWC Lobby Day is the week before an important legislative cutoff deadline, where legislators are slated to finalize policy bills that impact cities. Register now!

Call to action on AWC’s economic development bill
Contact your Senators and ask them to request a public hearing on SB 5564 in the Senate Ways & Means Committee and support an amendment to reinstate some of the provisions removed by the policy committee.

Fiscal committees begin hearing housing priority bills
On February 21, the Senate Ways & Means Committee heard three bills that are AWC priorities on housing. Two mayors offered their testimony on what these new resources would mean for their communities.

Legislature to hold hearings on I-976, limiting state and local taxes, fees, and TBDs
A proposal to sharply reduce state and local transportation revenue will be heard this week. If passed, the initiative would have a significant impact on our state’s transportation system. AWC will oppose the proposal during the legislative session.

Things you can do
Cities across the state want a tool like HB 1406/SB 5646 to address affordable housing
Is your city on the list? Let us know if you want to be added!

Media time

S01E05: The Criminal Justice Training Commission
Cities in Washington are facing a bottleneck. Police officers are retiring faster than their replacements can be trained. In this episode, Government Relations Advocate Sharon Swanson talks about Washington’s Criminal Justice Training Commission (CJTC), what AWC is doing to address this situation, and what cities can do to help.

WA Paid Family & Medical Leave Act webinar postponed
Due to a lack of substantive new information available, we have made the decision to postpone our Paid Family & Medical Leave webinar originally scheduled for March 6, 2019. We have yet to determine a new date for this training. Registrants for the March 6 webinar will be automatically registered for the new webinar once a date has been determined. As information on the law becomes available, we will continue to update our PFML resource page.

View from the Hill

First cutoff passes – Now it’s time to start talking about the budget
The first cutoff deadline passed and soon the action will move to the floor. Read our hot sheet of bills we are tracking this week. Also learn about a projected budget shortfall and the Governor’s suggested new revenue sources. We drafted a letter for legislators and budget leaders outlining and highlighting our budget priorities. Use it to reach out to your legislators and let them know what to include—before it’s too late.

continued
**View from the Hill**

**First cutoff passes – Now it’s time to start talking about the budget**

Contact: Candice Bock

Friday, February 22 marked the first cutoff for the session. It was the deadline for bills to pass out of the policy committee. The next cutoff is looming this Friday, March 1 when bills will need to move out of their respective fiscal committees. Then the action moves to the floor. Our hot sheet continues to highlight bills that are still moving through the process and have key impacts on cities. Watch Logan’s cutoff date explainer video on the right sidebar for a refresher.

While there is still a lot of action occurring with bills moving through the legislative process, there is now more focus on the budget process. The next revenue forecast is scheduled for March 20 and we expect that the House may release their version of the 2019-2021 budget around that time. Budget writers are already starting to work on what the budget may look like.

**A projected shortfall and potential new revenue sources**

There are still many unknowns; however, we do know that they are working under the assumption that they have an approximately $3.5 billion deficit to pay for the current maintenance level operating budget and some additional items like the Trueblood settlement, state employee collective bargaining agreements, and the School Employees Benefits Board health insurance program. That budget deficit has led to a great deal of speculation and potential disagreement about possible new revenue proposals. The Governor’s budget included three new sources of revenue:

- Graduated REET (a tiered system based on property value)
- An increase in the state’s B&O tax on services
- A capital gains tax

Some or all of those options will likely be considered as the Legislature works to balance their budget proposals.

**What cities need in the budget**

In order to avoid city priorities from getting lost in the budgeting writing crunch, AWC has sent a letter to the budget leaders from each caucus highlighting our priorities for the 2019-2021. We encourage city officials to share this letter and its message about our budget priorities with your local legislators and ask them to advocate for these priorities with their budget leaders. It is critical that they know about our priorities now. We need do all that we can to get our priorities included in the initial budget proposal, because it will be much harder (and there will not be much time) to get it added afterwards.

Here is a quick snapshot of AWC’s budget priorities:

- Fully fund state shared revenue distributions for cannabis, liquor, and fire premium taxes as well as the criminal justice assistance distributions.
- Fully fund the Public Works Assistance Account (also known as the Public Works Trust Fund) and recommit to the program by restoring the REET and solid waste tax revenue streams that have been diverted away from the fund for critical infrastructure needs related to housing and culvert replacement.

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**What you need to know**

**Affordable housing:** ADU bills diverge in the House and the Senate. We still oppose the Senate version, but support the House version that got voted out of committee.

**Budget & finance:** Clarifying piggybacking requirements.

State bank proposal introduced but fails to advance.

**Homelessness & human services:** Bill aims to codify Boise case on rights of persons experiencing homelessness to survive.

**Land use & planning:** House substitute version of density bill passes first hurdle, but is still a work in progress.

**Open government:** Legislative records bill dies in committee, but several other public records bills move forward.

**Public safety & criminal justice:** Bill that proposes to modernize business crimes passes out of the House.

Bill to help survivors of trafficking and prostitution passes out of the House.

Bill addressing impaired driving continues to move.

U.S. Supreme Court decides excessive fines forfeiture case against state.

**Pensions:** AWC testifies in opposition to pension bill.

**Public works:** Modernization of government procurement update.

**Transportation:** New 10-year transportation funding package proposed in the Senate.

Pavement condition data reporting bill set for public hearing.

Senate transportation network company bill set for hearing has preemptive provisions.
• Make additional investments in affordable housing through the Housing Trust Fund as well as a funding a new sales tax credit tool to allow cities to target community investments.
• Fund a watershed approach to correcting fish-blocking culverts by fully funding the Fish Barrier Removal Board’s $50 million request.
• Fund the mental health field response grant program to allow cities to hire mental health professionals to work with our police departments in responding to individuals in crisis.
• Fund the Municipal Research and Services Center (MRSC) to allow them to continue to serve as a critical and cost effective source of assistance for cities.

As fiscal and house of origin cutoff deadlines are fast approaching and work on the budget ramps up, it is important that legislators hear from their local officials. Please give them a call, send and email and seek out their town hall meetings to share your message.

Affordable housing

ADU bills diverge in the House and the Senate

Contact: Carl Schroeder, Shannon McClelland

AWC has been working hard on SB 5812 and HB 1797; these proposals significantly preempt the ability of cities to regulate accessory dwelling units (ADUs), commonly referred to as “mother-in-law apartments” or “granny flats.” The general perspective we are hearing from cities is that they support ADUs and, in many cases, are aggressively pursuing them. Cities are looking to incentivize more development of ADUs because they can be a housing type that adds density in a way the community can support. But these companion bills take away many of the tools cities have used to make ADUs a housing type that is supported in the community.

At committee cutoff, both bills have moved out of their policy committees but in significantly different forms.

The House Local Government Committee moved a significantly altered version of HB 1797, when Rep. Sherry Appleton successfully attached an amendment to make the entire bill voluntary. The House Local Government Committee spoke eloquently about the need for local control on ADU policy, and their desire to prioritize that.

The Senate Housing Stability & Affordability Committee moved SB 5812 as a “work in progress.” They adopted an amendment that began to remove some of the more far-reaching preemptions in the bill; for instance, the substitute changes mandates to encouragements as it relates to lot size, owner occupancy, and limiting the preemption on parking.

AWC is still opposed to the Senate bill in its current form. We support the House version as it left committee, but expect that there are many more conversations to take place on this bill.
Fiscal committees begin hearing housing priority bills
Contact: Carl Schroeder, Shannon McClelland

On February 21, the Senate Ways & Means Committee heard three bills that are AWC priorities on housing. The top priority sales tax revenue sharing proposal, SB 5646, perhaps being the most important. We greatly appreciate Mukilteo Mayor Jennifer Gregerson and Chelan Mayor Mike Cooney for coming to Olympia and sharing what these resources would mean for their communities. The House companion, HB 1406, was also heard the same day—watch the Mayors’ testimony (https://www.tvw.org/watch/?eventID=2019021365, starts at 55:38) to the committee.

Also heard in the Senate Ways & Means Committee were SB 5366 and SB 5363, two bills that we have been tracking and reporting on regarding expanding the multifamily tax exemption. SB 5366 would extend the multifamily tax exemption program to smaller cities, and SB 5363 would allow cities to extend the 12-year affordable housing tax exemption at local discretion.

AWC testified in favor of all four of these proposals. We hope you are letting your delegation know how important they are to you. It is becoming clear that this will be another tight budget year, so it is important that your legislators are hearing from you about your needs for new resources for affordable housing.

Budget & finance
State bank proposal introduced, but fails to advance
Contact: Candice Bock, Andrew Pittelkau

SB 5949, sponsored by Sen. Bob Hasegawa (D-Beacon Hill), creating a state bank failed to move out of committee by the policy bill cutoff. The major sticking points of the banking bill are costs, whose money will be used to capitalize, risk, and leadership. During the public hearing on the bill, the sponsor indicated an interest in continuing to work on the concept in the next session.

There have recently been three studies or reports released on the concept of a state or public bank.

- The City of Seattle Public Bank Study (https://res.cloudinary.com/hra-madeo/image/upload/v1541435798/HR_A_Advisors_Inc._-_Public_Bank_Feasibility_Study_-_FINAL_10.5.18_2_plkv1v.pdf), which looked at the feasibility of the city developing its own public bank.
Clarifying “piggybacking” requirements
Contact: Candice Bock, Andrew Pittelkau

SB 5958, sponsored by Sen. Liz Lovelett (D–Anacortes), passed out of committee and will be sent to the Rules Committee for the next step. The bill sponsor noted that the reason for the bill is because the State Auditor is starting to disallow the use of “piggybacking” contracts.

The bill clarifies the requirements that need to be satisfied in order to successfully piggyback onto another local jurisdiction’s contract. The following items must be present:
• An interlocal agreement between agencies must be signed and filed with the county auditor or posted online;
• The original contracting agency has complied with all requirements and posts the solicitation online; and
• The vendor agrees to the arrangement through the initial solicitation.

Piggybacking contracts help smaller cities and towns purchase goods by tying the purchase to a larger jurisdiction’s contract. The result is a lower unit price. Without the bill, smaller cities and towns may have been prevented from purchasing with this method, increasing the costs of doing business.

AWC supports this bill clarifying the rights of cities to use piggybacking authorized in RCW 39.34.

Economic development
Call to action on AWC’s economic development bill
Contact: Candice Bock, Brandon Anderson

AWC urges you to contact your Senators and ask them to request a public hearing on SB 5564 in the Senate Ways & Means Committee and support an amendment to reinstate some of the provisions removed by the policy committee.

SB 5564, AWC’s economic development priority bill, allows local governments to compete for state sales tax credits to finance public infrastructure improvements that spur private investments. On February 8, a substitute version of the bill was adopted and voted out of the Senate Financial Institutions, Economic Development & Trade Committee and referred to the Senate Ways & Means Committee.

The substitute version of the bill reduced the state’s annual credit against the state sales and use tax from $15 million under the original version to $4,965,000 per year and limited the number of allowable projects to three. The bill has until the fiscal committee cutoff, Friday, March 1, to be voted out of Ways & Means. AWC is requesting a public hearing and an amendment to increase the state contribution rate and remove the limit on the number of projects.

Through a competitive grant process, SB 5564 would allow cities to create development areas where annual increases in revenues from local sales and use taxes and local property taxes would be measured. These increases in revenues and any additional funds from other local public sources would then be used to pay for public improvements in the development area and used to match a state contribution. State funding for the program is provided through a credit against the state sales tax. The
state sales tax credit is then used to finance public improvements that encourage job creation and private development. Local government award recipients could receive up to:

- $1 million per year for 20 years;
- $800,000 per year for 25 years; or
- $665,000 per year for 30 years.

Please take a moment to contact your Senator now. Ask them to request a public hearing on **SB 5564** in the Ways & Means Committee and support an amendment to increase the state contribution rate and remove the limit on the number of projects.

For more information on **SB 5564**, please see AWC’s economic development priority fact sheet.

**Homelessness & human services**

**Bill aims to codify Boise case on rights of homeless to survive**

Contact: Carl Schroeder, Shannon McClelland

**HB 1591**, sponsored by Mia Gregerson (D–SeaTac), has passed out its policy committee, albeit with significant changes. The substitute version revises the original bill as follows:

- Retains the statement that a person experiencing homelessness has a right to survive in public. Provides that such a person may not be prosecuted criminally under any state or local law for exercising these rights when the person has no reasonable alternative but to survive in public space, and existing local shelters are inadequate in number or capacity or are functionally inaccessible.
- Provides that the exercise of these rights must not impede or limit the authority and responsibility of local governments to manage and maintain public space with respect to public health threats or public safety concerns.
- Removes definitions of "discrimination based on housing status" and "harassment."
- Removes the creation of a civil cause of action.
- Requires by October 31, 2019, that the state, counties, and cities:
  - Examine and evaluate laws, regulations, and policies to determine whether any infringe upon any of the rights of persons experiencing homelessness that were recognized in Martin v. Boise or in this act;
  - Consider and undertake appropriate revisions that are within their jurisdiction to make;
  - Make recommendations regarding revisions that require action by the Legislature; and
  - Report to the appropriate committees of the Legislature.
- Requires by October 31, 2019, that the Office of Homeless Youth Prevention and Protection Programs make recommendations to the Legislature regarding rights of unaccompanied homeless youth and young adults.

AWC has been engaging with the sponsor and proponents on the proposal since December. We appreciate the changes proposed by Rep. My-Linh Thai (D–Bellevue) and continue to work to ensure the bill does not erode the needs of cities to maintain public space for all users.
Land use & planning

House substitute version of density bill passes first hurdle

Contact: Carl Schroeder, Shannon McClelland

HB 1923 is preferable to the approach in the Senate's more preemptive proposal; but the bill still has significant areas of concern from the city perspective. The major premise of these proposals is that cities are responsible for the lack of housing options—and, thus, lack of affordability—because of our regulatory decisions. But as the Legislature enacted in 2017, the zoned capacity of land, alone, is insufficient to determine whether land is suitable or likely for development or redevelopment (RCW 36.70A.215(3)(a)). Instead, as the 2017 Legislature determined, a review and evaluation of multiple factors is required in a Buildable Lands analysis, including infrastructure gaps. Seven western Washington counties, and their cities, are just getting underway on implementing these new requirements, which include a main focus on “showing your work” and on housing affordability.

We appreciate the fact that HB 1923’s sponsor has been willing to work with us and we recognize that this is a work in progress, as evidenced by the numerous changes made to the bill as it was voted out of committee. To see a section-by-section description of the bill, please see our previous article. The following are the changes made by the substitute:

• Adds, to the list of actions to increase residential building capacity from which certain cities may choose, authorizing a duplex on each corner lot within zoning districts that permit single-family residences.
• Requires that certain cities take at least one, rather than two, actions relating to housing affordability.
• Adds, to the list of actions to increase housing affordability from which certain cities may choose, providing surplus property to be used for affordable housing and enacting an affordable housing levy.
• Cities may rely on actions that take effect on or after January 1, 2015.
• Certain cities must take actions to meet the new requirements by December 31, 2022.
• In order for certain project actions to be exempt from appeal under SEPA for impacts to the transportation elements of the environment, the Washington State Department of Transportation must have determined that the project action does not present significant adverse impacts to the state-owned transportation system.
• Permanent supportive housing is a permitted use in all areas where multifamily housing is permitted, in both code and non-code cities.
• Prohibits imposing impact fees of more than $50,000 on any single-family residential project.
• Requires Commerce to publish notice of its approval or disapproval of updates made to a city’s housing element as required by the act.

We expect that this bill will serve as one of the major vehicles to address the interest of legislators around land use and housing. As such, we would greatly appreciate any feedback that you have on these changes, or to the original bill.

continued
Open government

Legislative records bill dies in committee, but several others move forward

Contact: Candice Bock, Brandon Anderson

SB 5784, concerning public records disclosure of the legislative branch, died in committee last week after the bill faced strong opposition from the news media and open government advocates. If passed, the legislative branch would have been subject to the Public Records Act, but certain records, including draft materials and caucus communications, would have been exempt from disclosure.

On Thursday, February 21, House legislators introduced two bills HB 2105 and HB 2115, related to legislative records. The intent of both bills is to make state legislators and their offices subject to the terms of the Public Records Act just like local elected officials. It is currently unclear if the bills will make it past the February 22 committee cutoff.

Other public records bills introduced this session will continue forward in the legislative process. The public records bills moving forward include:

- **HB 1667**, an AWC-supported bill that improves the Joint Legislative Audit & Review Committee (JLARC) public record reporting requirements established by the 2017 Legislature under ESHB 1594. Additionally, the bill ends the sunset on the Attorney General Local Records Assistance Program and the State Archives Local Grant Program, both aimed at helping local governments improve their public records practices.

- **HB 1537**, developed based on the 2019 recommendations by the Public Records Exemptions Accountability (Sunshine) Committee, narrows the exemption on applications for public employment by excluding applications for vacancies in elected office from the exemption.

- **HB 1538**, also developed based on the 2019 recommendations by the Sunshine Committee, clarifies certain exemptions including exemptions related to employee contact and vendor proprietary information.

- **HB 2019**, if passed, would make it unlawful for agencies and individuals to post the telephone number or home address of any criminal justice agent or their family members.

- **HB 2020** exempts the names of complainants, accusers, and witnesses from disclosure in investigative records compiled by state and local agencies.

- **HB 1692** would exempt certain records concerning agency employees who have made a claim of harassment or stalking if the requestor is the person alleged in the claim to have harassed or stalked the employee. It also subjects a person to civil liability who requests and obtains a record and uses it, or provides it to someone who uses it, to harass, stalk, threaten, or intimidate an agency employee.
Pensions

AWC testifies in opposition to pension bill

Contact: Logan Bahr, Brandon Anderson

AWC testified in opposition to HB 1390, which would provide a one-time three percent Cost of Living Adjustment (COLA) for some PERS 1 members. The COLA would be capped at a maximum increase of $62.50 per month, for members of the Public Employees’ Retirement System (PERS) Plan 1 who are not receiving a minimum benefit. AWC expressed concern that an increase in benefits for PERS 1 members would result in a reduction of Washington cities’ ability to provide essential services to the public.

The additional benefits provided in this bill would come directly from state and local government budgets through what is called the supplementary contribution – an additional contribution rate that public employers pay on top of PERS 2 contributions. In the last fiscal year, cities spent an additional $58.3 million on supplementary contributions for PERS 1 liabilities.

For example, the 2017 PERS 2 rates looked like this:
- PERS 2 employees paid 7.9 percent of reportable compensation
- PERS 2 employers paid 12.70 percent of reportable compensation:
  - 7.9 percent of reportable compensation;
  - 0.02 percent for DRS administrative costs; and
  - 4.76 percent to pay for PERS 1 supplementary contributions (unfunded liabilities).

If passed, HB 1390 would raise employer supplementary contributions costs by increasing PERS 1 unfunded liabilities, and directly reduce funds available for providing vital services to Washington residents.

Please contact your legislators and ask them to oppose HB 1390.
Public safety & criminal justice

U.S. Supreme Court decides excessive fines forfeiture case against state
Contact: Sharon Swanson, Shannon McClelland

In a unanimous decision, the United States Supreme Court held in *Timbs v. Indiana*, that the Eighth Amendment’s Excessive Fines Clause is applicable to states and local governments. The State of Indiana sought to forfeit Tyson Timbs’ Land Rover, valued at $42,000, which Timbs was driving when arrested for selling heroin to an undercover officer. Timbs purchased the Land Rover with insurance proceeds he received after the death of his father. The trial court concluded the forfeiture was unconstitutional under the Eighth Amendment’s Excessive Fines Clause because the value of the vehicle well exceeded the maximum statutory fine for the felony Timbs plead guilty to, which was $10,000. The Indiana Supreme Court held the Excessive Fines Clause doesn’t apply to the states.

In an opinion written by Justice Ruth Bader Ginsburg, the U.S. Supreme Court disagreed holding that the Excessive Fines Clause of the Eight Amendment is incorporated by the Due Process Clause of the Fourteenth Amendment. If a Bill of Rights protection is incorporated, “there is no daylight between the federal and state conduct it prohibits or requires.”

The court further explained that the Excessive Fines Clause is “fundamental to our scheme of ordered liberty” and “deeply rooted in the nation’s history and tradition” because it traces its “venerable lineage” back to at least the Magna Carta in 1215. The court reasoned that, “for good reason, the protection against excessive fines has been a constant shield throughout Anglo-American history.”

When the Fourteenth Amendment was adopted in 1868, 35 of the 37 states prohibited excessive fines. Today, “all 50 States have a constitutional provision prohibiting the imposition of excessive fines either directly or by requiring proportionality.”

Bill addressing impaired driving continues to move
Contact: Sharon Swanson, Shannon McClelland

HB 1504, sponsored by Rep. Brad Klippert (R–Kennewick), makes several changes to the impaired driving statutes:

- Defines the circumstances under which a vehicle is "safely off the roadway" for purposes of the defense to the crime of Actual Physical Control of a Motor Vehicle While Under the Influence.
- Grants the court discretion to waive the mandatory minimum sentence for first-time impaired driving offenses and modifies the alternative penalties available on a second or third offense upon a showing of substantial risk to the offender’s physical or mental well-being.
- Modifies provisions related to increased penalties for impaired driving cases involving minor passengers.
- Specifies that any portion of a felony impaired driving sentence that is attributed to certain impaired driving-related enhancements is not eligible for good time credits or earned release time.
• Prescribes procedures for circumstances in which a person has fulfilled a period of impaired driving-related driver’s license suspension through day-for-day credit from a separate suspension arising from the same incident.
• Makes various changes to the procedures governing, and processes related to, the ignition interlock restriction in impaired driving cases.
• Removes the statutory minimum qualification requirements for forensic phlebotomists, leaving minimum qualifications within the Department of Health rulemaking authority.
• Makes costs incurred through emergency response to an incident caused by an Actual Physical Control While Under the Influence offense eligible for emergency response reimbursement.

AWC supports the bill.

**Dates to remember**
A substitute version of **HB 1504** passed out of the Public Safety Committee in early February; it is now scheduled for a hearing in the House Transportation Committee at 1:30 pm on Monday, February 25.

**Bill that proposes to modernize business crimes passes House**
Contact: Sharon Swanson, Shannon McClelland

**HB 1252**, sponsored by Rep. Mike Pellicciotti (D–Federal Way) modifies the criminal corporate liability standards to include “business entities.” The bill also significantly increases the fines. The existing maximum fines are $500 for a misdemeanor, $1,000 for a gross misdemeanor, and $10,000 for a felony offense. **HB 1252** would establish the following maximum fines:

- Misdemeanor – $50,000
- Gross Misdemeanor – $250,000
- Class C Felony – $500,000
- Class B Felony – $750,000
- Class A Felony – $1,000,000

The bill also establishes that a business entity convicted of an offense may be ordered to pay legal financial obligations (LFOs), including restitution, crime victims’ assessments, costs, fines, penalties, and other assessments authorized or required by law.

AWC supports the bill.

**Dates to remember**
**HB 1252** passed out of the House of Representatives unanimously. The bill is scheduled for a hearing in the Senate Law & Justice Committee at 8:30 am on Monday, February 25.

*continued*
Bill to help survivors of trafficking and prostitution passes out of House
Contact: Sharon Swanson, Shannon McClelland

HB 1055, sponsored by Rep. Debra Entenman (D–Kent), passed out of the House unanimously. The bill would apply the warrantless arrest statute in cases where a no-contact order was issued for the promotion of prostitution or human trafficking.

Under existing law, a court may issue a no-contact order to protect a victim either during criminal proceedings or upon conviction of the defendant. If a no-contact order is entered in a case involving the crime of promoting prostitution or human trafficking, the defendant is subject to arrest if they contact the victim. However, these crimes are not currently included on the list of offenses to which the warrantless arrest statute applies.

HB 1055 establishes that law enforcement must arrest anyone that they have probable cause to believe has violated a no-contact order related to one of these offenses.

AWC supports the bill.

Dates to remember
HB 1055 is scheduled to be heard in the Senate Law & Justice Committee at 8:30 am on Monday, February 25.

Public works
Modernization of government procurement update
Contact: Candice Bock, Andrew Pittelkau

An amended version of SSB 5418, sponsored by Sen. Dean Takko (D-Longview), passed out of committee. The amended version consolidates several proposed changes to public works bidding requirements into a single bill. The bill would modernize limits across all types of jurisdictions and requires Joint Legislative Audit & Review Committee (JLARC) to conduct a study of contracting processes.

The last time changes were made to some city bid limits was in 2009.

The bill now includes the following changes for cities:
• Small works roster limit would increase from $300,000 to $500,000;
• Limited public works projects would increase from $35,000 to $50,000;
• Protest period would increase by two days and cities are required to provide all bidders with copies of bids;
• Second class cities and towns until July 28, 2022 may award a bid contract to a bidder within five percent of the lowest bid if they provided a project in the prior five years on time and within budget and not delivered a project that was late, over budget or did not meet specifications;
• First class cites, second class cities, and towns will see a bid limit increase for:
  • Projects involving more than one trade or craft to $116,155;
  • Projects involving a single trade or craft to $75,500.

continued
The JLARC study commissioned by SSB 5418 is intended to provide information to the Legislature on the contracting practices of local governments and the effects on minority and women owned businesses. The JLARC study is due by December 1, 2020. JLARC's report must include:

- Identification of the most common contracting procedures used by local governments;
- Identification of the dollar amounts set for local government public works contracting processes;
- Analysis of whether the dollar amounts comport with estimated project costs within the relevant industries;
- An analysis of the potential application of an inflation-based increaser to the dollar amounts;
- Recommendations to increase uniformity and efficiency for local government public works contracting processes;
- Progress in the rates of participation of certain groups including, qualified minority- and women-owned and controlled businesses, minibusinesses, and microbusinesses in the small works roster and limited public works contracting processes; and
- Barriers to improving the participation rate of qualified minority- and women-owned and controlled businesses and the growth of minibusinesses and microbusinesses in the small works roster and limited public works contracting processes.

**Transportation**

**Legislature to hold hearings on I-976, limiting state and local taxes, fees, and TBDs**

Contact: Logan, Brandon

A proposal to sharply reduce state and local transportation revenue will be heard this week.

Initiative 976, an Initiative to the Legislature, would:

- Reset annual license fees on motor vehicles to $30;
- Repeal certain taxes and charges including taxes funding regional transit authorities and ferry service;
- Redefine vehicle valuations using the Kelley Blue Book value;
- Require retirement or refinancing of certain regional transit authority bonds; and
- Repeal the authority of city and county Transportation Benefit Districts (TBDs) to use fees as a revenue source.

If passed, the initiative would have a significant impact on our state's transportation system. Fiscal estimates show that it would cost state and local governments $700 million in the 2019-21 biennium and just under $800 million in the 2021-23 biennium. The loss of city transportation benefit district revenue would amount to more than $116 million per biennium.
The Legislature has a limited number of options with an Initiative to the Legislature. They can:
- Pass it into law;
- Send it to the November ballot alone; or
- Send it to the November ballot with an alternative or with multiple alternatives.

At this time, it appears unlikely that the Legislature will pass it into law or suggest an alternative.

AWC will oppose the proposal during the legislative session and will continue to keep you updated on I-976’s potential impact to your communities and ways you can further engage on this issue.

Once the legislative session ends, I-976 will be a ballot measure subject to PDC restrictions.

**Dates to remember**
The proposal will be heard on Tuesday, February 26 at 1:30 in both the Senate and House Transportation Committees.

**New 10-year transportation funding package proposed in the Senate**
Contact: Logan, Brandon

The chairman of the Senate Transportation Committee, Sen. Steve Hobbs (D-Lake Stevens), released his proposal for a transportation funding package last week.

The package comprises three bills:
- **SB 5971** (concerning revenue)
- **SB 5972** (concerning spending)
- **SB 5970** (concerning bonds)

The 10-year proposal would raise and spend approximately $17 billion on many aspects of the state’s transportation system. Major revenue sources for the proposal include a carbon fee, additional fuel tax, transportation impact fees, and vehicle weight fees. The expenditures of the proposal include:
- State, tribal, and local improvement projects;
- Fish culverts (state and local);
- Highway preservation and maintenance;
- Funding for the Transportation Improvement Board and the Freight Mobility Strategic Investment Board; and
- Ferry replacement.

A brief summary of the proposed revenues and expenditures can be found here (http://leap.leg.wa.gov/leap/Budget/Detail/2019/STBalanceSheet_0221.pdf) and a more robust outline of the plan can be found here (http://leap.leg.wa.gov/leap/Budget/Detail/2019/STSummary_0221.pdf).

**Dates to remember**
The package will be heard in the Senate Transportation Committee on Thursday, February 28 at 1:30 pm.
Pavement condition data reporting bill set for public hearing
Contact: Logan Bahr, Brandon Anderson

HB 2038, concerning payment condition reporting requirements, is scheduled for a public hearing in the House Transportation Committee this week. This bill would repeal the requirement that cities must provide pavement preservation data to the Washington State Transportation Commission. The bill would also require the Washington State Department of Transportation (WSDOT) to continue collecting pavement preservation rating data on Washington’s highways.

AWC supports this legislation.

Dates to remember
HB 2038 is scheduled for public hearing on Wednesday, February 27 at 1:30 pm in the House Transportation Committee.

Senate transportation network company bill set for hearing has preemptive provisions
Contact: Logan Bahr, Brandon Anderson

SB 5926, concerning transportation network companies, is scheduled for a public hearing in the Senate Transportation Committee. Transportation network companies (TNCs) are businesses entities that match passengers with drivers via websites and mobile apps.

SB 5926 includes provisions that preempt local governments from using current authority to regulate TNCs and establishes a statewide system of regulation instead.

AWC opposes the preemption language of the bill and has concerns with provisions related to fees, data collection, and other issues. We will continue to work with the bill sponsor and stakeholders on improvements.

Dates to remember
SB 5926 is scheduled for a public hearing on Monday, February 25 at 1:30 pm in the Senate Transportation Committee.
**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.

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