



Legislative Bulletin

March 20, 2017

Budget advisory

This is the week we've been waiting for: Senate budget proposal coming

The Senate proposed budget will be released this week. When the budget is released, things will move fast. AWC will assess the situation and notify you through an action alert. Be prepared to act immediately when you receive the alert.

Senators have warned us this proposal will be "devastatingly gloomy." We expect to see significant reductions in the \$225 million of state-shared revenues cities receive. There will be a very narrow window for you to call your Senators and ask them to restore devastating cuts to cities. Read From the Director.

- Learn what cuts to revenues and programs in the state budget would mean for your city. Information about shared revenues your city is estimated to receive 2017-19 is available (select your city in the drop-down arrow box).
- Join us for a critical AWC Lobby Day at the Capitol on April 3. This event is scheduled one day before cutoff. Make appointments to meet with legislators, or schedule time on this day to call them from home. It is critical you share the positive or negative impacts of the difficult budget decisions they face.
- Use AWC's legislative directory to find your Senator's contact information.

What you need to know

Budget & finance

City business license and tax bills heard last week. Cities continue to work towards a compromise that assists businesses and protects local authority.

Property tax bill, **HB 1764**, linking limits to inflation and population growth, and tax flexibility bill **SHB 2006** scheduled for committee action.

The state's new revenue forecast is positive, but state-shared revenues still at risk.

Federal

City officials storm Capitol Hill in the other Washington.

New report lays groundwork for a federal Infrastructure Initiative.

Human services

Cities express concern with bill related to regulation of homeless encampments hosted by religious organizations.

Cities testify on complicated bill addressing unregulated homeless encampments and youth homelessness.

Infrastructure

Small city mayors show support for Public Works Trust Fund. Letter will be shared with legislators this week.

Open government

Good hearing in Senate on priority public records bills.

Personnel

Costly bill allowing stress-related occupational diseases for police and firefighters set for hearing in the Senate.

Public safety & criminal justice

Efforts to reform legal financial obligations continue to move through the Legislature.

Changes pushed on how courts handle informant testimony.

Transportation

Relocation assistance bill gets amendment favorable to cities.

continued

From the Legislative Director

Senate budget impact on cities coming mid-week, so get ready!

We're about to know how the Senate budget writers view longstanding partnerships with cities. For weeks, we've been told to expect the worst and we'll know for sure in the next few days.

When their budget is released, things will move fast:

- Within hours, AWC will assess and share budget impacts on cities so you can weigh in with your own Senators. This will come in the form of a Budget Action Alert, along with a link for you to find the fiscal impact on your own city.
- We'll review and prepare brief testimony to present to the Senate Ways & Means Committee. It may take them more than one afternoon of public testimony to hear from everyone, and this presents a window of opportunity for you to express your views to your Senator.
- Once the committee completes public testimony, members will start grappling with potential amendments before moving the budget to the full Senate for consideration. Typically, this won't take long with the budget possibly reaching the Senate floor as early as week's end.

Significant reductions expected in \$225 M state-shared revenues

We expect to see significant reductions in the \$225M of revenues shared with all cities and towns, which help support public safety and other key local services. Over the past weeks and months, we've encouraged city officials to try and avoid this outcome by communicating with your legislators about why these resources are important. It's not too late! Contact your legislators (awcnet.org/Advocacy/Legislatordirectory.aspx) for the first time, or once again! At this point, it's best to make a phone call and tell them your thoughts.

We expect the House budget writers to release their budget proposal early next week. We'll share that information with you in a timely manner. The budget process will consume legislators over the next several weeks, yet they'll continue to consider and pass policy bills before a March 29 cutoff deadline.

AWC is sponsoring a City Lobby Day (awcnet.org/TrainingEducation/Calendar/LobbyDay.aspx) on Monday, April 3 to tell legislators at this critical time during legislative session what actions are needed to maintain strong cities across the state. Consider joining us for part of the day - either in person at the Capitol, or by dedicating a portion of your day to connect with your own legislators.

continued

Budget & finance

New state revenue forecast positive

Last week, the state's Economic and Revenue Forecast Council (ERFC) released its quarterly revenue forecast. That forecast predicts an additional \$303 million in state general fund revenue (\$313 M in total revenue) than previously estimated for the 2017-19 biennium. However, it's likely that this increase is not enough to fund the maintenance-level of the budget. This means that state-shared revenues and programs for cities are still at high-risk for cuts.

City business license and tax bills heard last week

A city business license and tax proposal, **EHB 2005**, was heard in the Senate Commerce, Labor & Sports Committee last week. Thanks to Jan Hawn, Renton Finance Director, for testifying in support of extending the date for cities to choose to participate in FileLocal for licensing by three years, to July 2020. AWC also testified in support of changes to the bill that would remove responsibility from the Municipal Research and Services Center (MRSC) for staffing the apportionment workgroup and removing the population threshold of 500 for the hardship exemption from joining the business licensing system.

ESSB 5777 was heard on Friday in the House Finance Committee, and AWC testified in support of this more favorable version of the bill for cities. Thanks to Mike Folkers, Aberdeen Finance Director, for testifying on the more flexible approach to providing hardship exemptions for joining the business licensing system.

AWC continues to work on a compromise that assists businesses by streamlining the license process while protecting local authority.

Property tax bills scheduled for committee action

AWC priority bill **HB 1764**, which would link annual property tax limits to inflation and population growth, is scheduled to potentially move out of the House Finance Committee on Friday, March 24 at 8 am.

SHB 2006 would remove non-supplanting language for levy lid lifts and the mental health sales tax. It would also provide additional counties authority to impose a criminal justice levy. The bill is scheduled for hearing in the Senate Local Government Committee on Tuesday, March 21 at 1:30 pm.

continued

Federal

City officials storm Capitol Hill in the other Washington

Joining another 2,300 city officials from across the country, nearly 100 Washington city officials visited Washington, D.C. last week to attend a National League of Cities conference. City officials met with members of our congressional delegation to share views on federal budget and policy issues. With a new administration and Congress working to find common ground on a range of thorny issues, it was a good experience to gain more understanding of available opportunities. Many attendees met individually with members of our delegation or key staff and most attended separate group briefings with both Senators Patty Murray and Maria Cantwell.

New report lays groundwork for a federal Infrastructure Initiative

As the new administration and Congress consider making major investment in the nation's infrastructure, AWC has worked with the Association of Washington Business and state organizations representing counties and ports, to produce a report outlining some of the needs and benefits of state infrastructure investments.

The report issued today uses existing data on needs and illustrates projects from throughout the state to highlight investment opportunities in the critical areas of transportation, water, energy, and communications. It isn't intended to represent a definitive list of project needs, but to demonstrate the value of our critical infrastructure and ideas on how and where future investments could be most beneficial.

Building the Economy: Infrastructure Needs in Washington (two-page summary) - awcnet.org/portals/0/documents/legislative/BuildEconInfraNeedsTwoPager.pdf

Building the Economy: Infrastructure Needs in Washington (full report) - awcnet.org/portals/0/documents/legislative/BuildEconInfraNeedsFullReport.pdf

Look for more information in the March 22 edition of AWC's *CityVoice*.

continued

Human services

Cities testify on complicated bill addressing unregulated encampments and youth homelessness

Cities, counties and human services providers testified in opposition to **SB 5864** in the Senate Ways & Means committee on March 16. The bill includes a number of subjects and problematic elements.

Most notable for cities, the bill prohibits unauthorized camping on public or private property and requires local governments to enforce this prohibition, with penalties for local governments that don't enforce. The bill preempts the entire field of regulation of homeless encampments with standards generated by the state, and mandates that cities create homeless camps sufficient to house all homeless in the community by a certain date.

The future for this proposal is uncertain. An earlier version of the bill already failed to get traction, but this proposal was revived and heard again. Clearly, there is interest in the Senate to do something to address these issues. We continue to work with the sponsor and a number of entities to see if any common ground can be found.

Homeless encampments hosted by religious organizations

SB 5657 was heard in the House Community Development and Housing Committee on March 15. The bill would preempt many authorities that cities have to regulate homeless encampments hosted by religious organizations.

Cities expressed the following concerns that the bill:

- Puts greater limitations on permit fees such as excluding overhead costs from fees and prohibitions against creating burdens for applicants.
- Provides a new restriction on a city's ability to limit the length of a temporary encampment that is inconsistent with at least five cities who have negotiated agreements with their own faith community.
- Limits the ability of cities to consider the community impact of simultaneous hostings by multiple religious organizations.
- Makes it the duty of cities to pay for sex offender checks of vehicle residents.
- Authorizes temporary small houses without defining their size, permitting, or articulating how they would hook up to sewer or other infrastructure.
- Provides the blanket requirement to authorize safe parking without consideration for type of vehicle, as some cities are currently considering (RVs vs. passenger vehicles).
- Does not provide any grandfathering for ordinances or consent decrees that are already in place.

continued

Infrastructure

Small city mayors show their support for the Public Works Trust Fund

With the Legislature poised to release budget proposals in the coming weeks, now is a critical time to remind legislators of the importance of the Public Works Trust Fund, especially for smaller communities. As part of our efforts, AWC asked mayors from cities with a population of under 15,000 to sign-on to a letter that we will be distributing to budget writers and leadership in both the House and Senate this week. You can see the letter here (awcnet.org/portals/0/documents/legislative/pwtfmayorslettermap.pdf), as well as a map showing all of the cities and towns that signed on to the letter.

Open government

Good hearing in Senate on public records priority bills

AWC's priority public records bills **HB 1594** & **HB 1595** were heard in the Senate State Government Committee last week. It was a good hearing with many good questions from the Senators in attendance.

AWC would like to thank Mayor Jim Hemberry of Quincy and City Manager Kurt Triplett of Kirkland for testifying in support of the bills. We are also very appreciative of our partners at the Washington State Association of Counties for working with AWC on this important effort. There has been a great deal of support for these two bills from other local government associations as well. We appreciate Chief Steve Brooks from the Lacey Fire District and Beth Worthington, President of the North Kitsap School Board for taking the time to testify on the bills.

The Committee Chair, Sen. Mark Miloscia (R-Federal Way) has expressed support for the bills, but plans to add a performance measurement aspect prior to advancing the bills. AWC is open to this addition, but we are working with the Senator to ensure that the requirement isn't too costly or onerous.

Please continue to talk to your Senator about the importance of updating the Public Records Act as well as all of the work your city puts into records management and fulfilling records requests.

continued

Personnel

Costly bill allowing stress-related occupational diseases for police and firefighters set for hearing in the Senate

HB 1655 would exempt police officers and firefighters from current prohibitions against claiming stress-related mental conditions as occupational diseases. The bill is set for a hearing in the Senate Commerce, Labor & Sports Committee March 22.

AWC has and continues to strongly oppose this costly expansion of occupational disease.

HB 1655 creates a new occupational disease category that has not been fully vetted. Employers are already burdened with increasing workers' compensation rates for these classifications (see the chart below) that are driving up costs.

Additionally, employers do not have adequate pre-employment or ongoing screening tools to determine if an employee has a pre-existing stress-related condition. The fiscal note prepared for the bill estimates costs for existing claims to range from \$45 million to \$124 million and then ongoing costs of \$2.7 million to \$7.6 million annually. We are asking the Senate Commerce, Labor and Sports Committee not to take further action on this proposal.

As employers of first responders, we are committed to their wellbeing and want to do what we can to reduce work-place injuries. We have committed to the bill proponents that we are willing to work over the interim on prevention approaches that provide options for first responders to address mental health related issues.

AWC encourages cities to reach out to members of the Commerce, Labor & Sports Committee (leg.wa.gov/Senate/Committees/CLS/Pages/MembersStaff.aspx) and share these concerns.

L&I workers' comp rate increase history

| | 4-year increase | 2017 rate increase | 2016 rate increase | 2015 rate increase | 2014 rate increase |
|----------------|----------------------|--------------------|--------------------|--------------------|--------------------|
| Firefighter | 53% | 10% | 13% | 20% | 10% |
| Police officer | 34% | 5% | 11% | 7% | 11% |
| Public works | 10% | -1% | 4% | 4% | 3% |
| (per FTE) | 4-year cost increase | 2017 cost increase | 2016 cost increase | 2015 cost increase | 2014 cost increase |
| Firefighter | \$1,405 | \$321 | \$394 | \$488 | \$202 |
| Police officer | \$689 | \$119 | \$254 | \$135 | \$181 |
| Public works | \$202 | (\$10) | \$98 | \$84 | \$30 |

continued

Public safety & criminal justice

Changes pushed on how courts handle informant testimony

SB 5038 would change how prosecutors handle testimony from informants during court proceedings. The bill would:

- Require a prosecutor to give the defendant advance notice and specific detailed information about any potential informant testimony.
- Require the prosecutor's disclosure before the informant's testimony or statements are offered in evidence.
- Direct the prosecutor to provide the required disclosures as soon as possible but no later than 14 days prior to offering informant testimony in evidence at trial or any other criminal proceeding.
- Define informant, benefit, and statement for purposes of the prosecutor's required disclosures.
- Authorize court-ordered remedies for the defendant for a prosecutor who fails a timely disclosure.

The Washington Association of Prosecuting Attorneys testified with concerns because the bill too broadly defines informant and could include non-informant witnesses. Additionally, there are concerns that the bill requires prosecutors and law enforcement to be aware of and report on investigations in other jurisdictions that they have no ability to track.

Bill addressing meth contaminated property gets traction in Senate

HB 1757 would help cities and the Department of Health (DOH) respond to hotels and motels contaminated with illegal drugs. The bill expands the law to include methamphetamine in amounts exceeding DOH's decontamination standards and requires training for contractors to determine if such contamination has occurred. The bill stems from an unfortunate situation the City of Burlington encountered. AWC is supportive of the bill.

continued

Efforts to reform legal financial obligations continue to move through the Legislature

A bill to reform how legal financial obligations work (LFOs), **HB 1783**, has moved through the House and has been sent to the Senate Law & Justice Committee. AWC is working to ensure the bill has minimal impact on city municipal court systems. The bill would do a number of things:

- Eliminates interest accrual on some portions of LFOs.
- Provides that a court may not impose costs on a defendant who is indigent.
- Establishes provisions governing payment plans and priority of payment of LFOs.
- Addresses actions a court may take in sanction proceedings for failure to pay.
- Establishes standards for what constitutes willful failure to pay and sets forth what action a court make take in those cases.
- Allows unpaid fines, penalties and fees to be converted to community service hours if the jurisdictions operate a community service program.

Transportation

Relocation assistance bill gets amendment favorable to cities

SB 5049, sponsored by Sen. Curtis King (R-Yakima), would require a city to provide relocation assistance to parties displaced when property is acquired through eminent domain. AWC asked for an amendment to ensure that cities already in the process of a capital project will not be harmed by this legislation. As a result, the House Judiciary Committee amended **SB 5049** to only apply to property acquisitions initiated on or before December 21, 2017.

A special thank you to the bill's sponsor, Sen. King, and House Judiciary Chair Rep. Laurie Jenkins (D-Tacoma), for their work with cities on this amendment.

continued

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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