



# Legislative Bulletin

October 9, 2017

## From the Director

### **AWC Board adopts 2018 Legislative Priorities**

Hear about the process to adopt and communicate AWC's Legislative Priorities, learn about AWC Regional Meetings taking place this fall, discover our 2017 City Champion Award winners, and read a farewell to Candice Bock.

## Media time

### **Congratulations 2017 City Champion Award winners!**

Our fourth annual City Champion Awards acknowledge the hard work and dedication of legislators who championed critical city issues during the 2017 legislative session. In-district celebrations are being scheduled. Contact Dave Williams if you'd like to help plan one in your city. Find out if your legislator is one of the eight Champions, and say thanks! See the press release.

## Things you can do

### **Top ten steps to take for a successful legislative session**

The 2018 legislative session is only months away. Take advantage of the interim and engage your legislators on important city issues now. Need ideas? See this handy top ten list. Better yet, print it and refer to it often. Can you complete all ten actions? Doing so could win you a 2018 AWC Advocacy All-Star award!

## What you need to know

### **Budget & finance**

B&O tax apportionment task force continues to meet.

Business license threshold workgroup meets later this week.

Supreme Court hearing to review progress on McCleary fix scheduled for October 24.

Department of Revenue is compiling questions on changes to SST mitigation implementation under **HB 2163**.

2018 City-County assistance estimates released.

### **Environment & land use**

The Department of Ecology is seeking input as they work towards reissuance of municipal stormwater permits.

### **Federal**

Tax reform heats up in the other Washington—SALT on the table.

### **Infrastructure**

AWC participates in APWA Conference.

### **Marijuana**

Liquor & Cannabis Board studying legalized marijuana home grows, comments due to agency by Oct. 11.

### **Open government**

Police body camera task force continues to meet, report due by end of year.

### **Public safety & criminal justice**

Register for joint summit on gang prevention and intervention, co-hosted by AWC.

### **Transportation**

WSDOT releases new draft of freight system plan that will guide allocation of federal freight dollars.

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# From the Legislative Director

## AWC Board adopts 2018 Legislative Priorities

On Friday September 29, the AWC Board of Directors adopted four city priorities for the upcoming 2018 legislative session. The priorities are listed below.

Cities ask the Legislature to:

- **Strengthen** city tools to address housing conditions in our communities.
- **Direct** funds to mental health, chemical dependency, and social safety net programs.
- **Enhance** economic development tools and programs that foster business development in cities.
- **Preserve** state-shared revenues with cities and increase law enforcement training funds.

The Board of Directors discussed and affirmed the need for legislators to quickly enact a capital budget so that critical infrastructure projects around the state can move forward. They also agreed on a strategy for seeking action on select 2018 issues, as well as developing proposals and supporters for other issues in advance of the 2019 session.

We have started our six-week series of AWC Regional Meetings around the state where we are sharing these priorities and strategies, and getting valuable feedback from members. We are also sharing the priorities at meetings with city officials, key legislators and other stakeholders. We are particularly interested in hearing ideas to help fund and adequately provide services that address some of the homelessness and chemical dependency issues that are heavily impacting communities across the state.

We are also engaging in conversations to explore ways to foster economic development and diversification.

If you have ideas you would like to share, questions or comments, don't hesitate to let me know!

### **Congratulations 2017 City Champion Award winners!**

Our fourth annual City Champion Awards acknowledge the hard work and dedication of legislators who championed critical city issues during the 2017 legislative session. Find out if your legislator is one of the eight Champions, and say thanks! In-district celebrations are now being scheduled. Contact me if you'd like to help plan one in your city.

### **AWC Lobbyist Candice Bock leaves for a career opportunity with Lacey**

Candice spent over seven years at AWC working in a variety of subject areas including criminal justice, social services, personnel, health care, pensions, and others. Candice now serves as Lacey's Administrative Services Director. Some of her notable AWC work includes marijuana legalization and the Public Records Act. She was instrumental this year in helping pass legislation that helps reform our Public Records Act to recognize modern communication methods. We are sorry to see her go, but are pleased she will remain in the "city family" in her new role in Lacey. While we work to fill her shoes, AWC's Logan Bahr has stepped up to cover her subject areas. Thanks Logan and best wishes Candice!

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## Budget & finance

### Washington State Supreme Court hearing to review state's McCleary case progress scheduled for Oct. 24

The 2017-19 operating budget and the school funding bill **HB 2242** were the major pieces of the framework for the McCleary fix that was the primary issue of the 2017 session. As provided in the 2012 court order, the state provided a report on its funding progress ([courts.wa.gov/content/publicUpload/Supreme Court News/2017ReportbytheJointSelectCommittee.pdf](https://courts.wa.gov/content/publicUpload/SupremeCourtNews/2017ReportbytheJointSelectCommittee.pdf)) after the 2017 session concluded.

The court has scheduled a hearing on October 24 to help evaluate whether this solution meets the constitutional requirement to adequately fund basic education.

More information and copies of the briefs of the parties are available on the court's website ([courts.wa.gov/appellate\\_trial\\_courts/SupremeCourt/?fa=supremecourt.McCleary\\_Education](https://courts.wa.gov/appellate_trial_courts/SupremeCourt/?fa=supremecourt.McCleary_Education)).

### City-County Assistance Account 2018 estimates released

The Department of Revenue recently released its estimates of city-county assistance for distributions that will be made in 2018 under **ESSB 6050**. If your city receives these distributions, view your city's estimate here - [dor.wa.gov/doing-business/city-county-assistance](https://dor.wa.gov/doing-business/city-county-assistance).

### Task force on business licenses

The AWC business licensing model threshold workgroup created by **EHB 2005** will be meeting later this week to hear about the model threshold from the business perspective, and to review some research on city business license systems and examples of thresholds in cities. Most cities with business licenses do not have any threshold.

Later this fall, AWC is planning to survey cities about potential options for a model threshold for additional feedback.

We will provide regular updates on this project in advance of the July 1, 2018 deadline to develop the model and the January 1, 2019 deadline for all business license cities to implement it.

If you would like to be added to an email distribution list to receive periodic emails on this topic, please email Sheila Gall.

### B&O tax apportionment task force meeting update

The Department of Revenue task force to recommend changes to the two-factor formula for service income apportionment for local B&O taxes continues to meet monthly through July 2018. The task force representatives from cities and the business community began the process of reviewing other states' models for allocating taxes. Both are also providing input on considerations or principles the task force should use in evaluating potential changes to the two-factor formula.

The House Finance Committee has already scheduled an update on the task force's work during committee days in November.

If B&O tax cities have input on potential principles or feedback on your city's experience in administering the two-factor formula for service income apportionment for local B&O taxes, please contact Victoria Lincoln or Sheila Gall.

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## **Streamlined sales tax (SST) mitigation committee input needed**

**EHB 2163** included a state version of a long-standing AWC priority, the Marketplace Fairness Act (internet sales tax) that takes effect on January 1, 2018.

As provided in the bill, the Mitigation Advisory Committee ([dor.wa.gov/content/findtaxesandrates/retailsalestax/destinationbased/sstmitigation.aspx](http://dor.wa.gov/content/findtaxesandrates/retailsalestax/destinationbased/sstmitigation.aspx)) will help the Department of Revenue (DOR) determine the impacts of **EHB 2163** on jurisdictions receiving SST mitigation and the offset for new revenues from internet sales taxes for the mitigation distributions after March 31, 2018.

To help DOR prepare for that discussion and research, they have asked impacted jurisdictions to send them any questions they have regarding implementation of marketplace fairness, the new calculation of offsets to net losses for mitigation under sections 401 and 402 of **EHB 2163**, and other potential impacts to local jurisdictions. The bill also provides that SST mitigation for all impacted jurisdictions will end by October 2019.

If you have input or questions for DOR, please contact Victoria Lincoln or Sheila Gall at AWC or Valerie Torres of DOR.

## **Environment & land use**

### **Ecology seeking input on municipal stormwater permits**

The Department of Ecology is asking for feedback to help guide their process for reissuing the next round of municipal stormwater permits. For Western Washington, there are several draft sections available for review, and for Eastern Washington they are seeking more general and informal feedback.

AWC would like to help provide input. If you would like us to make comments on your behalf on either of these permits, please provide them to Carl Schroeder by December 8 so we can compile and provide them to Ecology. We encourage you to make your own individual comments directly to Ecology as well. Details on each permit are below.

#### **Western WA**

Preliminary draft sections are available here ([ecy.wa.gov/programs/wq/stormwater/municipal/2018Reissuance.html](http://ecy.wa.gov/programs/wq/stormwater/municipal/2018Reissuance.html)). An informational meeting on the preliminary draft sections will be held on October 12, 2017. Details on the meeting and the permit reissuance process can be found at the link above.

Ecology is accepting comments ([ws.ecology.commentinput.com/?id=tkx29](http://ws.ecology.commentinput.com/?id=tkx29)) on these preliminary draft sections **until 11:59 pm on January 19, 2018**. This is an informal comment period, Ecology will not respond to the comments received, but will take them into consideration in developing the formal drafts of the permits. The formal drafts are anticipated to be available for comment in the summer of 2018.

#### **Eastern WA**

Ecology is welcoming cities to submit ideas to help inform early permit writing. Additional engagement opportunities will be provided – this is the first stage in collecting your thoughts on how permit language can be improved.

Ecology provided the following guidance, questions, and principles to consider when submitting input:

- No backsliding permit requirements.
- Consider status of implementation. Several requirements from the 2014 permit are just beginning to be fully implemented. Provide suggestions on permit *continued*

changes that will improve understanding/clarity of the requirement, improve implementation, lead to better water quality results.

- Suggestions for requirements in the permit that do not easily roll into the next permit cycle (e.g. monitoring).
- Provide rationale or justification for any proposed changes or suggestions. Provide relevant data sources or literature if this supports proposals for revisions.
- Provide input about existing permit language that you view as an impediment to implementation.
- While always helpful, exact permit language is not necessary.

Ultimately, Ecology is responsible for administering and issuing the permits and will make final decisions on permit language. This early (and continuing) input will help to inform those decisions.

Submit your input to Abbey Stockwell by **December 15, 2017** at (360) 407-7221 or [abbey.stockwell@ecy.wa.gov](mailto:abbey.stockwell@ecy.wa.gov).

## Federal

### Tax reform heats up in the other Washington – SALT on the table

As Congress grapples with reforming the federal tax code, one proposal under serious consideration is eliminating the deduction of state and local taxes (SALT) for individual taxpayers. All members of Congress need to hear from mayors, councilmembers and other city officials from throughout the state of the importance of preserving the full deduction.

We urge you to call your member of Congress immediately and tell them about the importance of SALT to cities and towns. Click [here](#) to find contact information for Washington's delegation. A special thanks to mayors and others in Congressional District 8 for reaching out to Representative Reichert to urge him to oppose these changes as a member of the House Ways & Means Committee.

The messages we all need to deliver:

1. Cities and towns strongly support the preservation of the full deduction for state and local taxes, and urge you speak out in favor of SALT and vote against any tax reform plan that eliminates, restricts or modifies this deduction.
2. SALT has been a fixture of the federal tax code and our nation's fiscal federalism for more than 100 years in order to guard against double taxation of households, and to protect the fiscal integrity of state and local governments. It should remain in the tax code without limitation.
3. Any limitation, restriction or change to SALT would undermine these fundamental principles of our federalism and create a "slippery slope" that would subject SALT to continued erosion whenever Washington, D.C. needs more money – at the expense of 44 million middle class households and homeowners nationwide who now claim this deduction.
4. The elimination of SALT is one of the largest sources of revenue in the proposed tax plan, estimated at \$1.3 trillion dollars taken from 44 million households. Thus, any compromise and anything less than preserving the full deduction will cause millions of taxpayers to pay higher taxes and undermine funding for state and local government and the services we provide.

For more information, see this fact sheet ([nlc.org/sites/default/files/2017-09/FA\\_Support%20Cities%20SALT%202017.pdf](http://nlc.org/sites/default/files/2017-09/FA_Support%20Cities%20SALT%202017.pdf)) prepared by the National League of Cities (NLC). If you have questions, please feel free to contact Peter King or Dave Williams at AWC.

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# Infrastructure

## **AWC participates in APWA conference**

AWC Government Relations Advocate Jane Wall provided a legislative update and delivered tips on legislative advocacy to attendees of the fall 2017 Washington Chapter of the American Public Works Association (APWA) conference in Richland, WA. Jane participated on panels with Washington State Department of Transportation Local Program's Director Kathleen Davis, Transportation Improvement Board Executive Director Ashley Probart, City of Olympia Public Works Project Manager Jim Rioux, and lobbyist Michael Shaw.

The fall conference is one of two that APWA hosts each year. The spring of 2018 conference will take place in Vancouver, WA.

APWA is an international educational and professional association of public agencies, private sector companies, and individuals dedicated to providing high quality public works goods and services. Originally chartered in 1937, APWA is the largest and oldest organization of its kind in the world, with headquarters in Kansas City, Missouri, an office in Washington, D.C., and 67 chapters throughout North America. APWA provides a forum in which public works professionals can exchange ideas, improve professional competency, increase the performance of their agencies and companies, and bring important public works-related topics to public attention in local, state and federal arenas.

Washington's chapter was founded in 1955 and currently serves roughly 1,400 members.

# Marijuana

## **Liquor & Cannabis Board studying legalized marijuana home grows – Comments due by Oct. 11**

The LCB is studying the possibility of legalizing and regulating recreational marijuana plant possession, also known as "home grow" operations. The agency is exploring three options:

1. Strictly regulated recreational home grow options;
2. A state framework, local authority option; and
3. Continued prohibition of recreational home grows (the current status quo).

Local governments are encouraged to provide input. More information about the study can be found here - [lcb.wa.gov/marj/homegrow-study](http://lcb.wa.gov/marj/homegrow-study). AWC has provided input supporting the continued prohibition of home grows in order to stay compliant with the federal guidelines set forth in the Cole Memo.

# Open government

## **Police body camera task force continues to meet, report due by end of year**

The state's task force on body-worn cameras will meet on October 16 in Ellensburg. The task force has the responsibility to provide findings and recommendations related to costs assessed to records requesters, policies adopted by agencies, retention and retrieval of data, model policies, and the use of body-worn cameras for gathering evidence, surveillance, and police accountability. The report is due to the Legislature on December 1, 2017.

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# Public safety & criminal justice

## Joint policy summit on gang prevention and intervention in Tacoma on Nov. 1

On November 1, AWC is cohosting a policy summit on gang prevention and intervention with the Governor's Office, Attorney General's Office, Washington State Association of Counties, and others. The event features state and national experts on gang policy. Attendees will network and learn about research, best-practices, and information concerning gang-related activity in their jurisdiction and how to craft an adequate response. City elected officials and staff are both encouraged to attend. Click here - [cvent.com/events/joint-summit-on-gang-prevention-and-intervention/event-summary-ce7b2783d37142bfb870a7da79ebc551.aspx](http://cvent.com/events/joint-summit-on-gang-prevention-and-intervention/event-summary-ce7b2783d37142bfb870a7da79ebc551.aspx), to learn more and register for the event.

# Transportation

## State releases draft freight system plan

The Washington State Department of Transportation (WSDOT) released its updated investment plan for the freight formula dollars included in the federal FAST Act. The "Fix America's Surface Transportation Act," or FAST Act, is the most recent federal authorization to provide Highway Trust Funding to the states. It is a five-year act covering Federal Fiscal Years (FFY) 2016-2020. New in this version of the act is formula funding through the new National Highway Freight Program, which provides \$107.9 million for Washington State over the five years of the FAST Act. The first FFY allocation for Washington was \$19.7 million. Those dollars went directly to the WSDOT for preservation projects. The Legislature chose to enlist the Washington Freight Advisory Committee (WAFAC) to participate with WSDOT in developing a prioritized project list for the disbursement of the remaining funds.

The WAFAC met through the summer of 2016 to develop a list. Based on those recommendations, the 2017 Legislature asked WSDOT to validate the project list. WSDOT's validation process resulted in a reprioritized list of projects for funding in 2018. It also set up a system to prioritize projects for future funding. There is roughly \$24 million left for projects.

The WSDOT presented its plan to the WAFAC on October 6 and plans to finalize the list sometime in late October.

View the WSDOT's planning materials here - [wsdot.wa.gov/Freight/systemplan.htm](http://wsdot.wa.gov/Freight/systemplan.htm).

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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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## **AWC Officers**

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