



AWC's positions on the 2017-19 Operating/Capital budgets and Revenue



Budget

Support: (✓ indicates our preferred approach)

Public Works Trust Fund

Senate: \$97 million

House: \$226 million

Marijuana mitigation funding

Scheduled to increase to \$30 million July 1, 2017

Senate: \$30 million

House: \$30 million, only if state receives an additional \$18 million in revenues

Low-income housing assistance

Senate: \$99 million

House: \$106.4 million

Funding for homelessness and human services

Senate: While there are some good investments, there are concerns with the Senate approach because it reduces funding for Housing and Essential Needs (HEN), replaces some reductions with Family Homelessness Assistance, and restricts ability to participate in the Medicaid transformation demonstration project.

House: Provides additional funding to reduce homelessness. \$11 million for youth homelessness, temporary rental assistance, chronically homelessness, and consolidated homeless grants.

Basic Law Enforcement Academy

Senate: 18 classes for 2017-19, no supplemental budget funding

House: 16 classes per year in 2017-19 and supplemental budget funding

Municipal Research and Services Center

Senate: Full funding but alternative funding plan by October 2018 or funding is reduced

House: Full funding

Stormwater Financial Assistance Program

Senate: \$60 million

House: \$40 million

Fish Barrier Removal Board

Senate: \$19.7 million

House: \$19.7 million and \$5 million in transportation budget

Centennial Clean Water Account

Senate: \$35 million

House: \$30 million

Oppose:

x

Senate's elimination of state's share of funding for LEOFF 2 pension obligations

The Senate proposal would cost cities at least \$35 million per year.

x

House's elimination of streamlined sales tax mitigation

The House proposes eliminating streamlined sales tax mitigation to warehousing cities in 2019.

x

Senate's caps on fire insurance premium tax

The Senate proposes caps on distributions and changes to the distribution formula for 44 cities, with the effect of eliminating distributions for many jurisdictions.

Revenue

We support the following proposals that generate revenues for local governments and the state, or provide new revenue options for cities:

HB 2186 requires sales tax collections or reporting of customers for use taxes by internet retailers, and removal of the bottled water sales tax exemption.

HB 2186 establishes a graduated rate for the state Real Estate Excise Tax (REET) resulting in a lower rate on certain residential units and higher on others. Cities also collect a local REET to help fund critical infrastructure and, if this proposal advances, AWC requests that a similar authorization be enacted as a local option.

HB 1764 adjusts the 1% property tax cap to reflect the need to keep up with inflation and population growth and allows this as a local option for elected city and county officials.

HB 1113 gradually restores liquor revenues shared with cities and counties to help support public safety.

HB 1570 and **HB 1797** provide for an increase and permanent extension of the document recording fee that funds state and local homeless programs and a suite of new local revenue options to address affordable housing and homelessness at the local level, respectively.