From the Legislative Director

Mid-session status report - are legislators helping cities?
The session that started out with a lot of optimism and good messaging about preserving the partnership between the state and cities is not yet yielding tangible results. We’re continuing to work to change this and need your help from home to zero-in on action, not just talk.

- **Liquor revenue sharing**: We have not yet been able to secure hearings on HB 1517/SB 5896 to maintain and restore growth in liquor revenue sharing. Yet we are heartened that this might change in the House after more than half its members (equal numbers of Democrats and Republicans) signed and sent a letter to their budget leaders earlier this week. The letter stated, “We are united in our belief that it is time to help our local government partners by lifting the cap on city and county liquor profits sharing.”

- **Marijuana**: Proposals to share marijuana revenues are becoming so small you need a magnifying glass to see them for most cities, yet there seems to be widespread agreement - just no action - that some amount of sharing is needed and justified.

- **Public Works Trust Fund**: Most legislators tell us they don’t support continued drains on the Public Works Assistance Account to help balance their budget, but we’ve seen no proof yet that they’re serious.

- **Transportation**: The bright spot of the session so far was the Senate’s passage of the transportation package. However, it included a provision passed at the last minute that eliminates local sales and use taxes associated with state transportation projects.

Good opportunities to change the dialogue are running out, as several of the key discussions are about to go behind closed doors. Budget leadership will begin to make the many difficult decisions to bring the session to a close.

This weekend’s town hall meetings are one of our last best opportunities to publicly impress upon your legislators the need to help your cities. If there are none being held in your area or if you can’t attend, look for other ways to convey your needs and the importance of action. AWC’s *Operation Strong Cities Pocket Guide - 2015 Legislative Session Edition* contains numerous tips and suggestions and the Take Action portion of this week’s *Bulletin* includes ways you can help from home.

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As the number of bills under active consideration in the Legislature narrows, our focus does as well. Many of our 2015 priorities are linked to the budget decisions legislators will be making over the coming weeks. We continue to work in cooperation with county interests to promote our common agendas and will be meeting jointly with legislative leaders in the coming weeks to press for action. We can’t succeed this year without legislators continuing to hear from you at home. You are the best messenger when it comes down to explaining the needs of your community and how they would be harmed if these trends continue. Balancing the budget on the backs of cities has real consequences.

Environment and land use

Update on bills that survived cutoff

March 11 was the deadline for bills to pass out of their house of origin. The following is an update on some key bills that survived the cut-off.

Tiny homes - HB 1123 is frequently referred to as the “Tiny homes bill” because it intends to promote and authorize very small single family homes and eliminate the authority of cities to preclude them. Sponsored by Rep. Blake (D-Aberdeen), HB 1123 passed the House 91-7 with an amendment requested by cities. As a reminder, this bill originally eliminated authority to set minimum room sizes in single family residences in cities smaller than 125,000. The amendment modified that bill to retain minimum room sizes but prohibit regulation of minimum gross floor areas. We believe that this retains the tool of regulating room size as a means for cities to address issues of conversion of single family homes to unregulated boarding houses, which were the concerns raised by cities on the underlying bill.

Review of annexations by OFM - SB 5363 passed out of the Senate unanimously. The bill aims to improve the process by which OFM reviews and certifies annexations by requiring annexation descriptions and maps to be sent to OFM earlier in the process so they can catch potential errors before the annexation ordinance is adopted.

Eminent domain - SB 5363 restricts the use of eminent domain for economic development. It unfortunately passed the Senate on a 30-19 vote. As a reminder, cities have had concerns with these proposals over the years because they aim to restate what we believe is already current constitutional provisions, but in a way that inadvertently introduces confusion and uncertainty into an important piece of law. Please review and provide comments to Carl Schroeder.

Vesting law - On A 29-20 vote, SB 5921 passed the Senate. AWC and several cities opposed this bill because it aims to reverse a series of court decisions dating back many years that found that the legislature occupied the field of vesting and set aside common law. This bill would reintroduce that common law in a way that exacerbates an already confusing area of law. If you have an interest in this issue, please contact Carl Schroeder as there may be continuing conversations on this issue.

Deferral of impact fee payment - SB 5923 mandates that cities allow for deferred collection of impact fees. We’ve written about this bill many times over the last several years. We continue to oppose it and seek amendments if it is to move that would better ensure that cities are ensured repayment of any deferred funds. If you have concerns with this bill please contact your House members.
Infrastructure

Proposal for new water infrastructure program would sweep Public Works Trust Fund

The large water infrastructure package to create significant funding for water supply, flood control and stormwater, that AWC has been following all year is potentially taking a serious turn for the worse. Sen. Karen Keiser (D-Kent) has floated an amendment to SB 5628 that creates significant problems for city efforts to protect the Public Works Trust Fund. The amendment, among other changes, would partially fund this effort by sweeping all of the public works loan repayments in perpetuity. We have been expressing our concern about this approach and now it is time to ask you to please contact members of the Senate Ways & Means Committee from your district and let them know that you are opposed to the sweep of the Public Works Trust Fund for this purpose. You should remind them that there are critical infrastructure needs around the state, and robbing from one infrastructure account to pay for a different type of infrastructure does not move the ball forward and is not a good deal for your city.

There appears to be a train of thought that sweeping these funds for these unrelated purposes is the best way to protect the public works monies from being swept to the operating budget. Please remind your Senators that they need to stand firm and keep these funds for their intended purposes. Defunding programs for basic infrastructure like water and sewer would be a terribly short-sighted decision.

In addition to that highlight (lowlight), here are the other elements of this newest iteration of this proposal:

• Statewide fee that would be assessed on property owners throughout the state of $35 per parcel;
• Establishes a new statewide infrastructure planning and financing utility collecting utility taxes/fees toward these infrastructure purposes;
• Sets up competitive processes for water, stormwater, and flood control infrastructure, while still appearing to put a priority in the bill for the Yakima Basin Integrated Water Plan and flood projects in the Chehalis Basin.

Law and justice

Justice reinvestment bills to-date - one dead, one on the move

HB 1885/SB 5755, Governor Inslee’s Justice Reinvestment Initiative, would create a new sentencing grid for property offenders. This grid would allow for smaller amounts of jail time for offenders, but greater community support and monitoring. To learn more about the Initiative see our previous Bulletin article on the subject.

AWC had concerns with the original bills, specifically, their impact to local government budgets. Both bills were amended, but the Senate version has been our preferred alternative. Post-cutoff HB 1885 died in the Rules Committee, while SB 5755 moved off of the Senate floor and was referred to the House Public Safety Committee.

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AWC appreciates the sponsor’s willingness to work with local governments on amendments that work for local governments. We will continue to monitor its progress and update as things develop.

White House task force report calls for sweeping changes in police practices
A panel of law enforcement officials convened by President Obama to review the country’s policing practices issued its final report last week. Among its findings, the report called for independent investigations into all police-involved shootings and for expanded use of body-camera technology. Read the full report here. An article detailing the task force and its findings can also be found here.

Fireworks industry bill preempting cities scheduled for hearing
SB 5914 has been scheduled for a public hearing in the House Local Government Committee on March 18 at 8 am. Cities strongly oppose this preemption over local public safety authority. We need cities to contact your House members and member of the Local Government Committee and let them know of your opposition. Urge them to stop SB 5914. If you would like to attend the hearing to express your opposition, contact Candice Bock.

SB 5914 makes significant changes to local authority to regulate fireworks by setting statewide standards and prohibiting cities from adopting more restricted regulations. The bill would limit local authority to adopt regulations to only the days and hours of sales and the types of fireworks sold.

Also troubling is the timing of the bill. As currently drafted, it would take effect prior to July 4, 2015, meaning that the new regulations would take effect without sufficient time for the state or locals to revise regulations and prepare for the new requirements. Finally, the bill mandates that the state adopt the National Fire Protection Association (NFPA) code 1124 for the manufacture, transportation, storage, and retail sales of fireworks and pyrotechnic articles. There are some concerns about the use of this particular standard as the NFPA itself has removed this code from their recommended regulations.

Law enforcement body camera legislation dead in Legislature, glimmer of hope remains
All bills relating to law enforcement’s use of body cameras have died in the 2015 Legislature.

HB 1917, supported by the Washington Association of Sheriffs and Police Chiefs (WASPC) and AWC, continues to be under consideration even though it has yet to be voted on by the House. According to the bill sponsor, Rep. Hansen (D-Bainbridge Island), it is considered “necessary to implement the budget” (NTIB) and so remains alive despite failing to make the cut-off.

HB 1910 and SB 5732, bills that also addressed law enforcement’s use of body cameras, died earlier in committee.

AWC remains committed to crafting sound legislation around the use of body cameras and will continue to work with stakeholders to see that happen.
Drone bills, where do they stand post-cutoff?
This session a number of bills addressing unmanned aircraft systems (UAS or "drones") were introduced in the Legislature.

**HB 2016**, Rep. Brad Kilppert (R-Kennewick), was legislation that came out of efforts by the Governor’s interim Task Force on Unmanned Aircraft Systems. Read about that Task Force in this previous Bulletin article. **HB 2016** died in committee.

**HB 1093**, Rep. Jeff Morris (D-Mt. Vernon), passed the House and has been referred to the Senate Law & Justice Committee. Among its many provisions, **HB 1093** primarily addresses privacy concerns around the private use of UAS by prohibiting their use in Washington airspace if they have an active sensory device onboard that collects personal information about an individual without that individual’s consent, unless the federal government has authorized so.

**HB 1639**, Rep. David Taylor (R-Moxee), addresses public agency use of unmanned aircraft systems. It prohibits state agencies from procuring drones without first receiving an appropriation from the Legislature, and prohibits local agencies from procuring drones without first receiving explicit approval from its governing body. **HB 1639** also specifically details what agencies can and cannot do with drone technology. **HB 1639** passed the House and has been referred to the Senate Law & Justice Committee. It is scheduled for public hearing on March 17 at 8 am.

DUI bill moving through Legislature
In January AWC reported on Rep. Brad Klippert’s (R-Kennewick) impaired driving bill. Each year a group of lawmakers revisits DUI legislation to respond to changing policy. **HB 1276** is this years’ version.

**HB 1276** successfully moved out of the House last week and is currently scheduled for a public hearing in the Senate Law & Justice Committee on March 17 at 8 am.

Bill requiring security of violent and sexual offenders in hospitals scheduled for public hearing
**SB 5593**, Sen. Bruce Dammeier (R-Puyallup), would require law enforcement to accompany violent and sexual offenders brought to a hospital while in their custody. It has been scheduled for a public hearing in the House Judiciary Committee March 17 at 10 am.

This bill is the result of negotiations and compromise between hospitals and law enforcement to address concerns of both. AWC is supportive of this compromise measure. Read more about **SB 5593** in last week's Bulletin.

Bill would allow peace officers to assist Corrections with supervision of offenders
**SB 5783**, Sen. Ann Rivers (R-La Center), would allow any limited or general authority Washington peace officer to assist the Department of Corrections with the supervision of offenders. Under the bill the officer has the authority to search the offender’s person, auto or other personal property for evidence of a violation and may assist a corrections officer with a search.

This bill passed the Senate and now has a hearing on March 17 in the House Public Safety Committee at 8 am.

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Marijuana

Action continues on marijuana legislation
The House Finance Committee passed a substitute version of HB 2136 last Friday. The committee rejected several amendments supported by cities that would have significantly improved the revenue sharing components in the bill. SHB 2136 has now been referred to the House Appropriations Committee for consideration, but has not yet been scheduled for a hearing.

This is an important time to talk with your local legislators about the importance of sharing marijuana excise tax revenue with cities. If you are attending a legislative Town Hall meeting this weekend, please let your legislators know that cities need a sufficient share of this revenue to address local impacts and ask them to relay that message to their budget leaders. We are very concerned that the legislature will not provide any revenue or pass a bill that provides only a small amount of revenue sharing that would be inadequate to address local impacts.

SSB 5052 addressing medical marijuana is scheduled for a vote in the House Health Care & Wellness Committee today. A slightly modified version of the bill is likely to pass the committee and then be referred to the House Appropriations Committee for further action.

Open Government

Public records roundup - what survived, what didn’t
A big hurdle for bills occurred this week, cutoff for all bills in their house of origin. Bills failing to move out of their original house are now considered dead. Unfortunately, several of AWC’s public records priorities met this fate. Here’s a rundown of what’s still moving, and what we’ll have to try again for next year.

Bills that died:
AWC priority bills HB 1684 & SB 5533, concerning charges for electronic data under the public records act, died in their respective chambers. AWC is currently working with lawmakers to craft language for a budget proviso that would ask the State Auditor, over the 2015 interim, to develop an actual cost estimate that could be used by agencies for paper and electronic copies. The Auditor would be expected to issue his findings in a report to the Legislature no later than December 2015.

HB 1086, establishing a cost recovery mechanism for commercially driven public records requests, died in the House Appropriations Committee.

HB 1691 which would have redirected public records penalties to the State Archives failed to advance out of Committee and is dead.

Bills that survived cutoff:
HB 1431/SB 5395, modifying exemptions relating to real estate appraisals.
HB 1431 is alive and has been referred to the Senate Government Operations & Security Committee. SB 5395 is also alive and has been referred to the House State Government Committee.
HB 1554/SB 5396, exempts information of guardians or family members of children enrolled in certain programs, including parks and recreation programs. HB 1554 passed off the House floor unanimously and will now move to the Senate for consideration. SB 5396 is in the House State Government Committee and had a public hearing on March 12.

HB 1189, concerning hours of availability for inspection and copying public records, passed the House and is scheduled for public hearing in the Senate Government Operations & Security Committee on March 19 at 10 am.

Personnel

Which personnel bills moved before the latest legislative deadline?

Wednesday at 5 pm was a critical cutoff for bills to make it out of their house of origin. Most of the personnel bills we’ve been writing about were eligible for a vote and remained alive until the final hours. In the end, here’s what made it through.

Bills passing the House and moving to the Senate for consideration include:

• **HB 1194** allows a surviving spouse of a LEOFF 1 or 2 member killed in the line of duty to continue receiving worker’s compensation benefits even if the surviving spouse remarries. The House passed a substitute version providing that payments to remarried spouses are paid from the LEOFF system instead of the workers’ compensation system. AWC opposed the original version of the bill out of concerns that it could impact workers’ compensation rates for police and fire fighters but is now taking a neutral position on the bill since it will not likely have a fiscal impact.

• **HB 1230** allows the Public Employment Relations Commission to order binding interest arbitration in the case of an unfair labor practice. Due to the high costs associated with interest arbitration, AWC opposes any attempt at expansion.

• **HB 1356** establishes minimum paid employee sick leave based on the size of the employer.

Bills passing the Senate and moving to the House include:

• **SB 5084** makes changes to the all payer health care claims database that was established in 2014.

• **SB 5854** requires public employers to submit digital copies of their collective bargaining agreements to the Public Employment Relations Commission (PERC) within 30 days of the effective date of the agreement. PERC must maintain a website that allows the public to view and download collective bargaining agreements.

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Transportation

Sales tax exemption in Senate transportation package would hit local governments hard

As we reported immediately after the Senate passed their transportation package, it came with an unpleasant surprise. One of the policy bills passed as part of the package, ESB 5990, would exempt WSDOT projects from the sales tax, including the local portion of the tax. This was significantly different from the underlying bill that would have transferred the state sales tax paid on state transportation projects from the state general fund to the account that pays for transportation projects. It left the local portion of the sales tax untouched so AWC had been neutral on this original proposal.

As we have now had some time to analyze the sales tax exemption impacts of ESB 5990 it is clear that it would have a significant negative impact on local sales tax revenues and we will be actively expressing our opposition to this particular component of the transportation package as it passed out of the Senate.

The Office of Financial Management has not yet released a revised fiscal note for ESB 5990 but based on our own estimates and those done by others, the overall loss in sales tax revenues to local governments (specifically cities, counties and transit agencies) over the 16 year life of the package would be approximately $350 - $400 million, and potentially more than that depending on which projects would be deemed exempt from the sales tax. To put this number in perspective, over that 16 year period the direct distribution of new gas tax revenues from the package is projected to be $375 million to cities and counties.

AWC is still encouraged that the Senate was able to pass a bipartisan package and we will continue to urge legislators to pass a new transportation package this year. The focus has now shifted to the House where initial indications are that the sales tax exemption is much less likely to be received positively. ESB 5990 has been referred to the Appropriations Committee in the House but has not yet been scheduled for a public hearing.

Senate and House oil train bills up for public hearing

Both of the oil train bills passed their chambers of origin and now move over to the opposite chamber where they are both scheduled for public hearings next week. E2SHB 5057 is being heard in the House Environment Committee on Monday, March 16 at 1:30 pm. This bill is sponsored by Sen. Ericksen (R-Ferndale). ESHB 1449 will be heard on Wednesday, March 18 at 1:30 pm in the Senate Energy, Environment & Telecommunications Committee. This bill is sponsored by Rep Farrell (D-Seattle) by request of Governor Inslee.

These bills are getting more similar as they move through the process so we are optimistic that the Legislature will pass a bill this session on this issue. However, there are still a few key differences. Some provisions are of specific interest to cities and we will be advocating that those be included in whatever final bill makes it out of the Legislature.

Any incident involving oil trains will begin with a local response - regardless of what assistance the state, the federal government, or the private sector would eventually give. Cities have been largely concerned with ensuring that first responders have the equipment, training, and information necessary
to respond to one of these incidents. AWC has been supportive of making sure that there are funds available for emergency response equipment for local governments, that railroads provide proof of financial responsibility for these types of incidents, and that local, state, federal, tribal, and private emergency planning efforts are coordinated. Additionally, local emergency responders need important information about the shipment of oil by rail to effectively prepare to respond.

In order to prevent derailment of oil trains, cities have also raised issues regarding the condition of rail infrastructure and how hazardous substances are transported. AWC has supported the Utilities & Transportation Commission (UTC) getting increased funding and authority to increase the number of inspectors they have, to allow first-class cities to participate in their crossing inspection program, and to allow UTC inspectors to enter private property to conduct hazardous materials inspections.

Now is the time for you to communicate to your legislator what your community needs to effectively respond to one of these incidents. Here is some information that might be helpful to your legislator:

- Are there specific conditions (whether natural or due to aging infrastructure) that would make your community particularly vulnerable if an oil train incident were to occur? For example, a bridge, tunnel, crossing, or geographic feature.
- What planning efforts has your city already done? How have you coordinated with public, tribal, and private entities? What gaps have you found? Does your community have the resources to effectively respond to an incident involving oil trains?
- What planning efforts regarding an oil train incident does your city need to undertake? Does your city have the resources and expertise to complete this?

Contact your legislator within the next couple of weeks and be specific about what your community needs.

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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 directly.

Call AWC at (360) 753-4137 or 1-800-562-8981

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