



CITY OF SEATTLE

2017 State Legislative Agenda Final Report - Sine Die

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I. Introduction

This report assesses our progress toward goals outlined in the City’s 2017 State Legislative Agenda. As with the agenda, this report tracks four overarching priorities: a safe, vibrant, interconnected, and affordable city for all.

If you have questions about any of the issues discussed in this report or on other topics addressed during the legislative session, please contact the Office of Intergovernmental Relations.

A Special Thanks to the City of Seattle State Legislative Delegation, City Officials, and Staff

OIR thanks the Seattle legislative delegation for representing the interests of Seattle residents and for the long hours they spent in Olympia.

OIR also thanks the Mayor, City Council, City Attorney, and all the City staff who contributed countless hours to our efforts in Olympia. In the 193-day session, department staff produced a total of **2,875** reviews for **2,675** bills. Mayor Murray and Councilmembers held **over 30** meetings with elected officials in Olympia.

II. Session Review

2017 Regular Session: January 9, 2017 through April 23, 2017

The Washington State Legislature convened the 2017 legislative session on Monday, January 9th. This session was the first year of the biennium, which means that, in addition to passing policy bills, the Legislature was tasked with creating new operating, transportation, and capital Budgets. The Legislature faced this task in a challenging fiscal environment, exacerbated by the requirement from the Supreme Court to fully fund basic education. The primary difference between the House and Senate approaches to budget writing was whether new revenue was necessary to meet the state’s fiscal obligations. House leaders insisted new revenue was needed to maintain the safety net and education obligations and as possible solutions proposed a capital gains tax, increasing business and occupation taxes, and closing certain tax loopholes. Throughout session, Senate leaders stated that projected revenue from current sources was sufficient. At the end of the 105-day regular session, lawmakers had not agreed on the operating or capital budgets. A current law transportation budget was passed during the regular session.

These fiscal challenges and the makeup of the House and Senate (with the House controlled by the Democrats and the Senate controlled by the Republicans) made advancement of policies difficult.

2017 Special Legislative Sessions #1 and #2

After Legislators failed to agree on operating and capital budgets, Governor Inslee called for a 30-day special session to begin on Monday, April 24th. Legislators were unable to reach agreement during the first special session, and on Tuesday, May 23rd at 12:00 pm the Governor called for a second 30-day special session. Legislators again failed to reach agreement on the operating and capital budgets by the end of the second special session on June 21st and the Governor called for a third 30-day special session.

2017 Special Legislative Session #3

Legislators entered the third special session with a distinct threat of a state government shutdown hanging over their heads and had until midnight on June 30th to pass an operating budget. In the end, legislators compromised and released the 2017-2019 operating budget after several marathon and late-night negotiations.

The final compromise operating budget was made public on June 30th, the same day it was voted on by both chambers. The Senate and House spent the rest of the day going back and forth between caucus and the floor to pass the budget and several other bills necessary to implement the budget. Both sides claimed victory with the \$43.71 billion 2017-2019 operating budget. In the Senate, the budget passed with a vote of 39-10 and in the House, it passed with a vote of 70-23.

At 11:15 pm, the Governor signed the operating budget and averted a state government shutdown with 45 minutes to spare.

Overview of Operating, Transportation, and Capital Budgets

Operating: The 2017-2019 biennial operating budget ([SB 5338](#)) includes \$43.71 billion in appropriations and increased spending by \$5.2 billion over the current biennium's budget. Nearly 60% of the increase is for K-12 funding, 20% is for the Department of Social & Health Services, and 10% goes to the Health Care Authority.

Some funding highlights include the following:

Employee Compensation

- \$618 million for employee compensation over two years (\$1,209 million over four years). This includes adoption of collective bargaining agreements for state employees and individuals that are state employees only for purposes of collective bargaining.

Health Care

- \$60 million is provided to cover overspending at the state psychiatric hospitals and to make changes based on an agreement with the Centers for Medicare and Medicaid services in order maintain current levels of federal funding.

- \$26.7 million is provided for community mental health investments including crisis centers, community long-term inpatient beds, and clubhouses.
- \$17.7 million is provided to increase for community placement beds to divert and discharge patients from the state psychiatric hospitals.
- \$11.7 million is provided to increase the Medicaid rates for the Behavioral Health organizations by 2.5 percent. Long-Term Care (LTC) and Developmental Disabilities Administration (DDA).
- \$41.8 million to increase vendor rates for community residential service providers, nurse delegators, and private duty nursing in adult family homes.
- \$2.7 million increase to provide employment services to approximately 600 individuals with a developmental disability who are not already receiving services under a Medicaid waiver and will transition out of high school during the 2017-19 biennium.
- \$1.5 million increase for the meals-on-wheels program, which will provide nutritious meals for an additional 3,000 older adults each biennium.
- \$739.6 million over two years and \$1.5 billion over four years (federal and local funds) for the Medicaid transformation waiver. The waiver's three initiatives fund: (1) incentive-based payments for transformation projects designed to improve health care delivery and lower the cost for the state's Medicaid population; (2) new services and supports for family caregivers that help people stay at home and avoid the need for more intensive services; and (3) supportive housing and supportive employment services for targeted individuals.
- \$40.9 million for Hepatitis C treatment costs for Medicaid clients with less severe liver disease. This funding is in addition to previous funding provided for clients with more severe liver disease.
- \$5.6 million to extend coverage for high-risk, non-Medicare individuals through the Washington State Health Insurance Pool through December 2022.
- \$4.9 million for performance payments to Health Home lead organizations serving high-risk, high-cost children and adults who are dually-eligible for Medicare and Medicaid. These payments reward successful beneficiary engagement.

Economic Services Administration

- \$4 million increase for a 2.5 percent increase to the cash assistance provided via Temporary Aid for Needy Families (TANF), State Family Assistance, and Refugee Assistance programs.

Children's Administration

- \$12.9 million increase for a number of foster care and adoption support investments, including caseworker and foster care licensure FTEs, emergent placement contracts, parent-child visitation services, and modifications to adoption support payments pursuant to [SB 5890](#) (foster care/adoption).

Early Learning

- \$25.1 million increase to expand the Early Childhood Education and Assistance Program (ECEAP) by an additional 1,800 slots, for a total of 13,491 slots by the end of the 2017-2019 biennium.
- \$12.7 million increase for a 6% slot rate increase for ECEAP providers.

Department of Children, Youth, and Families

- \$6.3 million in funding is provided for the administrative costs associated with creating the new Department of Children, Youth, and Families (DCYF). Beginning in Fiscal Year 2019, Children's Administration and the Department of Early Learning will be consolidated into the new DCYF.

Department of Health

- \$15.1 million (in federal and local funding authority) is provided for programs and services designed to improve the lives of individuals living with HIV.
- \$12 million as part of the Foundational Public Health Services initiative, to implement strategies that control the spread of communicable disease, chronic disease, and other health threats.
- \$3 million is provided to test water fixtures in schools across the state for the presence of lead, and to provide screening and case management for children at the highest risk of having elevated levels of lead in their blood.

Homelessness

- \$8.9 million for housing and homeless services. This includes housing and services for homeless youth and individuals with a history of mental illness.

Revenue Sources

The 2017-19 compromise budget was funded by an additional net revenue increase of \$2.1 billion from three bills: [HB 2242 Basic Education Funding](#) (\$1.6 billion increase), [HB 2163 Revenue](#) (\$431.8 million increase), and [SB 5977 Tax Preferences](#) (\$15.6 million decrease).

Some of the 2017-19 operating budget revenue sources include the following:

- \$4.1 billion from a new state property tax rate of \$2.70 per \$1,000 assessed value (increasing taxes by 81-cents per \$1,000 assessed value). Local school levies were also revised and capped;
- Over \$1 billion from an internet sales tax expansion over the next four years;
- \$100 million from closing the tax exemption on bottled water; and
- Approximately \$70 million from eliminating or narrowing the tax preference for extracted fuel.

Tax Exemption Package

It should also be noted that a tax exemption package ([SB 5977](#)) was part of the operating budget negotiations. This package lowers the business and occupation (B&O) tax rates for many

manufacturers from 0.484% to 0.2904% over four years (the same preferential rate Boeing receives), increases the tax credit limit for the Washington Main Street Program, extends tax preferences for solar energy and silicon manufacturing from 2017 to 2027, and extends the Motion Picture Competitiveness Program tax credit by an additional 10 years.

While all three of the revenue bills passed, Governor Inslee did veto parts of [SB 5977](#). The vetoed sections would have reduced the business and occupation tax (B & O) rate by 40% for manufacturers, and given those manufacturers (approximately 10,000 statewide) the same rate as Boeing and other aerospace companies. This veto was seen by many Republicans as going back on the negotiated agreement on the operating budget and further fueled tensions between the two parties and Governor Inslee.

Transportation: The legislature passed the 2017-2019 biennial transportation budget ([SB 5096](#)) in April and it appropriates \$8.5 billion over the next two years.

Some funding highlights include the following:

- \$60 million of additional TPA funds in the 2017-19 biennium to ensure the project has adequate cash flow to stay on track with the contractor's schedule of opening for use by the spring of 2019. In addition, the budget uses \$122 million of TPA bonds to be repaid from tolls to fund the existing project budget. The toll rate setting process is expected to begin in fall 2017, with tolling to begin when the tunnel opens.
- \$16 million to add new capacity on I-5 from Seneca Street to Olive Way.
- \$12.5 million of multimodal funds are included in the budget for transit mitigation during construction of the Alaskan Way Viaduct tunnel project.

Capital: For the first time in Washington State history, the Legislature failed to pass a two-year capital budget. There were over \$4 billion in projects in the latest version of the capital budget, including:

- More than \$1.4 billion in school construction, critical to meeting goals for smaller class sizes;
- More than \$17 million for improvements at state mental hospitals that are necessary to expanding capacity;
- \$50 million to keep state parks safe and well maintained;
- \$35 million for the Professional – Technical Education Center at Big Bend Community College; and
- \$60 million for the Eastern Washington University Interdisciplinary Science Center.

These projects and many others in the capital budget will not be funded unless the legislature reconvenes for a fourth special session sometime during the interim. It was widely believed there was agreement on a compromise 2017-19 capital budget, but Senate Republicans had long said they would not vote on the capital budget until there was a fix on the Hirst decision, which changed how counties decide how to approve or deny building permits that use wells for a water resource. In the final days of session, negotiations on a Hirst fix reached an impasse,

and the capital budget was never passed. The full impact of not having a capital budget is starting to be felt throughout the state.

III. A Safe City

Public Safety

Legend: ↑ = City supported, ↓ = City Opposed; **bill # (companion bill #)**

Bills Passed

↑ **Making a fourth DUI infraction a felony:** [SB 5037](#) allows a person to be charged with a felony Driving Under the Influence (DUI) or physical control of a motor vehicle while under the influence (PC) if the person's criminal record includes three or more prior offenses instead of four or more within ten years. It also ranks a felony DUI at Level IV, instead of Level V, on the felony sentencing grid, which means a person with three prior DUI or PC offenses and no other criminal history would be subject to a standard sentencing range of 13 to 17 months incarceration.

↑ **Rape Survivor Safety Act:** [HB 1543](#) creates a court process for a survivor of sexual assault to restrict parental rights and establish custody in cases in which the child was conceived as the result of rape.

↑ **Law Enforcement and Victim Safety Act:** [HB 1501](#) promotes public safety by creating a system of notification for law enforcement and victims of domestic violence when firearms dealers deny a person the sale of a firearm. These notifications will be collected in a statewide database to prevent individuals from illegally purchasing firearms.

↑ **Creating a suicide-safer homes project account:** [HB 1612](#) continues the Suicide-Safe Homes Project within the Department of Health to support suicide prevention materials, training, and outreach programs.

↑ **Concerning Domestic Violence:** [HB 1163](#) creates a felony crime of domestic violence assault after two previous convictions, requires DNA collection from offenders for assault in the 4th degree when DV was pleaded and proved and creates workgroups through the Washington State Gender and Justice Commission to address DV perpetrator treatment and risk assessment.

↑ **Relating to marijuana with respect to research license privileges, retail-licensing merit-based application system, processor wholesale events, and jurisdictional requirements:** [SB 5131 \(HB 1857\)](#) regulates marketing and advertising for licensed marijuana businesses; eliminates from statute the competitive, merit-based application process for retail marijuana licenses; and allows for a person 21 years of age or older to share marijuana products with one

or more persons 21 years of age or older, during a 24-hour period, for noncommercial purposes and financial consideration.

↑ **Opioid Treatment Programs:** [HB 1427](#) informs opioid patients of all treatment options available. The provider and the patient must consider alternative treatment options, like abstinence, when developing the treatment plan. Follow up is required if medications are prescribed to work towards the goal of abstinence. It also removes the 350-participant limit and permits the county to impose a maximum capacity for an opioid treatment program of not less than 350 participants.

↑ **Sexual Assault Forensic Exams:** [HB 1109](#) creates the Washington Sexual Assault Kit Initiative (SAKI) pilot project to fund the creation of locally based multidisciplinary community response teams to conduct cold case investigations tied to previously unsubmitted sexual assault kits. The legislation also requires the Criminal Justice Training Commission to incorporate new trainings with a victim-centered, trauma informed approach.

↑ **Human Trafficking:** [HB 1079](#) ([SB 5029](#)) protects victims by creating a protection order or no-contact order to prohibit defendants from contacting victims when charged with or convicted of trafficking and promoting prostitution offenses.

↑ **Human Trafficking of a Minor:** [SB 5030](#) ([HB 1078](#)) extends the statute of limitations for human trafficking crimes from three to ten years.

↑ **Sexual Assault Protection Orders:** [SB 5256](#) ([HB 1384](#)) aligns protections for sexual assault survivors with those for victims of stalking and domestic violence by enabling judges to issue protection orders for as long as they deem necessary to protect victims.

↑ **Public Records Administration:** [HB 1594](#) requires the Attorney General to establish a consultation program to assist local governments with best practices for managing public records requests; the Division of Archives and Records Management must provide training to local agencies on records retention practices and to establish a competitive grant program for local agencies to improve their information technology systems; and requires a Joint Legislative Audit and Review Committee report on the effectiveness of the competitive grant program, the consultation program, and the records retention training services, with recommendations whether those services should continue beyond 2020.

↑ **Public Records Cost and Requests:** [HB 1595](#) allows agencies to charge a small fee for providing copies of electronically produced public records and sets a default fee schedule for such records; agencies are allowed to deny frequent automatically generated requests that interfere with the essential functions of the agency; and states that a request for all or substantially all agency records is not a valid request for identifiable records under the Public Records Act.

Bills Not Passed

↑ **Use of Deadly Force:** [SB 5073](#) ([HB 1529](#)) were introduced in response to the use of deadly force task force recommendations, which deleted the good faith and malice clauses in favor of a new standard that asks if a “reasonable officer” would use deadly force in the same circumstances. Both bills contained policy aimed at funding new training techniques, like de-escalation practices, distribution of less-lethal weapons, and data collection on use of force incidents.

↑ **Use of Deadly Force Prevention Programs:** [HB 1769](#) supported law enforcement’s efforts to implement the recommendations of the state task force on the use of deadly force in community policing. This included establishing funding to: assist agencies in obtaining less-lethal weapons, requiring data collection on incidents involving deadly force or great bodily harm, creating a program for correction officer and inmate and public safety, establishing community engagement programs, establishing a law enforcement diversity study, and creating a law enforcement leadership program.

↑ **Use of Deadly Force Prevention Programs:** [SB 5429](#) directed the Criminal Justice Training program to update training regarding de-escalation techniques, and shoot/don’t shoot scenario training. It also paired cadets with seasoned veteran officers to patrol minority communities in order to observe working, positive examples and incorporated a training component that would have required cadets to meet with the local minority advisory boards in each jurisdiction.

↑ **DNA Biological Samples:** [HB 1111](#) included a provision that required the state crime lab to process DNA collected a municipal ordinance that is equivalent to a state criminal statute for which DNA is collected upon conviction.

↑ **Assault Weapons Ban:** [SB 5050](#) ([HB 1134](#)) was introduced by the Washington State Attorney General Bob Ferguson and banned the sale of assault-style rifles.

↑ **Assault Weapon Background Checks:** [HB 1387](#) ([SB 5444](#)) required enhanced background checks for those wishing to purchase an assault weapon. This included raising the age of purchase to 21, a search of local and federal criminal and mental health databases, and required safety training.

↑ **Dangerous Access Prevention:** [HB 1122](#) ([SB 5463](#)) created criminal liability if a child or anyone prohibited from possessing firearms accessed an unsecured firearm and used it to hurt themselves or others. The bill would have also required firearms dealers to offer to sell or give purchasers a locked box, lock, or device that prevents a firearm from discharging, and provide warnings regarding potential criminal liability for unsafe storage of firearms.

↑ **Marijuana Related Penalties:** [HB 1065](#) aimed to reform marijuana related penalties to better align marijuana laws with those for alcohol, provided cities the tools they need to address low-level transactions, and alleviated some of the disproportionate impacts on communities of

color. Elements of this bill were incorporated into the omnibus marijuana bill, SB 5131 (see above).

↑ **Marijuana Delivery Services:** [HB 1712](#) allowed marijuana retailers to seek an endorsement from the Liquor Cannabis Board (LCB) to deliver marijuana products to those 21 years of age or older and authorized marijuana products to be ordered over telephone or the internet by those 21 years of age.

↑ **Death Penalty:** [HB 1935](#) ([SB 5354](#)) this legislation abolished the state's death penalty and provided that all persons convicted of Aggravated First-Degree Murder must be sentenced to life in prison without the possibility of release or parole.

↑ **Police Citizenship:** [HB 1182](#) ([SB 5389](#)) changed the civil service qualifications for police officers, fire departments, and county sheriff departments by expanding who could apply for a position to include a lawful permanent resident.

IV. A Vibrant City

Economic Development and Infrastructure

Legend: ↑ = City supported, ↓ = City Opposed; bill # (companion bill #)

Bills Passed

↑ **Business Licensing:** [HB 2005](#) requires all cities with business licenses to partner with the Department of Revenue through the Business Licensing Service by 2022 or with FileLocal by 2020; requires cities to adopt a general business licensing model ordinance by 2019; and creates the Local Business and Occupation Tax Apportionment Task Force to recommend changes to the two-factor formula for service income apportionment for local B&O taxes.

Bills Not Passed

↑ **Property Tax Revenue Limit:** [HB 1764](#) ([SB 5772](#)) replaced the 1% property tax revenue limits with a limit tied to inflation and population change.

↑ **Lodging Excise Tax:** [HB 2015](#) ([SB 5850](#)) extended the lodging tax revenue to all lodging types regardless of the number of lodging units on the premises.

↓ **Telecommunication Services:** [SB 5711](#) ([HB 1921](#)), & [SB 5935](#) related to the deployment of 5G and small cell technology. [SB 5711](#)/[HB 1921](#) contained preemption of cities' current authority to manage right-of-ways, set fees to cover costs, and adopt permitting processes that

accommodate installation of new telecommunications facilities while addressing community concerns. [SB 5935](#) required cities with a population above 5,000 to adopt a small cell facility ordinance establishing a process for deployment of this infrastructure.

↑ **Internet User Privacy and Security:** [HB 2200](#) required broadband internet providers to provide notice and obtain consent for access to, use, and disclosure of certain customer information, as well as provide notice of privacy policies and take reasonable data security measures. A similar bill, [SB 5919](#), prohibited telecommunication and internet service providers from collecting customers' personal information without written approval.

↑ **Leasehold Excise Tax:** [HB 1114](#) exempted the Seattle Center and Tacoma Dome from the leasehold excise tax. The leasehold excise tax is assessed on the use of public property by a private party and is in lieu of the property tax.

↑ **Voting Rights Act:** [HB 1800](#) ([SB 5267](#)) promoted equal voting opportunities in certain political subdivisions by authorizing district-based elections, required redistricting and new elections in certain circumstances, and established a cause of action to address lack of voter opportunity.

↑ **Weights and Measures:** [HB 1773](#) modified the schedule of fees charged under the weights and measures statute, modified the schedule of penalties assessed under the weights and measures statute, and directed the Department of Agriculture to adopt certain weights and measures standards.

↑ **Business Improvement Areas:** [HB 1823](#) made clarifications to current law by fixing technical issues and streamlining the process to establish a Business Improvement Area.

↑ **Unreinforced Masonry:** [HB 1995](#) created a historic building rehabilitation financing pilot program in the Department of Commerce to provide loans and grants within a selected municipality.

↑ **Electrical Customer Billing:** [SB 5624](#) required an electric utility to disclose the amounts of federal, state, and local taxes collected and paid by the electric utility on billing statements sent to retail electric customers as well as provide written notice for any public hearing when changes in rates or charges will be considered or approved.

↑ **Repeal I-200:** [HB 1158](#) repealed Initiative 200. In 1998, the voters approved Initiative 200 and it prohibits the state from discriminating against or granting preferential treatment to an individual or a group based on race, sex, color, ethnicity, or national origin in the operation of public employment, public education, or public contracting.

↑ **Municipal Access to Credit Unions:** [HB 1209](#) ([SB 5369](#)) allowed credit unions to accept public deposits over the maximum insured amount.

↑ **Ban the Box:** [HB 1298](#) & [SB 5312](#) prohibited employers from asking about arrests or convictions before an applicant is determined otherwise qualified for a position. [SB 5312](#) included a several provisions that prohibited ads or policies excluding applicants with criminal records and preempted local laws and ordinances.

Environment

Legend: ↑= City supported, ↓ City Opposed; bill # (companion bill #)

Bills Passed

↑ **Solar Incentives:** [SB 5939](#) modified the renewable energy system tax incentives by closing the current Renewable Energy Cost-Recovery Incentive Program and establishes a new production incentive program starting July 2017, with declining incentive rates depending on the fiscal year of certification and system type. The per-utility cap is increased from 0.5% of retail revenue to 1.5%. Further, the Department of Ecology is required to develop guidance for solar module stewardship by January 2018.

Bills Not Passed

↑ **Model Toxics Control Act:** [HB 1663](#) ([SB 5501](#)) imposed a surcharge on the possession of hazardous substances that would be triggered when the underlying hazardous substance tax is projected to raise less than \$160 million in a year.

↑ **Electrification of Transportation:** [HB 1335](#) provided authority for Seattle City Light to offer incentives/rebates for electric vehicle charging stations by establishing legislative intent to provide authority for municipal utilities to engage and promote the build-out of electric vehicle infrastructure.

↑ **Airport Environmental Impacts:** [HB 1171](#) ([SB 5225](#)) directed for the completion of a study of certain environmental impacts, including ultrafine particulate emissions, associated with aircraft traffic in areas impacted by airport operations. Please note that though this bill did not pass, the Operating Budget did include funding for a Sea-Tac air quality study associated with aircraft traffic and ultrafine particulate matter air pollution.

↑ **Medicine Stewardship:** [HB 1047](#) created a statewide drug take-back and disposal program for prescription and over-the-counter medicines by pharmaceutical manufacturers selling medicines in Washington State.

↑ **Paint Stewardship:** [HB 1376](#) required producers of architectural paint to participate in a stewardship program for managing disposal of leftover paint.

↑ **Carbon Emissions Tax:** Several legislative proposals were put forward this year that would have created a carbon emissions tax. [SB 5127 \(HB 1555\)](#), introduced by request of the Office of Financial Management, established a carbon pollution tax of \$25 per metric ton, established an investment program to reduce greenhouse gas emissions, facilitated the transition to a clean energy economy, and invested in K-12 education. [SB 5385](#) imposed a carbon tax equal to \$15 per metric ton of carbon dioxide on the carbon content of fossil fuels extracted, manufactured, or introduced into Washington; repealed any other state agency rule, policy, or standard that sets a greenhouse gas emissions standard, limit, cap, or charge; and directed the carbon tax revenue to be spent on storm water projects, fish barrier correction projects at state highways, renewable energy and energy efficiency programs, student transportation, and highway maintenance and preservation. [HB 1646 \(SB 5509\)](#) promoted an equitable clean energy economy by creating a carbon tax that allows investment in clean energy, clean air, healthy forests, and Washington's communities. The bill imposed an escalating tax on greenhouse gas emissions from fossil fuels and electricity beginning July 1, 2018, at a rate of \$15 per ton of carbon dioxide equivalent emissions and distributes revenue from the greenhouse gas tax to various new programs, including a fund used for certain workers who lose their jobs, a grant program for low-income individuals, and specified types of energy, water, and forest health projects. [SB 5930](#) set a carbon tax of \$15 per metric ton of CO₂, beginning in July 2018, which would increase annually until it reached \$30 per ton. It was projected to raise about \$1.8 billion per year by 2024 and estimated to reduce greenhouse gas emissions by 180 metric tons over the next 17 years.

Education

Legend: ↑ = City supported, ↓ = City Opposed; bill # (companion bill #)

Bills Passed

McCleary and K-12 Basic Education Funding: One of the most notable items the Legislature worked on and passed this session is a solution to the *McCleary* Order issued from the Supreme Court. The Legislature released details to the plan on June 29th and passed [EHB 2242](#) on June 30th. The items addressed under this plan include the following:

- **Updated Funding Model:** The prototypical school funding model remains in place as the mechanism to determine funding allocations but a new requirement is added that the Superintendent of Public Instruction must provide per-pupil funding rates for each school district for both general apportionment and specified categorical programs.
- **Salaries, Benefits, and Professional Learning:** The legislation increases and revises the state allocations for K-12 basic education salaries beginning in school year 2018-19 and implemented fully in school year 2019-20. Salaries will be based on statewide average allocations for each staffing type and will include a regionalization factor, but will be

subject to local collective bargaining with minimum and maximum salaries specified in statute. The Legislature is required to review salary allocations beginning in 2023 and every six years after to ensure market-rate salaries are being provided and the regionalization factors are accurate. Further, this plan also establishes the School Employees Benefits Board (SEBB) within the Health Care Authority which will be responsible for the development and administration of the school employee benefit plans. Additionally, state allocation is provided for professional learning days.

- **Levy Reform:** Beginning in 2019, the maximum local levy that can be collected is the lesser of \$2,500 per student and \$1.50 per \$1,000 of assessed property value. Local levies are limited to enrichment programs beginning in the 2019-20 school year and require a pre-ballot approval of expenditures and revises school district accounting, auditing, and budget practices. On the state side, a new property tax is established beginning in calendar year 2018, for a total of \$2.70 per \$1,000 of assessed value.

↑ **Levy Cliff:** [SB 5023](#) extended the current school district levy authority by one year, created a requirement that starting in 2018, levy collection must be deposited into a local revenue sub-fund to track the amount and object of expenditures from levy dollars and that school districts must have future local levies and expenditures approved by the Office of the Superintendent of Public Instruction.

↑ **Outdoor Preschools:** [SB 5357](#) established a four-year pilot program to license outdoor, nature based early learning and child care programs. The Department of Early Learning will select up to ten pilot locations during the first year of the pilot, adopt rules to implement the pilot project and submit a status report each year.

↑ **Early Learning Facilities Financing:** [HB 1777](#) established the Early Learning Facilities Revolving Loan Account and the Early Learning Facilities Grants and Loan Program for school districts and other eligible organizations to provide funds for the planning, renovation, purchase, and construction of early learning facilities.

Bills Not Passed

↓ **Landmark Preservations and School Districts:** [SB 5805](#) would allow for school district property to subject to state and local landmark or historic preservation regulations only to the extent approved by the board of directors of the school district. This would apply to school districts with more than fifty thousand students.

↑ **Breakfast After the Bell:** [HB 1508](#) required qualifying high-needs school to offer breakfast after the bell programs to students after the beginning of the school day. The bill authorized the Office of Superintended of Public Instruction (OSPI) to coordinate with the Washington Department of Agriculture to promote farm-to-school initiatives.

V. An Interconnected City

Transportation

Legend: ↑ = City supported, ↓ = City Opposed; bill # (companion bill #)

Bills Passed

↑ **Transportation Budget:** [SB 5096](#) appropriates \$8.5 billion for the 2017-2019 biennial transportation budget. The transportation budget was passed by the House with a vote of 82-14 and the Senate with a vote of 48-0.

Some funding highlights include the following:

- \$60 million of additional TPA funds in the 2017-19 biennium to ensure the project has adequate cash flow to stay on track with the contractor's schedule of opening for use by the spring of 2019. In addition, the budget uses \$122 million of TPA bonds to be repaid from tolls to fund the existing project budget. The toll rate setting process is expected to begin in fall 2017, with tolling to begin when the tunnel opens.
- \$16 million to add new capacity on I-5 from Seneca Street to Olive Way.
- \$12.5 million of multimodal funds are included in the budget for transit mitigation during construction of the AWV tunnel project.

↑ **Distracted Driving:** [SB 5289](#) ([HB 1371](#)) prevents drivers from holding a smartphone, tablet, or communication device while driving, or using a mounted device that requires more than a tap. The legislation doubles the penalty amount for personal electronic device use infractions for second and subsequent offenses.

REAL ID: [SB 5008](#) ([HB 1041](#)) requires the Department of Licensing (DOL) to facilitate compliance with the federal REAL ID act and mark standard driver's licenses and identicards to indicate they are not acceptable for federal identification purposes. A standard driver's license or identicard marked in accordance with the federal REAL ID act may not be used as evidence of or as a basis by which to infer an individual's citizenship or immigration status nor can it be used as a basis for the criminal investigation, arrest, or detention of that person if the person otherwise would not be criminally investigated, arrested, or detained. The fees for full-term enhanced driver's licenses and enhanced identicards are reduced.

Bills Not Passed

↓ **Transportation Network Companies:** [SB 5620](#) created a statewide regulatory framework for transportation network companies, including requirements for annual permits, administered by

the Department of Licensing. The legislation preempted the City's regulatory framework for transportation network companies.

↑ **Oil Safety Transportation:** [HB 1611](#) changed regulatory programs covering the overland and overwater transportation of oil, including requiring rule-making by the Board of Pilotage Commissioners to require tug escorts for oil-laden vessels in Puget Sound, and required updates to oil refinery spill prevention and contingency plans to address the handling of crude oil for export.

Safety Net and Housing

Legend: ↑ = City supported, ↓ = City Opposed; **bill #** (companion bill #)

Bills Passed

↑ **Paid Family and Medical Leave:** [SB 5975](#) creates a statewide paid family and medical leave program. Beginning January 1, 2020, up to 12 weeks of paid family leave and 12 weeks of medical leave will be provided. The legislation establishes a combined leave limit of 16 weeks in a year with an additional two weeks for incapacity due to pregnancy and requires an employee to work 820 hours to be eligible. A premium shared between the employee and employer is established with the employee paying 100 percent of the premium portion for family leave and 45 percent of the premium for medical leave.

↑ **Pregnancy Accommodation:** [SB 5835](#) provides that it is an unfair practice for an employer that employs 15 or more employees to refuse to make reasonable accommodations for an employee's pregnancy and pregnancy-related health conditions. Requires the Attorney General to investigate complaints, and provides a civil cause of action. Requires certain health facilities to establish skin-to-skin contact and room-in policies for newborn infants. Creates the Healthy Pregnancy Advisory Committee to develop a strategy to improve health outcomes for mothers and infants.

↑ **Buildable Lands and Homelessness Programs:** [SB 5254](#) extends the \$40 local homeless housing and assistance surcharge to 2023; allows revenue from the local real estate excise tax (REET II) to be used for homeless housing development thru 2019; makes changes to the GMA's buildable lands program thru 2030; and requires the Department of Commerce to contract for the development of a buildable lands program guidance for use by local governments.

↑ **Effectiveness of the Document Recording Fee:** [SB 5252](#) requires the Department of Commerce to develop measures to measure the effectiveness of the document recording fee surcharge funds in supporting homeless programs and to report the findings and recommendation to the Legislature by the end of 2017. The Department of Commerce is also required to develop a process to increase the effectiveness of its biennial report and directs the

Joint Legislative Audit and Review Committee (JLARC) to review how the document recording surcharge fees are being used to address homelessness.

↑ **Unaccompanied Homeless Youth and Primary Care Services:** [HB 1641](#) authorizes informed consent for health care on behalf of a patient to be obtained from a school nurse, school counselor, or homeless student liaison under certain circumstances. Consent must be necessary for nonemergency outpatient primary care services, the patient meets the definition of a homeless child or youth under the Federal McKinney-Vento Homeless Assistance Act, and is not under the supervision or control of a parent, guardian, legal guardian, and is not in the care and custody of the Department of Social and Health Services.

Bills Not Passed

↑ **Affordable Care Act:** [HB 1523](#) ([SB 5602](#)) required health plans to cover the same preventive services required by federal law as of December 31, 2016.

↑ **Wage and Salary Information:** [HB 1533](#) ([SB 5555](#)) prohibited employers from seeking an applicant's wage or salary history and required employers to provide wage scales and salary ranges to employees and applicants upon request.

↑ **Equal Pay:** [HB 1506](#), [SB 5140](#), & [SB 5344](#) Three equal pay bills were introduced this session and each one modified the Equal Pay Act and prohibited discrimination in providing employment opportunities based on gender. [SB 5344](#) prohibited the payment of wages at a rate less than what is paid to employees in the same establishment of the opposite sex for equal work. The bill also authorized differentials in wages, including bona fide job-related factors, and granted employees certain rights to bring civil action for equal pay and workplace violations.

↑ **Homeless Housing and Assistance:** [HB 1570](#) made the temporary \$40 local homeless housing assistance surcharge permanent, allowed counties to charge and retain an additional surcharge for homeless housing and assistance, authorized additional homeless housing and assistance surcharges imposed by a county to be used to pay off general obligation bonds issued by the county for homeless housing and assistance, and created new reporting requirements and studies for certain homeless assistance programs.

↓ **Goal of ending Homelessness:** [SB 5864](#) aimed to end homelessness by creating new procedures for reunifying homeless youth/minors with their families, required shelter space to be made available to all individuals, pre-empted local guidelines for encampments, and extended the document recording fee until 2022.

↑ **Youth Homelessness:** [HB 1630](#) ([SB 5625](#)) allowed unaccompanied minors aged 13-18 to consent to share personally identifying information under Washington's Homeless Management Information System (HMIS). Washington State's HMIS informed consent privacy standards require HMIS participants to "opt in" to the HMIS system by signing a form.

↑ **Budget Stabilization Account:** [SB 5911](#) provided \$160 million from the budget stabilization account for housing assistance, support services, and other purposes to address the state’s homeless population.

↓ **Purchase of foods under Food Assistance Programs:** [SB 5897](#) prohibited the purchase of sweetened beverages, desserts, and candy with supplemental nutrition assistance program benefits. It would have required the Department of Social and Health Services to seek the necessary exemptions, waivers, and amendments to Federal statutes, rules, and regulations to authorize the state to enforce the prohibition.

↑ **Local Options for Affordable Housing:** [HB 1797](#) provided a one-time sales tax remittance, REET 2 flexibility to be used for affordable housing development through 2022, and authorized the King County Council to seek an existing 0.1 percent local sales and use tax for mental health services and affordable housing.

↑ **Preservation Tax Exemption:** [SB 5182](#) allowed municipalities to provide a property tax exemption for landlords who preserve at least 25% of their units for rent to people who make less than 50% of the area’s median income. This property tax exemption would have been permitted for up to 15 years.

↑ **Tenant Protections:** [HB 1633](#) ([SB 5407](#)) prohibited landlord discrimination based on an applicant’s or tenant’s lawful source of income.

↑ **Notice of Termination:** [SB 5408](#) ([HB 2040](#)) increased the notification requirements for terminating a residential rental agreement from 20 days to 30 days.

↓ **Protected Classes of Housing:** [SB 5569](#) pre-empted a city, town, or county, from enacting, maintaining, or enforcing ordinances related to source of income discrimination or political ideology.

↓ **Safe Injection Sites:** [SB 5223](#) ([HB 1761](#)) blocked cities and counties in Washington State from hosting safe injection sites.