

**CITY COUNCIL AGENDA ITEM**  
CITY OF SHORELINE, WASHINGTON

<b>AGENDA TITLE:</b>	2013 State Legislative Priorities		
<b>DEPARTMENT:</b>	CMO		
<b>PRESENTED BY:</b>	Scott MacColl, Intergovernmental Relations Manager		
<b>ACTION:</b>	<input type="checkbox"/> Ordinance	<input type="checkbox"/> Resolution	<input type="checkbox"/> Motion
	<input checked="" type="checkbox"/> Discussion	<input type="checkbox"/> Public Hearing	

**PROBLEM/ISSUE STATEMENT:**

The 2013 Legislative Session is approaching with a new Governor and potentially a change in the Senate majority party. This memo outlines the challenges ahead and presents draft 2013 Legislative Priorities for Council's review and potential approval.

The Legislature must pass a 2013-2015 biennial budget which coincides with a long, or 120 day, legislative session. One of the main issues facing the legislature is how to deal with education funding, prompted by the McCleary lawsuit, which says that the state isn't doing its paramount duty to fund public education. The Governor will propose a balanced budget prior to leaving office, but the new Governor will have to work with the Legislature to actually pass the budget.

This year transportation funding, both statewide and local funding options, will be a priority topic for the legislature. Cities, counties and transit agencies are all advocating for local options to fund transportation needs. King County and its cities must come to an understanding about what type of funding and how the revenues are divided in order to be successful in Olympia.

Staff proposes the attached (Attachment A) legislative priorities and core principles for Council to review and approve which, once adopted, provide policy direction to guide staff in determining support or opposition to specific legislation. The core principles were approved by Council in June in anticipation of the Association of Washington Cities Conference to provide Councilmembers direction at the conference and in advance of the legislative session.

Staff utilizes these priorities to determine whether the City supports or opposes specific legislation and amendments in Olympia during the legislative session.

**RECOMMENDATION**

Staff recommends Council approve the attached legislative priorities to provide staff policy direction for the upcoming legislative session.

Approved By: City Manager **JU** City Attorney **IS**

## INTRODUCTION

The 2013 Legislative Session is approaching with a new Governor and potentially a change in the Senate majority. This memo outlines the challenges ahead and presents draft Legislative Priorities for Council's review and potential approval.

The Legislature must pass a 2013-2015 biennial budget which coincides with a long, or 120 day, legislative session. One of the main issues facing the legislature is how to deal with education funding, prompted by the McCleary lawsuit, which says that the state isn't doing its paramount duty to fund public education. The Governor will propose a balanced budget prior to leaving office, but the new Governor will have to work the Legislature to actually pass the budget.

Given that the Governor's budget must be balanced, the submitted budget may look quite different at the end of the legislative session as has happened in previous years. The Governor's staff relayed that the three primary goals for the Governor's final budget is to deal with the McCleary case (education funding), transportation funding, and state parks.

One of the likely primary AWC goals is to ensure that cities don't lose any more financially, and to try and recapture some of the state liquor revenues that cities have traditionally received. Both the Governor's likely proposal and local governments agree that there is a strong need for transportation funding options.

Conversations are ongoing regarding local transportation funding options, including through the Washington Mayors Transportation Forum that the Mayor has been participating in. After last year's legislative session, cities and King County received a very clear message from the legislature – don't bother asking for new funding options if you are not in agreement. King County has significant funding gaps for both the roads fund and Metro, as the congestion relief measure (\$20 car tab fee) expires in 2014. Therefore, staffs from cities and King County are having ongoing conversations regarding potential funding options and splits for distributing the revenue.

There are a number of options on the table including a potential gas tax increase, implementation of a 1% Motor Vehicle Excise Tax (MVET), Transportation Benefit District (TBD) authority to increase the councilmanic portion from \$20 to \$40, and a fee on electric vehicles in lieu of paying the gas tax. However, transportation funding is complicated by the state's desire to develop a transportation funding package along with local jurisdiction's need to increase transportation funding; both could utilize the same funding sources (Gas Tax, MVET, sales tax). Legislative leaders have expressed concern that if local jurisdictions receive funding options this year, there won't be funding available nor would voters support a statewide package in 2014.

On the capitol budget side, the Governor's staff indicated that there will be a capital budget of around \$1 billion for the biennium. The City has committed to supporting the capital funding request of \$3 million from International Community Health Services (ICHS) for their new Shoreline clinic.

Staff proposes the attached legislative priorities and core principles for Council to review and approve which, once adopted, provide policy direction to guide staff in determining support or opposition to specific legislation. The core principles were approved by Council in June in anticipation of the Association of Washington Cities Conference to provide Councilmembers direction at the conference and in advance of the legislative session.

The City actively monitors legislative proposals at the state level, as our success in advancing the City's position in Olympia depends on providing accurate and timely information to Legislators and their staff that illustrate the impacts of pending legislation on Shoreline. The City continues to work with AWC, which provides a consistent voice and a strong presence for cities in Olympia.

Staff utilizes these priorities to determine whether the City supports or opposes specific legislation and amendments. Key pieces of legislation that do not fall under the Council's Legislative Priorities will be presented to the Council for review. However, legislation changes very rapidly, sometimes within hours, and there usually is not time to review changes with the Council. The legislative priorities are therefore primarily drafted as general policy positions to provide staff and our Council representatives the flexibility to respond quickly to requests for information or input.

Once the Legislative Session begins, the House and Senate create their own alternative budgets which are used to negotiate a compromise budget between the Legislature and the Governor. The operating budget omnibus bill is usually the final piece of legislative business prior to sine die (the official end of the legislative session).

### **RECOMMENDATION**

Staff recommends Council approve the attached legislative priorities to provide staff policy direction for the upcoming legislative session.

### **ATTACHMENTS**

Attachment A: Draft 2013 Legislative Priorities and Core Principles

## **ATTACHMENT A**

### **City of Shoreline**

#### **2013 Shoreline DRAFT Legislative Priorities and Core Principles**

##### **Legislative Priorities**

1. Advocate for local transportation funding options such as levying a 1% MVET or an increase in councilmanic TBD authority to \$40
2. Support efforts to return \$10 million of diverted liquor revenues and reinstate the local share of excess liquor profits to cities
3. Support legislation to encourage, promote, or provide incentives to local jurisdictions in order to get transit-supportive densities.
4. Support continued efforts for state funding to address NPDES Phase II requirements
5. Clarify Metadata related to public disclosure requests

##### **Core Principles**

- Raise additional state revenues to restore funding for local government, provide full funding for basic education, and increase funding for community colleges
- Authorize local governments to increase all local revenue sources at rates not exceeding the rate of rising costs in the long term, possibly including an increase in the property tax cap;
- Provide for the consolidation of utilities within Cities, as the most efficient providers of urban services;
- Create viable dedicated funding opportunities for transportation purposes, such as the TBD fee or the MVET
  - Shoreline prefers the MVET as a more progressive value-based tax