

LEGISLATIVE STEERING COMMITTEE

AGENDA

February 2nd, 2012 – 8:00 AM TO 10:00 AM

WASHINGTON PUD ASSOCIATION BUILDING – OLYMPIA, WA

8:00 am – Welcome and Introductions

8:15 am – Co-Chair Remarks & Approval of Agenda

8:30 am – County/City Revenue Package (Action Item)

8:45 am – Jobs Package (Action Item)

9:00 am – Transportation Package Update (Action Item)

9:30 am – HPA, SEPA and GMA Standings reform bills (Action Item)

9:45 am – Updates

10:00am – Adjourn and head to the hill

12:00pm – Lunch at the Washington PUD Association building

LEGISLATIVE STEERING COMMITTEE

ISSUE PAPER

Date	February 2, 2012
Category	Action
Policy Area	General Government
Subject	Cost Control and Revenue Package
Staff Contact	Scott Merriman, smerriman@wacounties.org

Issue:

The LSC agenda is focused on seeking legislation to control costs and revenue generation/flexibility. WSAC has partnered with AWC on two bills. This issue paper provides an update on the bills.

The utility tax bill currently is countywide with a credit for city paid utilities. Some cities don't impose the tax or don't impose to the fully authorized rate. The cities will not support the counties ability to impose the tax or go beyond their rate unless approved by the city.

Background:

HB 2728/SB 6521 the bills include:

- More flexible use of development fee revenues from building permits and other land development application fees to help cover administrative costs and long range planning.
- Authority to raise the vehicle license fee for a transportation benefit district (TBD) from \$20 to \$40 with councilmanic approval.
- Consistent with current county and state authority, allows cities to charge a fee for credit card transactions.
- Authorization for an unincorporated area utility tax for counties (still to be determined what can be imposed, if anything, within city limits). Specifically:
 - ✓ King County – May impose a 6 percent utility tax on all utilities and natural gas.
 - ✓ All other counties – May not impose a natural gas utility tax, may impose a 6 percent utility tax on electricity, cable, sewer, solid waste, water, telephone.



- For taxing districts, other than the state, the ability to increase property taxes to 101 percent or 100 percent plus inflation, whichever is greater (inflation was determined by the implicit price deflator, or IPD).
- Legislative authority to impose the optional criminal justice sales tax (rather than needing voter approval).

HB 2461/SB 6372, cost savings bill includes:

- Amending the frequency of financial audits.
- Enhancing ability to use volunteers without affecting employment issues.
- Providing for greater use of impact fee waivers for low-income housing, if a county waives the fee, it must be paid by the current expense fund.
- Putting in place new guidelines for binding interest arbitration by including the ability to pay, budget priorities and arbitrator skills.
- Changing requirements in new Phase 2 NPDES municipal storm water permits.
- Addressing the non-use of car seats or seatbelts as admissible evidence in civil actions.
- Reducing publication requirements for legal notices and adopted ordinances.
- Convening a workgroup of counties, cities, local health jurisdictions and the Department of Health to develop a preferred funding and service delivery method for public health across the state.

Staff Recommendation:

Support an amendment adding language into the utility tax bill requiring approval from the city if the county wants to exceed/or impose inside the city rate.

LSC Action/Decision:



LEGISLATIVE STEERING COMMITTEE

ISSUE PAPER

Date	February 2, 2012
Category	Action
Policy Area	Public Works and Infrastructure
Subject	2012 Jobs Bill
Staff Contact	Scott Merriman, smerriman@wacounties.org

Issue:

Both the House and Senate capital budget chairs have developed similar "jobs packages". Both of them depend on a revenue bond to finance the investments. Both depend on future revenue diversions from the Public Works Trust Fund (PWTF) and other accounts.

The Public Works Board has proposed legislation to modernize and update the PWTF. If enacted, the PWTF would have the ability to loan funds for traditional infrastructure and other capital facilities in an adopted capital facility plan.

Background:

DRAFT

**Chair Dunshee Proposal
(Dollars in Thousands)**

DRAFT

Project List Amount

Governmental Operations

Department of Commerce

Building Communities Fund Program	10,000
Energy Efficiency Grants for Local Governments	43,000
Energy Efficiency Grants for Higher Education	25,000
Housing Assistance and Affordable Housing	100,000
New Energy	5,000
Public Works Assistance Account Program -- Additional Round	100,000
Public Works Assistance Account Program 2013 Loan List	160,328
Weatherization	25,000
Total	468,328



Office of Financial Management	
Aerospace and Manufacturing Training Equipment Pool	2,265
Department of Enterprise Services	
Legislative Building Critical Exterior Repairs (Capitol Dome)	1,400
Total Governmental Operations	471,993
Human Services	
Department of Health	
Drinking Water Safety	15,000
Total Human Services	15,000
Natural Resources	
Department of Ecology	
Clean Up Toxics Sites	33,300
Eastern Washington Clean Sites Initiative	11,100
Remedial Action Grant Program	45,000
Statewide Stormwater Projects	42,000
Water Quality Program	48,000
Total	179,400
State Parks and Recreation Commission	
Culverts	1,000
Energy Conservation	215
Revenue Generation	4,255
Deferred Maintenance	820
Improve Park Experience	2,640
Total	8,930
Recreation and Conservation Funding Board	
Family Forest Fish Passage Program	10,000
State Conservation Commission	
Conservation Reserve Enhancement Program (CREP)	1,277
Farms and Water Quality	5,000
Total	6,277
Department of Fish and Wildlife	
Dry Forest Restoration	796
Fishway Improvements/Diversions	8,000
Hatchery Improvements	43,000
Minor Works	19,635
Total	71,431
Department of Natural Resources	
Forest Safety	8,470
Fish Passage	11,834
Puget SoundCorps and Other Puget Sound Restoration Projects	18,485
Restoration Projects to Improve Natural Resources	2,560
Total	41,349
Total Natural Resources	317,387
Higher Education	
Washington State University	



High Tech Education Equipment	940
Riverpoint Biomedical and Health Sciences	35,000
Total	35,940
Community & Technical College System	
Equipment Pool	20,000
Olympic College: College Instruction Center	3,624
Skagit Valley Academic and Student Services Building	30,574
Lower Columbia College Health Science Building	38,615
Everett Community College Corporate and Continuing Ed Center	4,000
Spokane Community College Extended Learning Center	3,100
Total	99,913
Total Higher Education	135,853
Other Education	
Public Schools	
Energy Efficiency Grants for K-12 Schools	40,000
Urgent Repair Grant Program	10,000
Pierce County Skills Center	4,800
Total	54,800
Statewide Total	995,033
Resources:	
Revenue Bonds	717,000
Higher Ed Bonds/COPs	111,289
Public Works Assistance Account Cash	160,328
General Obligation Bond Savings (Assumes Nov 2011 Forecast)	134,462
Heritage Center Account	6,500
TOTAL	1,129,579

Senate Proposal

Millions

Commerce	
Innovation Partnership Zones Infrastructure	20
Traditional CERB	45
Main Street Grants	20
Brownfield Redevelopment	10
Port and Export Related Infrastructure	40
Weatherization	20
Affordable Housing Small Repair Grants	25
Housing for Dev. Disabilities Clients	5
2013 PWB Loan List	160

Department of Health



Drinking Water Safety Grants	20
Veterans Affairs	
Complete Federally Funded Nursing Home for Veterans	13
Ecology	
Stormwater - Low Impact Dev.	50
Stormwater Retrofit & Repair	50
Flood Levy/Drought Preparation	30
Wastewater Treatment Grants	45
Accelerate Toxic Clean up & Brownfields	77
RCO	
Family Forest Fish Passage Program	10
DNR	
Forest Health	5
Culverts	10
Remove Creosote Pilings	5
Remove Derelict Vessels	5
Puget Sound Corps	10
Shoreline Restoration	10
Parks	
Infrastructure and amenities at Destination Parks.	10
Higher Education	
4-Year University High Demand Facilities	96
Com. & Tech. Colleges High Demand Facilities	69
Major Equipment for High Demand Higher Ed	15
OSPI	
Small Repair Grants	13
Energy Efficiency	13
Distressed Schools	45
Skills Centers	41



Total	\$987
Resources:	
Revenue Bonds	567
Higher Ed Bonds/COPs	165
PWAA Cash	160
GO Bond Savings Net of Gov's Supplemental (excl transfers from Operating Budget)	95
Total	\$987

Staff Recommendation:

Support the House investment strategy because it funds a variety of investments important to counties. We should also seek amendments to fund county facilities (jails, courthouses, fairs, etc) and include the proposed amendments to the PWTF so future-funding rounds would meet diverse needs across counties.

LSC Action/Decision:



LEGISLATIVE STEERING COMMITTEE

ISSUE PAPER

Date	February 2, 2012
Category	Action
Policy Area	Transportation
Subject	Transportation Revenue Package
Staff Contact	Scott Merriman, smerriman@wacounties.org

Issue:

The Governor introduced a comprehensive revenue package earlier this month. The package as introduced appears to be short of the votes needed. Both chairs are proposing an alternative package.

Background:

The House will attempt a smaller barrel fee bill that exempts aviation, marine and export fuels. With the revenue, they also plan to increase the local's share and utilize direct distribution.

The House will also revive HB 2053 which raises a variety of fees. Those fees will be invested in several programs and counties will specifically see an increase in the County Arterial Preservation Account. It will also raise enough funding to build the second 144 car ferry.

The Senate will introduce a local options bill that has the following components:

1. Increasing the authority for a Transportation Benefit District (TBD) to raise the vehicle license fee from \$20 to \$40 with a simple majority vote of the TBD.
2. Allows a county, via a TBD, to implement a voter approved 1% motor vehicle excise tax that can be invested broadly.
3. Increases the county road levy from 101% to 103%. The 2% increase cannot be diverted or shifted. The increment can be invested consistent with the TBD investments. This is broader than the current road levy.
4. A voter approved city or county motor vehicle fuel tax. The tax may be imposed in one penny increments up to a maximum of three pennies.

Staff Recommendation:

Allow staff to continue working on and support the bills with modifications. The county motor vehicle excise tax option needs a substantial rewrite in order for it to work countywide and meet King County's agreement with the state.



LSC Action/Decision:



LEGISLATIVE STEERING COMMITTEE

ISSUE PAPER

Date	February 2, 2012
Category	Update
Policy Area	Natural Resources
Subject	HPA Legislation – SB 6406
Staff Contact	Josh Weiss

Issue:

Senator Hargrove has introduced legislation that substantially amends the law relating to the Department of Fish and Wildlife’s (DFW) Hydraulic Project Approval (HPA) program.

Background:

The WSAC 2012 legislative agenda includes “Streamlining permitting processes by implementing alternative approaches for Hydraulic Project Approvals.”

At the January 19, 2012 meeting the Legislative Steering Committee approved the following staff recommendation:

WSAC staff should continue to engage in legislative negotiations to support the best package of regulatory reforms possible. A final package will be brought back to LSC.

The LSC also directed staff to work with the DFW to develop a proposal that would integrate HPA regulation for a limited number of projects above the ordinary high water line into existing regulatory programs.

SB 6406 includes the following provisions:

Hydraulic Project Approval Program

- Clarifies jurisdiction for the HPA program. HPA’s would be required for:
 - Projects conducted at, below, or physically connected to projects at or below the ordinary high water line
 - A list of seven types of projects located above the ordinary high water line (such as bridge repairs, and outfalls that discharge to state waters)
- Authorizes general HPA’s
- Civil enforcement



- The language included is consistent with commitments made by the Director of DFW to WSAC during the last legislative session
- The agency could issue civil penalties only after approval of the director
- Other than an amount necessary for the agency to recover its costs, revenue from civil penalties would be deposited into the general fund
- The agency would provide statistics on enforcement actions
- Requires the Office of Regulatory Assistance to perform a review of state, federal and local government regulatory programs to determine if those programs adequately protect fish life above the ordinary high water line
- Implements new fees for HPA's ranging from \$125 to \$700 for most projects
- Restricts the agency from entering into a Habitat Conservation Plan for the hydraulics program until it has implemented the other provisions of the bill

Forest Practices

- Exempts forestry activities that receive a Forest Practices Application (FPA) from the HPA requirement
- Increases fees for FPA's, from \$50 to either \$100, \$150, or \$3500 for those that are converting to a non-forestry use
- Extends duration of FPA's from two to three years

Growth Management Act

- Changes the standard for making an appeal under the GMA by removing the participation standing category

State Environmental Policy Act

- Makes many of the same changes to SEPA as found in HB 2253 and SB 6130, but is stronger in the following ways:
 - The Council on Environmental Quality, which currently exists in law (as opposed to the Categorical Exemption Board), is given authority to adopt SEPA streamlining rules in addition to categorical exemptions
 - Much of Ecology's SEPA rulemaking authority is transferred to the Council. The Council is composed of five members: a county planning director, a city planning director, an business representative, an environmental representative, and the Director of the Department of Ecology
 - Authorizes local governments to adopt their own unique local environmental checklists if the jurisdiction determines that questions on the standard environmental checklist are adequately addressed by other local, state, or federal laws
 - Requires local governments to combine the environmental review process with the permit review process, such that there is no more than one formal comment period, one open record hearing, and one closed record appeal
- The bill does not include statutory categorical exemptions

WSAC staff have met several times with DFW staff to further develop a way to integrate HPA regulation into existing regulatory programs for some projects above the ordinary high water line. The current proposal is as follows:

- DFW uses current HPA rulemaking to clarify fish protection best management practices and standards for the seven project types listed in the bill above the ordinary high water line
- Cities or counties who are interested in using local codes to issue HPAs provide local ordinances to DFW for review of whether the local codes provide equivalent protection. Jurisdictions can choose to issue permits for all or some of the seven project types.



- DFW undergoes an equivalency analysis of the local codes and fish protection BMPs for the project types selected by the local jurisdiction. Any regulatory gaps are identified and any necessary code enhancements, based on the best management practices, are detailed.
- Local jurisdictions, informed by the information about necessary code changes, decide whether to finish the process and finalize a Memorandum of Agreement with DFW.

This process would be accompanied by the following legislative timelines:

- Upon effective date of the bill, fees and civil enforcement start. DFW continues to issue HPAs under current jurisdictional authority
- End of 2013 – DFW adopts rules for standards and BMPs
- Through 2014 – Some jurisdictions engage DFW in process to determine whether to assume jurisdiction (equivalency analysis) and complete an MOA. At this point stakeholders and public will have the information to determine whether this process will bear fruit
- 2015 & 2016 session – Legislature receives report from DFW on progress (2015) and if they so decide, take action to change course.
- July 2016 – Jurisdiction of HPAs for projects over the OHWL is clarified

Staff Recommendation:

N/A

LSC Action/Decision:



LEGISLATIVE STEERING COMMITTEE

ISSUE PAPER

Date	February 2, 2012
Category	Update
Policy Area	Land Use
Subject	SEPA Streamlining Legislation
Staff Contact	Josh Weiss

Issue:

The 2012 WSAC legislative agenda includes the recommendation to “streamline permitting processes by minimizing outdated and unnecessary SEPA reviews.” Legislation has been introduced that makes a variety of changes to the State Environmental Policy Act (SEPA).

Background:

Several bills have been introduced during the 2012 session that address this topic, most notably HB 2253 (Fitzgibbon) and its companion SB 5130 (Rolfes), and Senator Hargrove’s SB 6406.

At the January 19, 2012 meeting the Legislative Steering Committee approved the following staff recommendation:

WSAC staff should continue to work with Representative Fitzgibbon and other stakeholders to try and keep as many helpful provisions in the (SEPA) legislation as possible. If no other provisions appear politically feasible, WSAC should support legislation that only includes revised categorical exemptions for non-project actions in all jurisdictions, as this would save counties money.

Since that LSC meeting the House Environment Committee passed a substitute version of HB 2253. The Senate has not moved forward with the companion bill, but appears to be moving SB 6406 (Hargrove) forward. Unless Senator Hargrove is able to keep stronger SEPA provisions in SB 6406 as part of an overall compromise on that legislation, the provisions in HB 2253 appear to be the most likely to be approved.

Substitute HB 2253 includes the following provisions:

- Includes revised categorical exemptions for non-project actions in all jurisdictions
- Requires the Department of Ecology to conduct a two-part rulemaking process that is informed by a stakeholder advisory committee



- Part 1 would conclude by December 31, 2012 and would:
 - Update the project categorical exemptions for single family, multifamily, commercial, agricultural, landfilling and excavation, and utility lines
 - Update the SEPA checklist to remove duplicative questions, and not add new questions
- Part 2 would conclude by December 31, 2013 and would update all project categorical exemptions
- Until rulemaking is concluded, the existing maximum optional categorical exemption levels would become the new exemptions unless a jurisdiction passes an ordinance to lower the exemption levels
- Allows local governments to make changes to the SEPA checklist that may be used within that specific jurisdictions

Staff Recommendation:

N/A

LSC Action/Decision:



LEGISLATIVE STEERING COMMITTEE

ISSUE PAPER

Date	February 2, 2012
Category	Update
Policy Area	Land Use
Subject	GMA Standing Legislation – SB 6154; SB 6406
Staff Contact	Josh Weiss

Issue:

The WSAC 2012 legislative agenda includes reducing GMA appeals. Legislation has been introduced that changes the provisions of the Growth Management Act (GMA) allowing a person to bring suit under the act if they have participated in the local government's public process. This would require a citizen to show that they were adversely affected by a local government action in order to bring suit. This change would make it harder for citizens to bring lawsuits and would reduce GMA appeals.

Background:

Senator Hobbs' bill (SB 6154) has been heard in the Senate Government Operations, Tribal Relations, & Elections Committee. Environmental groups strongly opposed the bill. WSAC testified in support. It is very unlikely that this bill will move from committee.

Senator Hargrove has also included these provisions in his legislation that deals primarily with the Department of Fish and Wildlife's hydraulics program (SB 6406). Environmental groups testified that they do not think it is always possible for citizens to know whether they will be adversely affected by a local government's action during a GMA process, and that the existing standing provisions must be retained. Senator Hargrove is interested in developing an alternative approach that would reduce appeals, but would fit the nature of planning processes appropriately.

WSAC staff are working with county civil deputies, county planners, and legislative staff to develop options. One idea is to retain participation standing, but also require that the citizen live or own property in the jurisdiction. It is unclear whether this or any other alternatives will survive legislative scrutiny.

Staff Recommendation:

N/A



LSC Action/Decision:

