



## Skagit County Legislative Report March 17, 2019

Hundreds of bills died Wednesday as the 2019 Legislature's chamber-of-origin cutoff deadline struck at 5PM. The Legislature is now back to meeting in committees, holding public hearings and voting on bills from the opposite chamber.

Initial drafts of the operating, capital, and transportation budgets are anticipated to be released following the release next Wednesday of the Economic and Revenue Forecast Council's estimate of revenue for 2019-21. Budget writers are diligently working to prepare those budget documents. March 18, marks the 64th day of the legislative session; there are 41 to go.

### Skagit County Requests for the Week

The Legislature has resumed committee action and will continue to hear bills until the next cutoff deadline, April 3<sup>rd</sup>. GTHGA has submitted requests for the county's budget priority listed below, and we will continue to advocate for this request as budgets are being developed.

#### Upgrade County Emergency Communications System - \$2 million capital budget request

### Skagit County Upcoming Events

Based on the county's Legislative Agenda, known policy priorities, or direction from the county, GTHGA have identified the following upcoming hearings that may be of interest. GTHGA's planned action is identified in bold. If the county would like us to take a different action on any of these, please let us know.

#### Health & Long Term Care (Senate) - SHR 4, JACB - 3/18 @ 1:30pm

- 2SHB 1497 - Public Hearing - Concerning foundational public health services. **We will sign the county in to support this bill.**

#### Ways & Means (Senate) - SHR 4, JACB - 3/18 @ 3:30pm

- HB 2119 - Public Hearing - Concerning the distribution of moneys derived from certain state forestlands. **We will sign the county in to support this bill.**

#### Housing Stability & Affordability (Senate) - SHR 2, JACB - 3/20 @ 1:30pm

- EHB 1219 - Public Hearing - Providing cities and counties authority to use real estate excise taxes to support affordable housing and homelessness projects. **We will sign the county in to support this bill.**
- SHB 1406 - Public Hearing - Encouraging investments in affordable and supportive housing. **We will sign the county in to support this bill.**

#### Transportation (House) - HHR B, JLOB - 3/20 @ 3:30pm

- SB 5505 - Public Hearing - Addressing the use of local stormwater charges paid by the department of transportation. **We will sign the county in to oppose this bill.**

**Local Government (Senate) - SHR 3, JACB - 3/21 @ 8:00am**

- E2SHB 1105 - Public Hearing - Protecting taxpayers from home foreclosure. **We will sign the county in to oppose this bill.**

**Bill Summaries**

Outlined below are relevant bills GTHGA is tracking for the county. Where a position is indicated below, GTHGA will continue to communicate these positions to legislators as bills are considered in committees.

Bill #	Title	Short Description	Sponsor	Position
<a href="#">E2SHB 1105</a>	Protecting taxpayers from home foreclosure.	House Bill 1105, sponsored by Rep. Tina Orwall (D- Des Moines), requires treasurers to annually distribute tax statements by March 15. More specifically, the statement must include current and delinquent taxes due, penalties and interest due, and information for the statewide foreclosure hotline. The bill would require county treasurers to provide the contact information of delinquent taxpayers to a homeownership resource center after the expiration of two years from the date of the property tax delinquency. The bill was amended in the House Appropriations Committee before passing the House with floor amendments. The version of the bill that passed out of Committee requires county assessors to assist taxpayers in applying for the property tax exemption program or tax deferral program or refer them to a homeownership resource center; requires county treasurers and assessors to publicly display information about the exemption and deferral programs in their office; requires tax delinquency notes to specify where a taxpayer can obtain the balance of any taxes due rather than printing the balances on the notice itself; requires all tax statements distributed, rather than those exclusively distributed to a residential address, to include information about the exemption and deferral programs; and strikes funding for the homeownership resource hotline. The House passed the bill with an additional floor amendment that is extremely harmful to counties, removing a 3 percent and 5 percent penalty assessed on the delinquent taxes currently allocated to counties. Rep. Tina Orwall, the prime sponsor of the bill, has expressed willingness to remove this language in the Senate and is holding a stakeholder meeting on Monday.	Orwall	Oppose

<a href="#">EHB 1219</a>	<p>Providing cities and counties authority to use real estate excise taxes to support affordable housing and homelessness projects.</p>	<p>House Bill 1219, sponsored by Rep. Amy Walen (D- Kirkland), allows cities and counties to utilize real estate excise tax revenues for affordable housing. Cities and counties have the authority to use up to \$1 million of real estate excise tax revenues for affordable housing under current law, but the authority is scheduled to sunset in June 2019. Before passing the House, the bill was significantly amended. This version of the bill extends the sunset on the authority to January 1st, 2026, so long as the city or county documents that it has funds for certain capital projects in its capital facilities plan. The amendment also reinstates the financial cap on the use of REET II funding for affordable housing, limiting the annual amount to either \$100,000 or 25% of available funds not exceeding \$1,000,000. This cap does not apply to REET II funding used prior to June 30th, 2019.</p>	<p>Walen</p>	<p>Support</p>
<a href="#">SHB 1406</a>	<p>Encouraging investments in affordable and supportive housing.</p>	<p>House Bill 1406, sponsored by Rep. June Robinson (D-Everett), would allow local jurisdictions to impose a .02 credit against the state sales tax to fund affordable housing. Cities that have imposed a local housing levy may impose the full .02 credit within city boundaries. Counties may impose the full .02 credit in unincorporated areas. In all other incorporated areas, the city and county would split the authority, and each would impose a .01 credit. If a city does not utilize the .01 credit within one year of the effective date of the bill, the county can then impose the .01 credit (and vice versa). The revenue may be used to acquire, rehabilitate, or construct affordable housing or fund the operations and maintenance of new units of affordable or supportive housing for persons whose income is at or below 60% of the adjusted median income for the jurisdiction imposing the tax. A credit against the state sales tax is not an increase in the state sales tax; rather, it is sales tax revenue that would otherwise be deposited into the state general fund that is instead redirected to the local level. The substitute version of the bill that passed the House specifies that to enact the maximum 0.02 percent rate, a city must levy a qualifying local tax no later than 12 months after the effective date of the bill, rather than within 12 months of the effective date, and states that the median income calculation for cities imposing the tax to be based on the city's median income, not the county's (addressing a drafting error).</p>	<p>Robinson</p>	<p>Support</p>
<a href="#">2SHB 1497</a>	<p>Concerning foundational public health services.</p>	<p>House Bill 1497, sponsored by Rep. June Robinson (D- Everett), integrates foundational public health service standards with current state public health practices. The bill requires that the state modify its priorities, funding allocation, and appropriation to fit the foundational public health service model and repeals prior statutes related</p>	<p>Robinson</p>	<p>Support</p>

		to the definition, duties, planning, measurement, and funding of public health programs. The bill also requires the Department of Health, by October 1st, 2020, to present on a series of changes related to the implementation of foundational public health services, including planned delivery models, changes in public health system capacity, and improvements in health outcomes. The bill passed the House 96-4.		
<a href="#">EHB 1638</a>	Promoting immunity against vaccine preventable diseases.	House Bill 1638, sponsored by Rep. Paul Harris (R- Vancouver), removes the philosophical or personal objection exemption from the requirement to receive the measles, mumps, and rubella vaccine. The bill also requires that a public school, a private school or a licensed day care center receive proof of immunizations before the child can attend the school or center. The bill passed out of the House with a series of floor amendments. This version of the bill maintains removal of the philosophical or personal exemption from the MMR vaccine, but allows: proof of disease immunity through laboratory evidence or a health care provider's attestation of disease immunity to be considered sufficient proof of immunization; individuals who do not have a positive antibody response to a full vaccine series to be considered nonresponders and therefore exempt from further vaccination; health care practitioners to use immune system problems or an adverse vaccine reaction in a biological parent, brother, or sister as a viable medical exemption; parents to provide a written certification, with evidence from a health care practitioner, that the child has a biological parent or sibling whose immune system problems or adverse reaction would make the vaccine contraindicated for the child. The amended version of the bill grandfathers the restrictions in, exempting current high school students from the new requirement.	Harris	Support
<a href="#">HB 2119</a>	Concerning the distribution of moneys derived from certain state forestlands.	House Bill 2119, sponsored by Rep. Jeff Morris (D-Mount Vernon), allows a county to pay, distribute, and prorate payments of money from the former Common School Trust Land exchanged into the State Forestlands Trust in the same way that general taxes are paid for the former forestlands subject to the exchange. The bill addresses revenue loss for the junior taxing district (the Burlington School District) as a result of the state's Blanchard Forest Strategy. The bill has been drafted narrowly to apply to this singular situation. The bill passed through the House with no amendments.	Morris	Support
<a href="#">SSB 5366</a>	Expanding the property tax exemption for new and rehabilitated multiple-unit	Senate Bill 5366, sponsored by Sen. Keith Wagoner (R- Sedro-Woolley), allows all cities and towns to provide property tax exemptions for eligible multi-unit residential housing projects in urban centers until July 1, 2022. The bill was amended in the Senate Ways and Means	Wagoner	Support

	dwelling in urban centers.	Committee to add a provision allowing any county to establish a residential targeted area and receive a property tax exemption on qualifying projects from July 1, 2022 to July 1, 2025.		
<a href="#">SB 5505</a>	Addressing the use of local stormwater charges paid by the department of transportation.	Senate Bill 5505, sponsored by Sen. Steve Hobbs (D- Lake Stevens), addresses local stormwater charges, which are paid by the Department of Transportation. As drafted, the bill would require that any fees that are levied by counties to be used solely for stormwater control facilities as they related specifically to state highway runoff, preempting counties from utilizing the funds for other needs. The bill passed through the Senate without amendment.	Hobbs	Oppose
<a href="#">ESB 5779</a>	Concerning ballot drop box placement requirements.	Senate Bill 5779, sponsored by Sen. Patty Kuderer (D- Bellevue), would eliminate the requirement that the county auditor must have a minimum of one ballot drop box per 15,000 registered voters in the county. Instead, one ballot drop box would be required for every 20,000 registered voters in the county. The bill also eliminate that a ballot drop box must be in every city, town and place in a county with a post office. The bill was amended before passing the Senate unanimously, adding provisions that conform the bill with changes made in ESSB 5079, the Native American Voting Rights Act.	Kuderer	Support

## Dead Bills

Bill #	Title	Short Description	Sponsor	Position
<a href="#">HB 1493</a>	Authorizing cities and counties to impose additional taxes for affordable housing.	House Bill 1493, sponsored by Rep. Melanie Morgan (D- Parkland), allows cities and counties to impose additional Real Estate Excise Taxes for the development of affordable housing. As currently drafted, the bill allows cities and counties to impose a .50 % increase in REET revenues-- any amount less than .50% could be approved with councilmanic authority, but the full .50% would require voter approval. A proposed substitute is anticipated to be brought forward that instead authorizes cities and counties to impose a .25% REET increased with councilmanic approval.	Morgan	Support
<a href="#">HB 1590</a>	Allowing the local sales and use tax for affordable housing to be imposed by a councilmanic authority.	House Bill 1590, sponsored by Rep. Beth Doglio (D- Olympia), allows counties to impose a .01 local sales and use tax for affordable housing with a councilmanic authority, rather than having to seek voter approval as is required under current law. The revenue generated could be spent on constructing affordable housing, constructing mental and behavioral health-related facilities, the operations and maintenance of affordable housing facilities to serve a population at or below 60% of the county's adjusted median income.	Doglio	Support
<a href="#">HB 1679</a>	Authorizing cities planning under	House Bill 1679, sponsored by Rep. Noel Frame (D- Seattle), provides counties and cities planning	Frame	Support

	the growth management act to impose certain real estate excise taxes by councilmanic action.	under the Growth Management Act more flexibility over imposing a .25 percent tax on the sale of real estate (REET II). The bill removes the current provision requiring voter approval before cities or counties may implement the tax.		
<a href="#">HB 1718</a>	Providing cities and counties flexibility with existing resources.	House Bill 1718, sponsored by Rep. Mike Volz (R- Spokane), makes a number of changes to county and city financing tools with the intent of providing more flexibility in their use. The bill: 1) removes prohibitions on supplanting existing local government expenditures with proceeds from a locally imposed 0.1 percent sales and use tax dedicated to mental health and substance abuse; 2) allows all county authorities to seek voter approval for the criminal justice regular levy; 3) allows jurisdictions to use revenue generated with a levy lid lift to supplant existing funds; 4) Establishes the Developmental Disability and Mental Health Levy as a separate property tax levy outside the county general levy; 5) establishes the Veterans' Assistance Levy as a separate property tax levy outside the county general levy; and 6) requires the county legislative authority to budget the direct costs of administering the Veterans' Assistance Fund and prohibits the charging of indirect costs or fees.	Volz	Support
<a href="#">SB 5195</a>	Providing cities and counties authority to use real estate excise taxes to support affordable housing and homelessness projects.	Senate Bill 5195, sponsored by Sen. Patty Kuderer (D- Bellevue), allows cities and counties to utilize real estate excise tax revenues for affordable housing. Cities and counties have the authority to use up to \$1 million of real estate excise tax revenues for affordable housing under current law, but the authority is scheduled to sunset in June 2019. This legislation removes the cap on the amount of money that can be spent on affordable housing and makes the authority permanent. At the public hearing on the proposal, cities and counties supported the bill, while the Washington Realtors Association expressed concerns. The Washington Realtors support extending the sunset on the authority but oppose removing the cap or making the authority permanent.	Kuderer	Support
<a href="#">SSB 5357</a>	Authorizing cities and counties to impose additional taxes for affordable housing.	SSB 5357: Authorizing cities and counties to impose additional taxes for affordable housing. Senate Bill 5357, sponsored by Sen. Jeannie Darneille (D- Tacoma), allows cities and counties to impose additional Real Estate Excise Taxes for the development of affordable housing. An amended version of the bill passed through the Senate Committee on Housing Stability and Affordability. The amended version authorizes cities and counties to impose a .25% increase, rather than .50% increase, in REET revenues with councilmanic approval.	Darneille	Support
<a href="#">SSB 5537</a>	Expanding community-	Senate Bill 5537, sponsored by Sen. John Braun (R- Centralia), authorizes the State Finance	Braun	Support

	based behavioral health facilities through issuance of state bonds.	Committee to issue up to five hundred million dollars of general obligation bonds to finance behavioral health capital improvements. Eligible projects include construction of evaluation and treatment centers, crisis triage and stabilization centers, detoxification centers, transitional and long-term housing, residential treatment centers, and more. The bill establishes both taxable and tax exempt bond accounts. Provisions authorizing the state to issue bonds must be ratified by the public in the next general election before going into effect.		
<a href="#">SB 5646</a>	Encouraging investments in affordable and supportive housing.	Senate Bill 5646, sponsored by Sen. Patty Kuderer (D-Bellevue), allows local jurisdictions to impose a .02 credit against the state sales tax to fund affordable housing. Cities that have imposed a local housing levy may impose the full .02 credit within city boundaries. Counties may impose the full .02 credit in unincorporated areas. In all other incorporated areas, the city and county would split the authority, and each would impose a .01 credit. If a city does not utilize the .01 credit within one year of the effective date of the bill, the county can then impose the .01 credit (and vice versa). The revenue may be used to acquire, rehabilitate, or construct affordable housing or fund the operations and maintenance of new units of affordable or supportive housing for persons whose income is at or below 60% of the adjusted median income for the jurisdiction imposing the tax. A credit against the state sales tax is not an increase in the state sales tax; rather, it is sales tax revenue that would otherwise be deposited into the state general fund that is instead redirected to the local level. The bill received strong support at a public hearing in the Senate Ways and Means Committee, with strong testimonies from local governments and other entities in support of the bill. Many others signed in support of the bill but did not testify.	Kuderer	Support
<a href="#">SSB 5676</a>	Authorizing cities planning under the growth management act to impose certain real estate excise taxes by council action.	Sen. Dean Takko (D- Longview) introduced Senate Bill 5676, which authorizes county or city legislative authorities planning under the growth management act to impose real estate excise taxes without issuing a referendum. The taxes may not exceed .025 percent of the selling price and may be used toward capital projects. An amended version of the bill passed through the Senate Committee on Local Government, adding a referendum process to repeal an ordinance imposing REET II.	Takko	Support
<a href="#">SB 5732</a>	Concerning foundational public health services.	Senate Bill 5732, sponsored by Sen. Kevin Van De Wege (D- Sequim), integrates foundational public health service standards with current state public health practices. The bill requires that the state modify its priorities, funding allocation, and appropriation to fit the foundational public health service model and repeals prior statutes related	Van De Wege	Support

		to the definition, duties, planning, measurement, and funding of public health programs. The bill also requires the Department of Health, by October 1st, 2020, to present on a series of changes related to the implementation of foundational public health services, including planned delivery models, changes in public health system capacity, and improvements in health outcomes.		
<a href="#">SB 5975</a>	Concerning the distribution of moneys derived from certain state forestlands.	Senate Bill 5975, sponsored by Sen. Liz Lovelett (D- Anacortes), allows a county to pay, distribute, and prorate payments of money from the former Common School Trust Land exchanged into the State Forestlands Trust in the same way that general taxes are paid for the former forestlands subject to the exchange. The bill addresses revenue loss for the junior taxing district (the Burlington School District) as a result of the state's Blanchard Forest Strategy. The bill has been drafted narrowly to apply to this singular situation. The bill passed through the House with no amendments.	Lovelett	Support