

- Action
 Discussion
 Information

SUBJECT: 2010 STATE LEGISLATIVE UPDATE

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POLICY ISSUE: The State legislature addresses a range of policy issues of interest to the City.

NEEDED FROM COUNCIL: This is provided for information only. Staff is not seeking Council action.

INTERIM ACTIVITIES

The areas below have been preliminarily identified by staff and the City's lobbyist, Mike Doubleday, as interim issues that will be monitored in preparation for the 2011 session.

Transportation Revenue Package

The adopted transportation budget included language directing the development of a package of transportation projects that could be considered by the Legislature for a potential revenue package in 2011. If the Legislature decides to pursue the package, it will be the next big opportunity to seek funding for major highway projects. The budget language specifically indicates the following should be used for the process to identify potential projects for the package:

- **PSRC Prioritized Projects:** The budget language says: "As part of its development of the statewide transportation plan, the Transportation Commission shall review prioritized projects from PSRC and submit the review along with its recommendations to the House and Senate transportation committees by January 1, 2011; "
- **DOT Scoping Exercise:** The budget language says: "\$2 million is provided for scoping unfunded state highway projects to ensure that a well-vetted list is available for future program funding discussions."

Staff plans to seek information about WSDOT priorities and timing for the package development and will coordinate with legislators and surrounding cities to understand their priorities. Staff will provide an opportunity for Council to review potential projects for the City to identify as priorities in June.

I-405 Lanes

While the Express (toll) lane legislation did not pass this year, there is still significant interest in moving forward to implement the I-405 express lane projects and program. WSDOT and

neighboring cities have expressed an interest in forming a coalition to support implementation, and WSDOT is conducting additional outreach to stakeholders along the corridor to respond to issues raised about the program during the legislative session. The introduction of these lanes would provide system benefits to general purpose users as well as other modes of travel and would facilitate NE 6th construction in years out—a significant Bellevue priority.

Local B&O/Possible City Consolidation

The five largest cities collecting local B&O taxes have begun meeting to respond to legislative requests for cities to look for ways to “streamline” the city B&O reporting process. City representatives, including Bellevue staff, are meeting with key legislators, including Representative Hunter, the House Finance Committee Chair, to seek a better understanding of the concerns. Cities want to retain local control and flexibility to administer the tax but are open to discussing potential ideas.

Hotel/Motel Tax Distribution in King County

This issue will continue to be discussed throughout the interim and into 2011 as state hotel/motel tax funding for 4Culture expires in 2012; furthermore, the recent announcement from the University of Washington it will no longer seek this funding for Husky stadium improvements, removes one controversial issue from the discussion. Staff and/or Mike Doubleday are in contact with the principals involved in this issue. Bellevue has supported continued funding to 4Culture in the past.

Transit Study

The supplemental transportation budget includes language directing a transit study as follows:

Section 204(5), the Joint Transportation Committee (JTC) shall conduct a study “to establish a statewide blueprint for public transportation that will serve to guide state investments in public transportation. At a minimum, the study should include an assessment of unmet operating and capital needs of public transportation agencies, the state role in funding the unmet needs, and the priorities for state investments.” The JTC will convene a “public advisory panel” to provide input for the study. There are no city representatives on the panel but “other individuals deemed appropriate.” The report is due December 1, 2010.

Staff will monitor this study to identify potential issues and/or positions for the 2011 Legislative agenda.

Storm Water Funding for Local Governments

While there is one-time storm water funding for local governments in the 2010 supplemental capital budget, cities are looking for a permanent funding source as is the environmental community. This will be an active issue throughout the interim. City staff/lobbyist are actively engaged in the discussions with AWC and DOE to establish how the 2010 funding will be distributed and what it can be used for; we expect this one-time funding for Bellevue and other cities to be distributed this year.

Puget Sound Partnership

The Puget Sound Partnership remains interested in a permanent funding source in the Puget Sound region for its’ ongoing Puget Sound cleanup efforts. To date, proposals for a broad new funding source have not been successful. City staff/lobbyist will monitor these discussions.

Other Issues

There are a number of other issues that may affect the City could return in 2011 and may be the subject of interim work:

- The street utility – unlikely to resurface in a strong way, but possible;
- Climate change (cap and trade), especially if the federal government acts;
- Infrastructure financing;
- Restrictions on traffic safety camera programs.

The 2011 session is the long, 105-day biennial budget writing session. Since all of the 98 House seats and half of the 49 Senate seats are up for election this November, there is the potential for a changed legislature. At present, the Democrats hold a 61-37 advantage in the House, and a 31-18 advantage in the Senate. We expect our legislative delegation (the 41st and 48th districts) to all run for reelection this November, with some already facing spirited challenges. The candidate filing period occurs the week of June 5 and the primary is August 17.

There are several ballot measures currently being proposed that if passed, would affect state spending or revenues. The deadline for submitting signatures for the November ballot is July 2. Depending on the outcome of these proposals, or if the projected operating budget deficit for 2011-13 is similar to this past year (\$2B+) the Legislature will face another difficult budget process next year.

ALTERNATIVES: NA
RECOMMENDATIONS: NA
ATTACHMENTS: NA