

CITY COUNCIL STUDY SESSION ITEM

SUBJECT

State Legislative Update

STAFF CONTACTS

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POLICY ISSUES

The State Legislature addresses a range of policy issues of interest to the City.

ACTION

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DIRECTION

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INFORMATION ONLY

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No formal action is required; this is an informational briefing.

Council may wish to provide direction to staff regarding particular legislative proposals.

BACKGROUND/ANALYSIS

Trying to Finish the 2017 Legislative Session

The longest legislative session in state history was scheduled to end on Thursday, July 20. There are two tasks that remain undone: pass legislation responding to the *Hirst* Supreme Court decision regarding permit-exempt wells, and adopt a 2017-2019 Capital Budget. Early in the legislative session, the Senate Majority Coalition Caucus linked these two issues and indicated that the Senate would not pass a Capital Budget until Governor Jay Inslee signed legislation into law that “fixes” the issues raised in the *Hirst* Supreme Court decision.

When the Legislature last met in Olympia at the end of June, the House passed a Capital Budget nearly unanimously, with the intent of subsequently passing legislation responding to the *Hirst* decision. The agreement around the subsequent legislation on *Hirst* fell apart prior to passing the House, and the Senate refused to act on the Capital Budget. Since the end of June, a small group of legislators have continued to negotiate on both the Capital Budget, and a solution to *Hirst*. There was an effort to reach agreement on these issues before the third special session ended on July 20. If there is not an agreement, the Governor has indicated that he will encourage negotiators to continue to work, and will call them back for a fourth special session if/when there is an agreement.

Issues Raised by the State Supreme Court's Decision in the *Hirst* Case

Prior to the beginning of the 2017 legislative session, the State Supreme Court ruled in the *Hirst* case that counties and cities must verify water availability before issuing building permits for properties that rely on a permit exempt well as a water source. Tribes and environmental groups were pleased with this ruling, and have resisted legislation that would change its outcome.

Most properties that rely on permit exempt wells as a water source are in rural areas; however, every county in the state has properties that utilize permit-exempt wells. Prior to the *Hirst* decision, counties and cities could issue building permits for properties that rely on a permit-exempt well as long as the

State Department of Ecology (DOE) had verified that there was sufficient water within the basin. For many counties and cities, this new obligation of needing to verify water availability would mean hiring hydrologists and other specialists to make water determinations – an activity that local governments have not previously undertaken.

For many rural property owners, the *Hirst* decision meant that the county or city would not be able to issue a building permit for their property—rendering a formerly buildable property unbuildable. Not only did this leave property owners outraged, but it also results in a decline in property values in some rural areas which results in a shift in property taxes to the urban area to make up the difference in value – the amount of the shift or impact on property value remains unknown.

The legislation that has been being negotiated to respond to *Hirst* would allow cities and counties to rely on the DOE’s determinations that there is sufficient water to issue a building permit. However, additional mitigation and other items may be required when a building permit is issued. The details of a final compromise are unclear at this time as negotiators continue to work to resolve differences.

November Election to Determine Control of State Senate

There are eight Legislators who were appointed to legislative seats as a result of a vacancy that will now have to run for election in November to retain their seats, including two local legislators (Senator Patty Kuderer and Representative Vandana Slatter) in the 48th District, which includes Bellevue and portions of other Eastside cities. Most notable among the several special elections is the Senate race in the 45th District, located on the northeast end of Lake Washington. The seat was vacated when Senator Andy Hill passed away last fall. Former Senator Dino Rossi was appointed to fill the seat for the 2017 legislative session. The seat is now being hotly contested and the winner of the election, whether Republican or Democrat, will determine which party has control of the Senate. If a Republican wins, the Majority Coalition Caucus will remain in control of the Senate and there will continue to be a divided Legislature. If a Democrat wins, Democrats will have control of the House, Senate, and the Governor’s mansion.

ALTERNATIVES

N/A

RECOMMENDATION

N/A

ATTACHMENTS

N/A

AVAILABLE IN COUNCIL DOCUMENT LIBRARY

N/A