

CITY COUNCIL STUDY SESSION

Draft 2019 State Legislative Agenda

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DIRECTION NEEDED FROM COUNCIL**DIRECTION**

Staff is seeking Council feedback and direction on the Draft 2019 State Legislative Agenda and whether the preliminary positions are the right ones to include in the agenda, and if so, the relative priority.

RECOMMENDATION

N/A

BACKGROUND & ANALYSIS

Each year the City Council adopts two policy documents related to the State Legislature:

Legislative Agenda – a short list of priority items that will be the focus of the City's efforts in Olympia each year. A new document is produced each year for Council approval. The agenda (Attachment A) is used to communicate key issues of interest and concern to the City's legislative delegation. The issues proposed for inclusion in the Draft 2019 Legislative Agenda are those preliminarily identified by staff as the most important for the City to pursue during the 2019 legislative session or those that are likely to be pursued by others. Many of the key priorities for 2019 are carried over from 2018 as some issues remained unresolved. In many cases, the proposed policy positions are protective of the City's authority and revenue base.

The Draft 2019 State Legislative Agenda is organized with policies regarding transportation, transportation technology and affordable housing and homelessness as the City's highest priorities. These policies have been updated from 2018 to refine the City's transportation priorities, including support for the Legislature to authorize tolling on the Interstate 405 express toll lanes from Bellevue to Renton in conjunction with added capacity on the corridor. Funding for I-405 Master Plan projects and improvements to ensure reliability for Bus Rapid Transit, that is scheduled to open in 2014, is also a key priority for the City.

The affordable housing and homelessness section of the draft legislative agenda have been updated to reflect strategies in the City's Affordable Housing Strategy and encourages state investments in treatment and prevention programs to address the root causes of homelessness.

In addition, the draft agenda supports incentives and continued progress on the regulatory framework for smart mobility technologies, including electric and autonomous vehicles and shared mobility options in line with the Smart Mobility Interest Statement adopted by Council in 2018.

Statement of Policy – a comprehensive list of legislative positions covering a broad range of issues developed over time. These issues may or may not surface during the legislative session. The Statement of Policy is carried forward each year with changes to remove items that have been resolved or are no longer policy positions of the Council and to add new policies as appropriate. The Statement of Policy has grown over the years to encompass many policy issues and is used by City staff to provide policy direction as issues are considered by the Legislature. The revised Statement of Policy will be updated in concert with Council adoption of its 2019 State Legislative Agenda on a future Consent Calendar.

2019 Legislative Session

The 2019 session of the State Legislature begins January 14. This year is a “long” session that runs for 105 days. Democrats have majorities in the House and Senate. Governor Jay Inslee released his proposed 2019-2021 biennial operating, capital and transportation budgets in December and his proposals will be introduced early in the 2019 state legislative session.

Governor’s Proposed 2019—2021 Budget

The Governor’s proposed operating budget proposal is \$54.4 billion, an increase of roughly 20 percent from the 2017-2019 operating budget of \$43.7 billion. This proposal funds existing government services and increases investments in financial aid for higher education, the behavioral health care system, establishes a state broadband office, funds recovery programs for the orca whales and a variety of other programs.

The Governor’s proposal would raise revenues by approximately \$3.7 billion in the 2019-2021 budget and by \$5.3 billion in the 2021-2023 biennium. The bulk of the proposed revenue increase in the Governor’s proposal would come from a capital gains tax, an increase in the business and occupations tax rate for services and changes to internet sales tax collections.

The House and Senate budget committees will hold hearings on the Governor’s proposals and each chamber will begin developing its own budget proposals. The House is anticipated to release its proposed budgets in late March and will be followed by the Senate proposals. The two chambers will then negotiate on a final budget proposal that will be sent to the Governor for his signature. While the Governor’s budget is the starting point, budget discussions by the Legislature will occur throughout the 2019 session.

POLICY & FISCAL IMPACTS

Policy Impact

The State Legislature addresses a range of policy issues of interest to the City. Council may wish to provide direction to staff regarding particular legislative proposals.

OPTIONS

N/A

ATTACHMENTS & AVAILABLE DOCUMENTS

A. Draft 2019 State Legislative Agenda

AVAILABLE IN COUNCIL LIBRARY

N/A