



CITY OF SEATTLE 2011 STATE LEGISLATIVE BULLETIN

December 19, 2011

Number 3

Weekly Overview

After 17 days, the second special session of 2011 came to an end on December 14th. The legislature passed early action budget legislation that decreases the total budget by \$632 million, including \$323 million in state general fund cuts along with fund transfers and other changes. An overwhelming majority of the legislature voted to pass the final legislation. The early budget action does not include any cuts to state-local shared revenues. Measures to close the remaining nearly \$1.4 billion gap, including revenue options, will be considered during the regular 2012 session.

This is an abbreviated version of the bulletin; during the special session we will be providing less frequent and shorter bulletins since there is less to update on than during the regular session, but we will continue to provide updates as new information becomes available.

Updates on Priorities

Budget:

Included in SHB 2058, the early action budget legislation, are measures to maximize federal funding related to Children and Family Services and TANF, a one-time delay in school bus replacement funding, a delay in increased services to the mentally ill, and converting the “stacks” buildings at the Washington State Penitentiary in Walla Walla from medium to minimum security units. We are learning more about the potential environmental impacts of cuts to the Natural Resources for Seattle and the Puget Sound.

Also included is the Legislature’s passage of HB 2169 (Modifying the uniform unclaimed property act), which raises \$50.6 million by authorizing the Department of Revenue to sell unclaimed stocks, bonds, and other securities as soon as practicable.

Legislation:

In addition to the budget legislation, the Legislature also passed:

- Three bills to make Washington State more competitive in aerospace and other technical industries, including HB 2160 to strengthen teaching certificate standards for science, technology, engineering, and mathematics (STEM), ESB 5974 includes Project Lead the Way examinations in the list of college-level proficiency exams that can fulfill “postsecondary courses,” and EHB 2159, which establishes STEM-related grant programs for high school student preparation, skill centers, and specialized courses.
- SB 5988, which “fixes” an aspect of the Foreclosure Fairness Act to allow mediators more efficiently help homeowners avoid foreclosure and stay in their homes.
- SJM 8009 (Requesting respectfully the adoption of federal legislation granting states remote collection authority for remote sales), which had a bill title change but still asks Washington's congressional delegation and President Obama to support the Main Street Fairness Act's passage, to increase collection of sales taxes for online purchases.

Looking Ahead

The 2012 regular session begins on January 9th. Included amongst the legislation that was considered during the special session and is likely to be prioritized in January are both:

- SB 5952/HB 2048 to extend and grow the document recording fee to benefit housing and homeless programs, which had a hearing in the Senate last week. The hearing was very positive and well attended, including Councilmember Licata's testimony and sharing of your letter from the full Council and Mayor.
- HB 2128, which clarifies that the state and local retail sales tax exemption for residential telephone services is limited to telephone services regulated by the UTC (which does not include cell phones). The bill is in response to a recent court decision. Without this legislation (or a reversal on appeal) state and local governments would be required to pay a significant refund for taxes collected, approximately \$1 billion. Seattle's share of the refund would likely be approximately \$13.5 million.