Senators Parlette and Doumit Successfully Guide Local Government Assistance through the Senate

**ESSB 6050**, providing financial assistance to local governments that have a low tax-base, was one of the last bills out of the Senate just before the cutoff on Wednesday evening. The bill would provide a permanent funding source to counties and cities by using a portion of the real estate excise tax that goes to the Public Works Fund, a loan fund for infrastructure projects. It will not impact the state general fund nor reduce projects authorized by the Public Works Board. Twenty counties will receive funds based on a formula that sets the minimum distribution at 70% of the statewide per capita for a county’s first half cent sales tax collections in the unincorporated area. This will replace the annual budget appropriations for the so-called backfill resulting from the legislature’s adoption of the I-695 cut in MVET in 2000.

This bill will provide an estimated $20 million per biennium and will increase by the growth in the real estate excise tax. There is a provision to have JLARC (the Joint Legislative Accountability and Review Committee) review the formula after four years. However this is not a sunset and the legislation is permanent.

The Tri-Association with representatives of WSAC, WACO and AWC were successful in presenting a united front to the Senate. Without that united effort it is unlikely any bill would have passed.

For those counties receiving funds please call and thank your senators who voted for the bill. A special thanks needs to be extended to Senators Parlette and Doumit who helped make this bill possible. The bill now goes to House Capital Budget where it will be considered. It is important that you immediately contact House members to support ESSB 6050.

Former County Auditor Named Director of the Department of Licensing

Governor Christine Gregoire has appointed former Clark County Auditor Liz Luce as director of the Department of Licensing. Luce was Clark County auditor from 1987 to 1999, and most recently was Southwest Washington director for U.S. Sen. Maria Cantwell. The governor said she has asked Luce to give attention to improving customer service, to expanding self-service options on the Internet and to preventing counterfeit licenses.
Historic County Courthouse Funding – Call Now!
The legislation establishing a grant program for preservation and renovation of county courthouses eligible for placement on the Historic Register remains in fiscal committees in both the House and Senate. **HB 1352** and **SB 5331** have been heard in each chamber and have garnered great support from legislators and interest groups.

The legislation needs your help NOW! If your county is eligible, please contact your House and Senate members this coming week and urge them to keep this item moving along or to allocate up to $20 million in the Capital Budget for the program.

We and the Washington Trust for Historic Preservation envision this as a 10-year, $50 million program with the state providing matching funds for historic features, and the counties funding traditional building upgrades for HVAC, plumbing and electrical work. In general, the historic preservation work will constitute about half of the total estimate for the building. Estimates of the total needed courthouse upgrades for the qualifying courthouses appear below.

<table>
<thead>
<tr>
<th>County</th>
<th>Construction Date</th>
<th>Estimated Cost of Needed Work</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clallam</td>
<td>1914</td>
<td>$300,000</td>
</tr>
<tr>
<td>Clark</td>
<td>1940</td>
<td>$4,500,000</td>
</tr>
<tr>
<td>Benton</td>
<td>1926</td>
<td>$460,000</td>
</tr>
<tr>
<td>Clallam</td>
<td>1914</td>
<td>$300,000</td>
</tr>
<tr>
<td>Clark</td>
<td>1940</td>
<td>$4,500,000</td>
</tr>
<tr>
<td>Columbia</td>
<td>1887</td>
<td>$25,000</td>
</tr>
<tr>
<td>Cowlitz</td>
<td>1923</td>
<td>$6,300,000</td>
</tr>
<tr>
<td>Douglas</td>
<td>1905</td>
<td>$500,000</td>
</tr>
<tr>
<td>Ferry</td>
<td>1936</td>
<td>$435,000</td>
</tr>
<tr>
<td>Franklin</td>
<td>1912</td>
<td>$1,500,000</td>
</tr>
<tr>
<td>Garfield</td>
<td>1901</td>
<td>$2,000,000</td>
</tr>
<tr>
<td>Grant</td>
<td>1917</td>
<td>$2,200,000</td>
</tr>
<tr>
<td>Grays Harbor</td>
<td>1910</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Jefferson</td>
<td>1892</td>
<td>$25,000,000</td>
</tr>
<tr>
<td>King</td>
<td>1916</td>
<td>$8,000,000</td>
</tr>
<tr>
<td>Klickitat</td>
<td>1941</td>
<td>$280,000</td>
</tr>
<tr>
<td>Lewis</td>
<td>1927</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Mason</td>
<td>1929</td>
<td>$3,500,000</td>
</tr>
<tr>
<td>Okanogan</td>
<td>1913</td>
<td>$4,200,000</td>
</tr>
<tr>
<td>Pacific</td>
<td>1910</td>
<td>$100,000</td>
</tr>
<tr>
<td>Pend Oreille</td>
<td>1915</td>
<td>$150,000</td>
</tr>
<tr>
<td>San Juan</td>
<td>1906</td>
<td>$200,000</td>
</tr>
<tr>
<td>Skagit</td>
<td>1924</td>
<td>$610,000</td>
</tr>
<tr>
<td>Snohomish</td>
<td>1897/1911</td>
<td>$9,500,000</td>
</tr>
<tr>
<td>Spokane</td>
<td>1895</td>
<td>$15,000,000</td>
</tr>
<tr>
<td>Stevens</td>
<td>1938</td>
<td>$515,000</td>
</tr>
<tr>
<td>Wahkiakum</td>
<td>1921</td>
<td>$100,000</td>
</tr>
<tr>
<td>Walla Walla</td>
<td>1915</td>
<td>$1,120,000</td>
</tr>
</tbody>
</table>

NOTE: Legislative Committee schedules and agendas can be found at [http://www.leg.wa.gov/wsladm/calendar.cfm](http://www.leg.wa.gov/wsladm/calendar.cfm)
**Assessor Interest Bills Now in the Opposite House**

**HB 1048**, changing the date for budget submittals

**EHB 1069**, requiring a review of all tax exemptions

**HB 1096**, a report of reductions including estimates of revenue lost from property tax exemptions

**HB 1106**, allowing fire districts to move $.25 of their levy out of the $5.90 aggregate limit

**SHB 1299**, eliminating exemptions that have not been used

**HB 1303**, Allows an excess levy for Metropolitan park districts

**E2SHB 1401**, allows a property tax exemption for sprinkler systems in nightclubs

**SHB 1413**, requiring a PILT in lieu of property tax for state purchased property in specific programs

**E2SHB 1484**, authorizes a county levy for the support of school districts within the county

**SHB 1502**, the Assessors’ property tax abatement bill

**SHB 1509**, allowing an exemption, similar to the senior exemption, for widows of veterans

**SHB 1510**, expands the property tax exemption for nonprofits

**HB 1554**, expands the definition of income used to qualify for current use farmland

**HB 1555**, clarifies the valuation used by benefit assessment districts

**E2SHB 1631**, allows a portion of the conservation futures levy to be used for M&O and increases the amount from six and one quarter cents to ten cents per thousand dollars of taxable value

**HB 1742**, expands the exemption for low income housing

**SHB 1802**, a property tax exemption for nonprofit organizations working with small business incubators

**SHJR 4205**, allowing for a simple majority vote on school district levies, a similar resolution failed a floor vote in the Senate

**ESB 5094**, allows conservation districts in counties with a population of over one million five hundred thousand persons, a rate not to exceed ten dollars, up from five dollars

**E2SSB 5111**, a property tax exemption on M&E used in manufacturing solar modules

**SB 5136**, allows fire districts to move $.25 of their levy out of the $5.90 aggregate limit

**SB 5274**, allows a trainee classification for licensed real estate appraisers

**SB 5325**, tax increment financing

**ESSB 5396**, requiring a PILT in lieu of property tax for state purchased property in specific programs

**2SSB 5663**, changing the agricultural burning exemption

**County Treasurers’ Cleanup Bill (WACO/Treasurers’ Priority)**

**SHB 1158**, county treasurers’ administrative procedures, is scheduled for hearing in the Senate Government Operations and Elections Committee, Thursday, March 24, at 8:00 a.m.

**Public Hospital Districts**

**SHB 1341**, and the associated constitutional amendment, **HJR 4202**, passed out of the House by a 95-1 vote this week. This bill expands investment options for public hospital districts to basically all investment vehicles. The County Treasurers’ Association and the State Treasurer are opposed to this bill.

Please contact your Senators and tell them your concerns.

**Revenue Forecast Increase Fills One Third of Budget Hole**

On St. Patrick’s Day the new state revenue forecast added $739.4 million to address the state’s $2.2 billion budget gap. Earlier, budget writers had been hoping for an increase of between $400 and $500 million. This would not have been enough to replace the $517 million lost by two recent court decisions. One of those rulings invalidated the state’s estate tax. This increase actually provides budget writers $221 million more than they need to replace lost revenues.

The largest percentage increase was forecasted for utility and real estate excise taxes. This is good news for city budgets and capital budgets. In recent years increased cell phone and cable use and rising utility rates have provided a source of robust growth to city budgets.

Overall, the forecast assumes continued growth. Washington manufacturing employment is projected to end its decline and grow by 3.3% in 2005, 2.8% in 2006 and 2.9% in 2007. Inflation is expected to remain under control with the Seattle CPI growing by 1.7% in 2005, 1.9% in 2006 and 2.2% in 2007. The only negative indicator is for housing starts. Rising mortgage rates are expected to drive down state housing starts by 3.1% in 2005, 6.7% in 2006 and 1.2% in 2007.

To learn more about the forecast go to [www.erfc.wa.gov](http://www.erfc.wa.gov)
Gregoire Budget Expected Next Week

The revenue forecast update this week set the stage for Governor Gregoire to release her budget next week. The Senate Budget is expected to follow in a week or less. WSAC and WACO will send counties information on budgets as they appear, so watch your e-mail.

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Schedules are subject to change - PLEASE check this link http://www.leg.wa.gov/wsladm/calendar.htm

<table>
<thead>
<tr>
<th>Bill #</th>
<th>Committee</th>
<th>Description</th>
<th>Time</th>
<th>Location Bldg/Room</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>ESHB 1631</td>
<td>Senate Natural Resources, Ocean &amp; Recreation</td>
<td>Using revenues under the county conservation futures levy</td>
<td>3:30 pm</td>
<td>JAC – 2</td>
<td>3/21</td>
</tr>
<tr>
<td>HB 1554</td>
<td>Senate Agriculture &amp; Rural Economic Development</td>
<td>Clarifying the definition of “farm &amp; agricultural land” for purposes of current use property taxation</td>
<td>10:00 am</td>
<td>JAC – 3</td>
<td>3/22</td>
</tr>
<tr>
<td>SB 5154</td>
<td>House Finance</td>
<td>Providing a leasehold excise tax exemption for certain historical property</td>
<td>10:00 am</td>
<td>JLOB - C</td>
<td>3/22</td>
</tr>
<tr>
<td>HB 1413</td>
<td>Senate Natural Resources, Ocean &amp; Recreation</td>
<td>Expanding the criteria for habitat conservation programs</td>
<td>8:00 am</td>
<td>JAC – 2</td>
<td>3/23</td>
</tr>
<tr>
<td>HJR 4205</td>
<td>Senate Early Learning, K-12 &amp; Higher Education</td>
<td>Amending the Constitution to provide for a simple majority of voters voting to authorize a school levy</td>
<td>8:00 am</td>
<td>JAC – 1</td>
<td>3/23</td>
</tr>
<tr>
<td>HB 1742</td>
<td>Senate financial Institutions, Housing &amp; Consumer Protection</td>
<td>Providing tax incentives for certain multiple-unit dwellings in urban centers</td>
<td>3:30 pm</td>
<td>JAC – 2</td>
<td>3/23</td>
</tr>
<tr>
<td>SHB 1158</td>
<td>Senate Government Operations and Elections</td>
<td>Modifying county treasurer administrative provisions</td>
<td></td>
<td>SHR 2</td>
<td>03/24</td>
</tr>
<tr>
<td>HB 1401</td>
<td>Senate Government Operation &amp; Election</td>
<td>Regulating fire safety – property tax exemption for overhead sprinkler systems in nightclubs</td>
<td>8:00 am</td>
<td>JAC – 2</td>
<td>3/24</td>
</tr>
<tr>
<td>SHB 1393</td>
<td>Senate Financial Institutions, Housing &amp; Consumer Protection</td>
<td>Regulating movement of older mobile homes</td>
<td>10:00 a.m.</td>
<td>SHR 2</td>
<td>03/24</td>
</tr>
<tr>
<td>HB 1802</td>
<td>Senate International Trade &amp; Economic Development</td>
<td>Authorizing a property tax exemption for certain nonprofit organizations located in economically disadvantaged areas</td>
<td>10:00 am</td>
<td>JAC – 3</td>
<td>3/24</td>
</tr>
</tbody>
</table>
Most Felon-Friendly Bills Fail
Only **SB 5611**, reducing the interest rate on the legal financial obligations of convicted felons, lives after Wednesday’s cutoff. It has been referred to House Judiciary while its companion, **HB 1359** died in the House. **SB 5611** reduces the interest rate to “two percentage points above the equivalent coupon issue yield of the average bill rate for 26 week treasury bills as determined at the first bill market auction in December of each year.” The interest rate on civil judgments remains at 12%, while **SB 5611** would reduce criminal LFO rates to less than 6%. **SB 5611** has not been scheduled to date.

**HB 1358**, **SB 5339**, and **HB 2062** all contained provisions which would have given a felon a certificate of discharge and the ability to register to vote after all conditions of his/her sentence had been met except for the payment of legal financial obligations. None of the three survived the cutoff. Only victims’ groups and WACO opposed any of these bills.

WACO Priority Bills Set for Hearing Next Week
**SSB 5035**, forensic pathology, and **SSB 5242**, possession of weapons by inmates in county jails, will both be heard in the House Criminal Justice and Corrections Committee at 1:30 p.m. on Tuesday, March 22 in House Hearing Room E. **HB 1471**, authentication of documents, will be heard in Senate Judiciary, on Wednesday, March 23 at 3:30 p.m. **SSB 5035** takes the forensic pathology specialist fellowship out of the University of Washington and requires the Forensic Investigations Council to report back to the Legislature by December of 2005 with their recommendations for a program to succeed the specialist program that has been largely vacant in recent years.

**SSB 5242** changes the definition of weapons prohibited in county jails from “deadly weapon” to any instrument that could cause serious bodily harm and makes possession a class C felony.

**HB 1471** updates language and processes for certifying a copy of a document that county clerks have lived with since before statehood. **HB 1471** also allows electronic transmission of documents by a means other than telegraph, also circa 1881.

Prescription Drug Bills to Help in Jails
**HB 1219** and **SB 5471**, both bills to create giant prescription drug buying consortiums to drive down the cost of medication, have moved to the opposite houses. Both will allow counties and cities to participate in the program and hopefully save on the $5 million annually that is now expended in local lockups. **HB 1219** will be heard in the Senate Health and Long Term Care Committee at 8:00 a.m. on Wednesday, March 23.

**E2SSB 5763**, an omnibus treatment bill for mental illness and substance abuse disorders, is another bill that has earned WACO support due to the overwhelming problems in county jails. **E2SSB 5763** will be heard on Monday, March 21, at 6:00 p.m. in the House Health Care Committee, House Hearing Room A.

Court Funding, Indigent Defense Bills Survive for ‘Round 2’
The Senate voted 45-3 this week to pass the trial court funding bill, **E2SSB 5454**. This followed last Friday’s unanimous House vote for a bill to improve criminal indigent defense services, **2SHB 1542**. WSAC and WACO support both bills, which generate new county revenue and direct new state funding to the courts and criminal public defense.

The trial court funding bill would raise various civil court filing fees, which would continue to be split between the county and the state as currently provided in statute. Following a Senate floor amendment to reduce one of the fees, total biennial revenue to the counties is now estimated to be approximately $18 million. The state’s biennial share would be about $13 million, and would be used to pay half the cost of district court judge salaries and elected municipal court judge salaries.

In return, the bill provides that counties and cities would use half their savings from judges’ salaries for other broadly defined court-related expenditures. **E2SSB 5454** now moves to hearings in House committees. Please contact Judiciary and Appropriation committee members to voice your support.

The indigent defense bill, **2SHB 1542**, would set up a voluntary, incentive process for counties and a few cities to receive additional state funding in exchange for improving criminal public defender services. The bill seeks $25 million in state support for this biennium. If it is not funded then the bill’s substantive requirements are void.

**2SHB 1542** is scheduled for
public hearing at 10 a.m. next Thursday, March 24, in the Senate Judiciary Committee.

March 31 Deadline to Apply for Federal Justice Assistance Grants
A new procedure is in place for receiving certain federal criminal justice funds, but few Washington counties have completed the application, according to the federal Bureau of Justice Assistance. Funds not awarded are forfeited.

The deadline for submission of applications for the Justice Assistance Grant (JAG) direct federal grant award to counties and cities is 8 a.m. EST, March 31, 2005. Jurisdictions that do not submit by the deadline are automatically ineligible.

To determine your jurisdiction’s eligibility check: http://www.ojp.usdoj.gov/BJA/grant/jag/05WA.xls
Application instructions may be reviewed at: http://www.ojp.usdoj.gov/BJA/grant/05JAGLocalSol.pdf
Applications must be submitted using the Grant Management System, which may be accessed at https://grants.ojp.usdoj.gov/. Note: the Grant Management System is not the easiest system to navigate and users are encouraged to access and review the application system early.

The JAG grants are a new combination of two former, longstanding grant programs, the Edward Byrne grant and the Local Law Enforcement Block Grant (LLEBG). JAG is intended to streamline federal justice funding and grant administration. The JAG formula includes a state allocation consisting of a minimum base allocation with the remaining amount determined on population and Part 1 violent crime statistics, and a direct allocation to units of local government. Once the state allocation is calculated, 60 percent of funding is awarded to the state and 40 percent to eligible units of local government. If any of the local direct funds are not awarded, they revert to the federal government and not the state.

JAG funds can be used for state and local initiatives, technical assistance, training, personnel, equipment, supplies, contractual support, and information systems for criminal justice for any one or more of the following purpose areas:
• Law enforcement programs
• Prosecution and court programs
• Prevention and education programs
• Corrections and community corrections programs
• Drug treatment programs
• Planning, evaluation, and technology improvement programs

Any law enforcement or justice initiative previously eligible for funding under Byrne or LLEBG is eligible for JAG funding. Local governments may use up to 10 percent of the award for costs associated with administering JAG funds.

General Government Issues

WACO Priority Bill Scheduled for a Hearing
HB 1386, increasing the surcharge on recorded documents from $2 to $5 for the preservation of historical documents is scheduled for a hearing in the Senate Government Operations & Elections Committee on Monday, March 21 at 10:00 a.m. in Senate Hearing Room 2. The companion bill, SSB 5458, did not make it out of the Senate Rules Committee.

RIP - Nonpartisan Secretary of State & County Auditor
SSB 5122 which started out as a bill that would require the Secretary of State position to be nonpartisan beginning with the 2008 general election and was amended to extend that same requirement to the office of county auditor died in the Senate Rules Committee.

Local Government Record Retention Schedules Have Been Updated
The updates to the Local Government General Schedule are on the State Archives web site in PDF and MS Word format. Future updates are expected quarterly.

 Elections, Licensing and Recording

Primary Date Change
ESHB 2027, moving the primary date up to the third Tuesday in August, passed the House this week, by a vote of 95-1. An amendment was passed on the floor moving the candidate filing date to the first full week of June. Just last Friday, the companion bill, ESSB 5219 failed on the Senate floor by a vote of 22 yes and 26 no, so there is much to do as the House bill reaches the Senate. Remember, in the Senate there must be a super-majority vote with 33 yes votes, because the date change would differ from the current September date as stated in I-872, the top-two primary initiative passed last November.

Vote by Mail
SHB 1754, allowing counties to conduct all elections by mail until January 1, 2008, and requiring counties to conduct all elections by mail after January 1, 2008, passed the House this week by a vote of 58-38. The companion bill, SB 5744 passed the Senate, but does not include the requirement for all vote by mail elections.

Election Procedures
HB 1749, strengthening review and correction of county election procedures, passed the House by a vote of 95-1, earlier this week.

Other Election Bills
Among other election bills of interest to auditors that are still moving include:
SHB 1876, voting rights and guardianship
SHJR 4205, school levies
ESSB 5395, voting devices/paper records
ESSB 5499, election reform
SB 5564, manual of election laws
SB 5565, out-of-state voters’ information
ESSB 5743, voter registration (HAVA)
SB 5744, mail ballot elections
SSB 5745, implementing top-two primary died on the senate floor calendar but the Secretary of State is trying to revive it.

Chattel Lien Bill is Scheduled to be Heard
SSB 5204, chattel liens, is scheduled to be heard in the House Judiciary Committee on Tuesday, March 22 at 10:00 a.m. in House Hearing Room B.

The bill states that when a lien has been placed on personal property, and the personal property owner feels the claim is frivolous, made without reasonable cause or is excessive, the personal property owner may file an action in superior court requiring the lien claimant to appear before the court and answer the applicant’s allegation. The court must determine if the lien is frivolous, reasonable or excessive, and must remedy the claim accordingly by leaving the lien as it is, releasing the lien or reducing it.

The personal property owner must provide notice of the action filed in superior court to the lien claimant, by registered or certified mail or personal service.

Additionally, the Department of Licensing is prohibited from transferring title to a vehicle through the chattel lien process until it has documented that the lien has been filed with the county auditor, and that the lien claimant has notified the personal property owner of the lien.

Finally, during a foreclosure proceeding, the lien claimant must notify the lien debtor, by certified mail, of the time and place of any public sale or of the time after which any private sale or other intended disposition of the property is to be made.

Status of Other Licensing Bills
HB 1581, revising the authority of a vehicle licensing subagent to recommend a successor died in the House Rules Committee
HB 1582, increasing certain fees of licensing subagents died in the House Rules Committee. Companion bill SB 5518 is alive and in House Transportation Committee.
HB 1879, providing a funding source to assist students with driver’s education costs died in the House Rules Committee.

Department of Ecology
Water Quality Program
Hosts Upcoming Workshop
The Department of Ecology (DOE)'s Water Quality Program will host a workshop for local jurisdictions interested in learning more about local governmental loan programs to address the repair or replacement of failing on-site septic systems. The workshop, which is funded through the State Revolving Fund, will take place June 23, from 10 a.m. to 3 p.m. at the Pierce County Library Administrative Service Center in Tacoma. Official notice of the workshop will come out in a week or two.

If interested in attending the workshop, reserve a spot by emailing Cindy Price at cpri461@ecy.wa.gov or by calling (360) 407-7132.
Governor Gregoire Revamps Fish and Wildlife Commission

Governor Christine Gregoire, this week, removed four unconfirmed members of the Fish and Wildlife Commission, replacing them with new appointees likely to support recreational interests over commercial fisheries.

"These appointments represent my administration's strong commitment to the sustainable use of our natural resources," said Gov. Gregoire. "The direction set by the commission affects the economic stability of many important industries, as well as the environmental quality of our state. Our new commissioners will help set the right direction."

The new members are:

- Jerry Gutzwiler of Wenatchee - As an environmental project manager for The Weyerhaeuser Company, Gutzwiler developed one of the first landowner landscape plans in Washington. He is an active hunter and fisherman, with membership in the Rocky Mountain Elk Foundation, the Mule Deer Association and the Wenatchee Sportsman’s Association.

- Miranda Wecker of Naselle - An avid hiker, paddler and fisher, Wecker is a marine program manager for the University of Washington’s Olympic Natural Resources Center. She is also a member of the Washington State Bar Association and the Wenatchee Sportsman’s Association.

- Shirley Solomon of Mount Vernon - She is an experienced manager of environmental and land use projects, currently employed as a project director with Long Live the Kings, a Seattle-based non-profit organization focused on wild salmon restoration, and leads the Skagit Watershed Council.

- Charles Perry of Moses Lake - An expert in grazing and rangeland management, Perry is currently a rehabilitation and sustainability consultant in Central Washington. He is also an avid hunter and member of the Rocky Mountain Elk Foundation.

Infrastructure and Economic Development Proposals Move Forward

Job Development Fund Grant Program. The House and Senate have dueling economic development approaches. The House vehicle is SHB 1903, which proposes a Job Development Fund Grant Program to be administered by the Public Works Board (PWB). SHB 1903 is now in Senate Ways and Means. It is considered to be an alternative to expanding the Tax Increment Finance program, ESSB 5325, now in House Economic Development, Agriculture and Trade Committee.

Under SHB 1903, the PWB will establish a competitive process to request proposals for and prioritize public infrastructure projects from political subdivisions of the state and federally recognized Indian tribes in partnership with a political subdivision. Qualifying projects would include the planning, acquisition, construction, repair, reconstruction, replacement, rehabilitation or improvements of bridges, roads, domestic and industrial water, earth stabilization, sanitary sewer, storm sewer, railroad, electricity, telecommunications, transportation, natural gas, buildings or structures and port facilities.

Criteria for project ranking the PWB must consider are the relative benefits provided to the community by the jobs the project would create. This includes, but should not be limited to, the total number of jobs a project would create after it is completed. The PWB must also consider the rate of return of the state’s investment in the project. This includes the expected increase in state and local tax revenues associated with the project. The community’s present level of economic activity and the existing local financial capacity to increase economic activity must also be considered. Finally, the PWB must consider whether a project is a partnership of multiple jurisdictions.

The maximum grant available from the Job Development Fund for any single project is $10 million and may not exceed 33 percent of the total cost of the project. The nonstate portion of the total project costs may include cash, the value of real property when acquired solely for the purpose of the project, and in-kind contributions.

For the 2005-07 biennium, funding for the program would be provided in the 2005-07 Capital Budget. In subsequent years, the PWB shall request an appropriation of $50 million from the public works assistance account and submit to the Legislature and the Governor a prioritized list of recommended projects for 70 percent of the biennial appropriation.

SHB 1903 also directs the JLARC to inventory all state public infrastructure state programs and
funds and evaluate the return on investment for economic development infrastructure projects by December 1, 2005. It would appear that this includes the rural infrastructure tax credit used by most counties.

**Economic Development Strategic Reserve Account**  
**SSB 5390** creates the Economic Development Strategic Reserve Account which will support the Economic Development Commission and also be used to attract businesses and prevent business closure or relocation. Authorized uses include funding workforce development, public infrastructure, and other assistance provided contractually with an assurance of job creation or retention. The Governor may authorize expenditures from the account in consultation with the Director of Community Trade and Economic Development and the Economic Development Commission.

Funds may not be expended unless the timely procurement of funding from other state sources is not possible and funding is accompanied by, and will not supplant, private investment. Any businesses assisted must produce significant economic benefits, including jobs or higher income, and may not require a continuing state subsidy. No fund source is identified.

**REET/Impact Fees Proposal on Hold.** Legislation that offered the opportunity for a county or city to choose whether to impose impact fees or use a new 0.4 percent Real Estate Excise Tax (or neither) for necessary infrastructure investment in a community did not survive the cut-off and is on hold – or possibly is dead. Endorsed by the leadership of the Tri-Association, **SHB 2196** was worked on diligently by builders, school districts, AWB, counties and cities. But as often happens, changes to increase comfort for one group, caused concern for others. A proposed striking amendment by Rep. McIntire had inadequate support to move to the House on Wednesday.

The major benefits to the infrastructure funding approach in **SHB 2196**:  
- REET is collected at the time of sale, making it easier on buyers  
- The new REET is available for many capital improvements not authorized for GMA impact fees  
- The new REET is available to all counties, including non-GMA planning counties

The proposed McIntire striker made the following changes:  
- A certain percentage of new REET proceeds would be dedicated to funding new growth infrastructure; the rest could go toward other "capital projects" as defined in the bill. Counties or cities are allowed to determine this based on factors like growth in population, the amount of new construction added relative to the total tax roll value, etc.  
- If a city or county opts to impose the new 0.4% REET, it may not impose GMA impact fees for parks, roads, or fire protection. If a city or county imposes the new 0.25% REET on behalf of schools, it may not impose GMA impact fees for school facilities. (these are same as before.) For projects identified in the capital improvement plan that are slated to receive at least 50% REET funding, or are receiving at least 50% REET funding, SEPA fees may not be assessed (i.e., for the same system improvements that GMA fees may be assessed), and GMA concurrency requirements are amended to provide that permits cannot be denied or delayed for purposes of concurrency.
- The authority to impose the .25% REET on behalf of the school districts is provided to the city or the county in which the district is located. The city or county must impose if the board members pass a resolution in favor.
- Jurisdictions that currently impose impact fees on behalf of schools are required to keep their ordinances until the schools request a REET or 5 years, whichever is less.

**What it all means:** The Senate approach, sponsored by Senate Ways and Means Chair Lisa Brown, received unanimous support in the Senate. **HB 1903**, limped out of the House on a partisan vote. Expect increased economic development funding but no major reorganization until completion of the study of economic development programs and their effectiveness.

**GMA Killing Fields**

For various reasons, including a Committee Chair taking revenge on a lobbyist who works for cities, nearly all GMA reform bills died in the last few days. Neither **SHB 2078** nor **SSB 5923** survived – probably eliminating the opportunity to address timelines for GMA updates and opportunities for slow-growing...
counties and cities to defer future updates. Regrettably, efforts to clarify “best available science” also died with SSB 5923. A proposed striking amendment with broad support on Tuesday afternoon included intent language to clarify that counties and cities designating and protecting critical areas need not protect all areas in the same manner and to the same extent. But by Tuesday evening, concerns were raised that the striking amendment did not “do enough for small counties” – so with opposition both from legislators friendly to GMA and those seeking bigger reform, SSB 5923 died. Its companion in the House, along with a best available science bill on the House floor, died when the House Local Government Chair decided to kill all city-supported bills.

Surviving bills include:
- SHB 1169 adding public schools as essential public facilities;
- SHB 2171 allowing a one-year deferral of GMA update requirements to comply with the “best available science” mandate;
- SHB 2194 adding public participation requirements for larger GMA counties and cities;
- HB 2206 allowing a minor expansion of facilities from a limited area of more intensive rural development;
- SSB 5620 addressing open space buffers;
- ESSB 5907 allowing density variation within the urban growth areas in rural counties;
- SSB 6037 allowing a minor expansion of facilities from a limited area of more intensive rural development.

Public Health and Human Services

Public Health Funding Study Bill (HB 1737) Dies
HB 1737 calling for a legislative study of the public health system funding needs didn’t survive this week’s cutoff. The bill was the next logical step in the Public Health Improvement Plan (PHIP) work that has been going on collaboratively between the State Department of Health, WSALPHO, the State Board of Health and the University of Washington. Over ten years ago when the Legislature directed the Department of Health to develop a biennial Public Health Improvement Plan, they also directed the department, in consultation with local public health agencies, to develop standards that describe a well-function public health system. The Legislature also directed the Department to evaluate state and local public health in relationship to those standards, identify the gap in meeting the standards, and finally identify the cost of filling the gap.

The work of the PHIP has accomplished those mandates and the next logical step in the process is for the Legislature to address the identified funding gap. HB 1737 was proposed by the Public Health Roundtable to address that next step. Unfortunately, the bill did not get to the House floor for a vote.

A possible next step is to try to include the public health system funding study into the budget as a proviso. The Public Health Roundtable will meet to decide their next step. WSAC has supported the work of the Roundtable and is a member of the Roundtable.

Well Construction Bills Alive and Moving
HB 1939 and SB 5831 relating to well construction are both in their opposite houses. These bills increase the fees on well construction and would provide increased funding to local health jurisdictions that accept the well delegation program from the Department of Ecology. The intent is to increase funding available for this program so that the number of well inspections can be increased and so that local health jurisdictions can cover the cost of providing the service. Both WSAC and WSALPHO have supported these bills. Both bills are scheduled for hearings next week. Please refer to the hearing schedule in this Journal.

Second Hand Smoke Bills All Die
There were several bills devoted to reducing exposure to second hand smoke – some good some bad. None of them survived this week’s cutoff. Because the Legislature chose not to address the issue of second-hand smoke exposure this session, the anti-tobacco advocates will likely push full steam ahead on getting their initiative passed by the voters.

The one tobacco bill that remains alive is SB 5048 which would prohibit tobacco product
Public Health and Human Services (continued)

sampling in Washington. The bill has passed the Senate and is now in House Rules. This bill has been introduced in the past and has not yet made it out of the Legislature. Tobacco product sampling is a popular mechanism for the tobacco industry to introduce people to their products. Often sampling events are tied to concerts frequented by young people and age enforcement is often difficult, if not impossible.

Legislators heard from several young people testifying that they received their first sample offer before they reached the age of 15. The bill is intended to keep tobacco products out of the hands of children.

2005 Rural Health Leadership Grants
The Washington Health Foundation (WHF) has opened the application period for 2005 Rural Health Leadership Grants. The intent of the 2005 Healthiest State in the Nation – Rural Health Leadership Grant program is to support community-based initiatives that will make significant contributions to the success of the Healthiest State in the Nation Campaign. The grant program will focus on two priorities: 1) Health Disparities and Organizational Chair and 2) Community Partnerships for Health Promotion. Through this grant program, WHF will support initiatives that push Washington State and its communities to become the healthiest in the nation. Proposed initiatives should result in change in behavior (individual) or practice (organizational, community) and in policies that will sustain the change over time.

Rural, community-based public, private, nonprofit and tribal organizations that improve health are eligible to apply. Community-led collaborative partnerships are required. Partnerships should involve key group and individuals from across the community and the health care system as appropriate to grant objectives. Grant guidelines are available. On May 6, 2005, WHF will sponsor a Health Communities Colloquium which will include information for potential applicants.

June 15, 2005, completed applications must be received by 5 pm.

September 1, 2005, grant awards will be announced. For additional information contact: Katharine Sanders, Washington Health Foundation, 300 Elliott Avenue West, Suite 300, Seattle, WA 98119, Telephone: (206) 216-2509, Fax: (206) 283-6122, Email: KatharineS@whf.org.

<table>
<thead>
<tr>
<th>Bill #</th>
<th>Committee</th>
<th>Description</th>
<th>Time</th>
<th>Location Bldg/Room</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>2085</td>
<td>Senate Water, Energy &amp; Environment</td>
<td>Regarding the cleanup of waste tires</td>
<td>3:30 pm</td>
<td>JAC/4</td>
<td>3/22</td>
</tr>
<tr>
<td>1939</td>
<td>Senate Water, Energy &amp; Environment</td>
<td>Concerning Well Construction</td>
<td>3:30 pm</td>
<td>JAC/4</td>
<td>3/23</td>
</tr>
<tr>
<td>2105</td>
<td>Senate Water, Energy &amp; Environment</td>
<td>Including Hood Canal in the on-site sewage grant program</td>
<td>3:30 pm</td>
<td>JAC/4</td>
<td>3/23</td>
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<tr>
<td>2115</td>
<td>Senate Human Services &amp; Corrections</td>
<td>Providing information to pregnant women about opiate treatment programs</td>
<td>8:00 am</td>
<td>JAC/1</td>
<td>3/24</td>
</tr>
<tr>
<td>2081</td>
<td>Senate Natural Resources, Ocean &amp; Recreation</td>
<td>Creating an aquatic rehabilitation zone designation as a framework for Hood Canal recovery programs.</td>
<td>3:30 pm</td>
<td>JAC/2</td>
<td>3/24</td>
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<tr>
<td>ESHB 2097</td>
<td>Senate Natural Resources, Ocean &amp; Recreation</td>
<td>Establishing a management program for Hood Canal rehabilitation.</td>
<td>3:30 pm</td>
<td>JAC/2</td>
<td>3/24</td>
</tr>
<tr>
<td>5831</td>
<td>House Economic Development, Agriculture &amp; Trade</td>
<td>Concerning Well Construction</td>
<td>8:00 am</td>
<td>JLOB/A</td>
<td>3/25</td>
</tr>
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</table>
**Association News**

**Former San Juan Commissioner Reports from Turkey**

Former San Juan County Commissioner Darcie Nielsen has been in Turkey since January working for the National Democratic Institute to help the country prepare for membership in European Union. She is helping local Turkish officials understand the roles of local government from her many years in San Juan County. She has indicated she would keep many of her friends updated with occasional articles about her efforts. What follows is the first of those articles. If you wish to send her an email, her address is darcie@superonline.com.

**“TURKEY – GRAM”**

*by Darcie Nielsen, Director, Local Government Program, National Democratic Institute – Turkey.*

_March 15, 2005_

Two and a half months into my post abroad and I am amazed with the people and landscape of Turkey. I spent the month of February traveling to five of the six cities our local government program is working in. From Yalova on the Sea of Marmara to Urgup in Cappadocia, from Izmir on the Aegean to Sinop on the Black Sea, the diversity in geography and culture is distinct. Even Kecioren on the outskirts of Ankara with its amazing rebirth from a city of slums and landfills to the home of the Prime Minister has its own unique character.

Evin, my co-worker and translator, and I are working closely with the mayors of each of these cities on the subject of citizen participation in public decision making and local government capacity building as they take on new responsibilities stemming from decentralization legislation and reforms associated with EU accession. The Mayors’ personalities, issues, and ideas are as diverse as their cities and it has been a pleasure to get to know them. I have given Mark Gardner’s book “The San Juan Islands” to each mayor. The beautiful photographs in this book have made quite an impression on all those who view it.

The Black Sea area around Sinop most reminds me of the islands and the Pacific Northwest. With forested hills, rivers and valleys, long beautiful beaches, friendly locals, and small “fishing village” ambiance, I felt right at home in this region. Upon receiving Mark’s book and hearing about the Vision Statement written by islanders, the mayor of Sinop was so moved by the similarities in our communities that he asked if I would make a presentation about it at a community meeting. It was my first speech in translation! While I spoke and Evin translated, slides were shown of Sinop and the San Juan Islands. Our presentation was quite a hit, literally the talk of the town.

Now the Mayor is eager to engage his community in drafting a vision statement for Sinop and has asked us to help with the process. They will use the San Juan County Vision Statement, (translated into Turkish of course!) as a model. Many of you may recall the Vision Statement was carefully crafted by a diverse cross section of islanders over 10 years ago. The Vision guides the County’s Comprehensive Plan. Sinop also hopes to create a community plan with the Vision as a guide.

We’ve yet to visit our sixth city, Dogubayazit in the east near the border with Iran. I’ll tell you about that next time!

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**Boards and Commissions**

**Local Government Advisory Committee Appointments**

Two WACO positions on the Local Government Advisory Committee expired on December 31, 2004 and WACO will be nominating members to fill these vacancies. The Committee takes a lead role in setting statewide financial policies, including accounting, budgeting, and financial reporting. The Committee makes recommendations to the Legislature and responds when lawmakers change policies effecting the BARS prescription. In addition, the Committee advises the State Auditor on issues relating to the prescription of a uniform financial reporting system.

According to the bylaws, nominations must be submitted to the State Auditor’s Office, in writing, and should be received by March 31, 2005. Each member’s term is three years and members are eligible for re-nomination. The committee meets at least three times a year with other meetings scheduled as needed.

For further information, please visit www.sao.wa.gov or call Christy Yost, Committee Chair, at (360) 753-3574. Please let WACO know if you are interested.
# Calendar of Events

**For your convenience training and workshops are bolded.**

## MARCH 2005

<table>
<thead>
<tr>
<th>Meeting</th>
<th>Location</th>
<th>Date</th>
<th>Information</th>
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</thead>
<tbody>
<tr>
<td>Washington Counties Risk Pool (WCRP) Focus Training &quot;Land Use Issues 2005&quot;</td>
<td>LaQuinta Inn &amp; Suites/Conference Center, Tacoma</td>
<td>March 22</td>
<td>(360) 586-7447</td>
</tr>
<tr>
<td>WCAA Annual Conference – Winter</td>
<td>Enzian Inn, Leavenworth</td>
<td>March 23 – 25</td>
<td>(360) 753-1886</td>
</tr>
<tr>
<td>Washington Counties Risk Pool (WCRP) Focus Training &quot;Land Use Issues 2005&quot;</td>
<td>Best Western Lake Inn/Conference Center, Moses Lake</td>
<td>March 24</td>
<td>(360) 586-7447</td>
</tr>
<tr>
<td>WSAC Rural Issues Sub-committee</td>
<td>WA Counties Bldg, Olympia</td>
<td>March 24</td>
<td>(360) 753-1886</td>
</tr>
<tr>
<td>Urban County Caucus</td>
<td>Mercato Ristorante', Olympia</td>
<td>March 24</td>
<td>(360) 753-1886</td>
</tr>
<tr>
<td>WSAC Legislative Steering Committee</td>
<td>WA Counties Bldg, Olympia</td>
<td>March 25</td>
<td>(360) 753-1886</td>
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## APRIL 2005

<table>
<thead>
<tr>
<th>Meeting</th>
<th>Location</th>
<th>Date</th>
<th>Information</th>
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</thead>
<tbody>
<tr>
<td>WACO Board of Trustees’ Meeting</td>
<td>Washington Counties Building, Olympia</td>
<td>April 6-7</td>
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</tr>
<tr>
<td><strong>CPO Elective Course: Public Meetings, Public Disclosure &amp; More - Do You Know the Rules?</strong></td>
<td>Pierce County</td>
<td>April 7</td>
<td><a href="http://d3060429.purehost.com/CPO/CPO.htm">http://d3060429.purehost.com/CPO/CPO.htm</a></td>
</tr>
<tr>
<td>16&lt;sup&gt;th&lt;/sup&gt; Annual National County Government Week</td>
<td></td>
<td>April 10-16</td>
<td></td>
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<tr>
<td>Washington Counties Insurance Fund (WCIF)/Washington Counties Insurance Pool (WCIP) Ace Committee (HR &amp; Payroll Only)</td>
<td>Yakima Convention Center</td>
<td>April 13</td>
<td>(360) 586-0466</td>
</tr>
<tr>
<td>Washington Counties Risk Pool (WCRP) Risk Managers Roundtable, 1- 5 pm</td>
<td>Best Western CottonTree Convention Center, Mt. Vernon</td>
<td>April 13</td>
<td>(360) 586-7447</td>
</tr>
<tr>
<td>Washington Counties Risk Pool (WCRP) Spring Board Meeting, 9 am</td>
<td>Best Western CottonTree Convention Center, Mt. Vernon</td>
<td>April 14</td>
<td>(360) 586-7447</td>
</tr>
<tr>
<td>WSAC Rural Issues Sub-committee</td>
<td>WA Counties Bldg, Olympia</td>
<td>April 14</td>
<td>(360) 753-1886</td>
</tr>
<tr>
<td>Urban County Caucus</td>
<td>Mercato Ristorante', Olympia</td>
<td>April 14</td>
<td>(360) 753-1886</td>
</tr>
<tr>
<td>WSAC Legislative Steering Committee</td>
<td>WA Counties Bldg, Olympia</td>
<td>April 15</td>
<td>(360) 753-1886</td>
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<tr>
<td><strong>Washington STATE</strong></td>
<td></td>
<td>April 25</td>
<td><a href="http://www.leg.wa.gov/wsladm/calendar.cfm">http://www.leg.wa.gov/wsladm/calendar.cfm</a></td>
</tr>
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**Washington STATE**

Sine Die - 59<sup>th</sup> Legislative Session Ends

April 25
What? You haven’t started your application for the Washington Counties Scholarships yet?

County elected officials and employees who have students in their families take note!

The Washington Counties’ Scholarship Fund is offering five $2,500 awards to children of county employees who will be enrolled full-time during the 2005/2006 school year in a baccalaureate program, associate degree program or vocational/technical certification program.

Complete information and applications are available on the web at www.wacounties.org

Call WACO at (360) 753-7319 or WSAC at (360) 753-1886 if you would like to have an application mailed to you or if you have any questions.

We encourage all students to apply!

Well, get going….time’s a wasting!