1. Welcome and Roll Call
PIC Chair Mayor Bernie Talmas, Woodinville, called the meeting to order at 7:03 PM. 22 cities had representation (Attachment A). Guests present included: Mayor John Marchione, Redmond; John Stilin, Redmond City Council; Benson Wong, Mercer Island City Council; Tamie Deady, Black Diamond City Council; Mayor Mary Jane Goss, Lake Forest Park; Bob Keller, Sammamish City Council; Nicole Sanders, City of Snoqualmie; Elizabeth Willmott; Climate Solutions; Eileen Quigley, Climate Solutions; Michael Huddleston, King County Council; Matt Kuharic, King County; Karen Wolf, King County; Megan Smith, King County; Diane Carlson, King County; Coleen Whitten Sax, APA Big Ideas Committee on Climate Change.

2. Public Comment
Chair Talmas asked if any member of the public had any public comment. Seeing none, Talmas closed the public comment portion of the meeting.

3. Approval of the February 12, 2014 Minutes
Council President Hank Margeson, Redmond, moved, seconded by Mayor Dave Hill, Algona, to approve the February 12, 2014 meeting minutes.

Deputy Mayor John Drescher, Newcastle, moved, seconded by Councilmember Ross Loudenback, North Bend, to amend item 8 in the minutes to reflect that seven cities representatives had left the room prior to the vote in order to not affect the outcome of the vote.

Mayor Jim Berger, Carnation, voiced his disagreement with the proposed amendment. He noted that the minutes accurately reflected who voted in favor and who voted against- he disagreed with calling out the members not present.

Mayor Hill, Algona, noted that minutes do not generally reflect who is not in the room during a vote. Rather, they note who voted and how. He did not think that it was appropriate to assign motives to those who were not present.

Council President Margeson, Redmond, stated the minutes could simply note the names of the seven cities that were not present during the vote.

Deputy Mayor Drescher reiterated his position that the minutes should reflect what occurred at the meeting; that there were cities in favor of the item, cities against the item, and listed cities not present to vote.
Councilmember Marlla Mhoon, Covington, shared her concern that the proposal would set a precedent for noting who was not present during a particular portion of a meeting, noting that this was not usual for minutes.

Executive Director Dawson noted that some cities were not at the meeting at all. The minutes list which cities were present at the roll call.

Mayor Hill, Algona, followed up on Councilmember Margeson’s suggestion, noting that the minutes could state the cities that stepped out without stating why, as the 7 members might all have different reasons.

Councilmember Tom Odell, Sammamish, suggested adding which cities were present and voting.

Mayor David Baker, Kenmore, noted there were more than seven cities not present at the PIC for the item. Mayor Baker was also concerned about setting a precedent.

Chair Talmas agreed, reiterating that the minutes accurately reflected who voted in favor and against.

Councilmember Barry Ladenburg, SeaTac, noted that if the cities who left the room were listed, and the minutes were reviewed in the future, the reader would have an accurate reflection of what occurred as the number of members listed as present at the meeting would be the same number who were listed in the vote on the item.

Councilmember Nancy Tosta, Burien, stated that what each member said related to Item 8 was reflected in the text of the minutes, just not in the vote.

Mayor Matt Larson, Snoqualmie, noted that we had a parliamentarian weigh in on the proper procedure; he felt we can note in the minutes that specific city representatives left the room.

Chair Talmas called for a vote on adding language to the February 12 minutes for item 8 to state that “the following cities were not present for the vote” (with cities listed).

The amendment failed 8-14.

The main motion passed 19-3. Newcastle, North Bend, and SeaTac voted no.

4. Chair’s Report
Chair Talmas thanked the presenters for the Climate Change Pre-PIC workshop for a good presentation.

Chair Talmas reported that SCA’s leadership met with King County Executive Constantine earlier in the day. Talmas reported that both SCA leadership and the Executive felt that regardless of the outcome of the Transportation Benefit District vote, that it was essential that all King County jurisdictions should present a united front supporting a statewide transportation package in 2015.
The leadership also discussed the Final Transfer System Plan Review,  
http://your.kingcounty.gov/solidwaste/about/plan-review.asp. Talmas noted that while the report recommends not moving forward on the Northeast transfer station, there did not seem to be support at the County for formally amending the plan to remove the station at this time.

Chair Talmas also noted that the Executive was supportive of SCA being involved early in the budget process and giving input. King County Budget Director Dwight Dively will be at the next leadership meeting.

Chair Talmas stated that in an effort to address concerns raised at PIC meetings, SCA leadership brought up the issue of the lack of transparency related to Metro’s financial records. PIC members had a lively discussion related to the need for transparency of Metro’s financial records, with current and former Regional Transportation Committee (RTC) members and other PIC members sharing their frustration at the lack of data available to them. There were different types of data requested by members including revenues and expenditures and future projections; financial data by city; and a request for a benchmarking exercise showing where Metro ranks among similar organizations across the country.

ED Dawson noted the Executive stated he was willing to share any data Metro has with the PIC. In response to a question as to when the data could be provided, Diane Carlson, King County Executive’s office, noted that there is a need to determine exactly what data are being requested prior to determining a schedule for providing that data.

Mayor Larson, Snoqualmie, suggested that a committee of SCA members could take on this task; specifically, to identify the data being requested. There was a further discussion of what the committee’s role would be.

Mayor Larson, Snoqualmie, moved, seconded by Councilmember Odell, Sammamish, to create a committee of 5 members of SCA to define what data is needed from Metro.

Council President Margeson, Redmond, suggested that instead of a new committee being formed, that the RTC caucus take on the task of putting the information together.

There was additional discussion as to what information members were requesting and what information Metro has to provide.

Mayor Larson withdrew his motion and agreed the RTC caucus is the appropriate committee to be tasked to work on creating a financial data request list.

ED Dawson agreed that staff will work with the RTC caucus to put together this work group, and that SCA staff will seek feedback from cities. Dawson noted that this task would likely fall to the Senior Policy Analyst position, and that as PIC members know, that position is currently vacant.
5. Executive Director’s Report
Deanna Dawson, SCA Executive Director, reported that SCA has received numerous excellent and highly qualified candidates for the Senior Policy Analyst. The position closes on Friday.

ED Dawson gave an update on Health and Human Services Transformation Advising Partners Group, an offshoot of last year’s “Transformation Plan” work. The first meeting was earlier this month; Dawson will keep the PIC updated, and seek feedback as applicable. Dawson also noted she just received a letter appointing her to the Youth Action Plan Countywide Task Force, and that she will likewise update members on that process as it moves forward.

ED Dawson gave an update on the new King Conservation District Advisory Committee. The committee held its initial meeting on March 5. Councilmember John Stokes, Bellevue, is chair, and Mayor Jim Berger, Carnation, is vice chair. Dawson noted that the committee adopted a charter and will be working intensely for next few months to get ahead of the budget process.

ED Dawson distributed materials earlier this week regarding a human trafficking training opportunity for city staff. This training is for non-law enforcement staff – it is geared towards other staff including code enforcement and other staff who are out in the community, to teach staff what signs might potentially show human trafficking is occurring at a property and train staff on how to report such suspicions. If your city interested in participating, please contact ED Dawson at Deanna@soundcities.org.

ED Dawson gave a brief legislative update. The session will be ending on March 13 and a transportation package will not be passed this session. As Mayor Talmas noted, SCA is working with the King County Executive and Seattle Mayor Murray on a joint letter to the legislature supporting a statewide transportation package in 2015. ED Dawson noted a tribal tax exemption bill passed; Snoqualmie and other cities will be asking Governor to veto the bill. Mayor Larson, Snoqualmie, stated to let him know right away if your city is interested in signing on – this is a time sensitive issue. Larson outlined the potential impacts of the bill for PIC members and offered to distribute a letter to cities for their consideration. A copy of the letter is attached here, Attachment B.

ED Dawson noted SCA is featuring an Elected Official of the Week on our Facebook page. The purpose of this feature is to call attention to what outstanding elected officials our cities have, and what members do outside of city government. To date SCA has featured Tola Marts, Issaquah; Leanne Guier, Pacific; John Holman, Auburn; Denis Law, Renton; Dini Duclos, Federal Way; and our two city elected officials in the legislature; Mia Gregerson, SeaTac, and Tana Senn, Mercer Island. If members have suggestions for features, forward them to Deanna@soundcities.org. Dawson noted that Councilmember Duclos had just published a book entitled “Danger from Fifty Feet Below,” and recommended it to members.

6. Climate Change Efforts in King County
Doreen Booth, SCA Policy Analyst, gave a brief overview of current efforts in King County related to climate change, noting that a more extensive discussion was held in the pre-PIC workshop. Booth noted that there are two related efforts going on, one at the Growth Management Planning Council and one at the King County-Cities Climate Collaborative (K4C). At its July 23 meeting, the GMPC will be considering implementation of two countywide planning policies;
EN-17: Establish a countywide greenhouse gas reduction target that meets or exceeds the statewide reduction requirement that is stated as the 2050 goal of a 50% reduction below 1990 levels; and

EN-18: Establish a greenhouse gas emissions inventory and measurement framework for use by all King County jurisdictions to efficiently and effectively measure progress toward countywide targets established pursuant to policy EN-17.

The GMPC is anticipated to set a greenhouse gas reduction target with the work on the strategies to reach that target being developed by the King County-Cities Climate Collaborative (K4C). Booth noted that in the Pre-PIC presentation, presenters showed how part of the progress towards a target could be met through existing federal and state laws. It is the remaining gap that cities would need to address through their own policies and strategies.

Mayor Larson, Snoqualmie addressed the work of the King County-Cities Collaborative, http://www.kingcounty.gov/environment/climate/other-governments/climate-pledge.aspx, and shared how valuable that work had been for his small city. Larson also noted that it is the 5 year anniversary of a related group, the Sustainable Cities Roundtable, http://your.kingcounty.gov/solidwaste/greenbuilding/roundtable.asp. Larson noted that after 5 years of learning lessons about how to move forward on sustainability, there are clearer strategies and a clearer path forward for cities.

Booth noted that many cities are updating their comprehensive plans this year, and that there was a great deal of staff work being done in this context. She noted that the planning directors had also had a recent presentation and discussion on this item.

Chair Talmas opened the item up for discussion and feedback. ED Dawson also asked members to share with SCA what information they would need in order to make a decision at a future meeting.

Councilmember Tola Marts, Issaquah, asked for clarification as there is nothing actionable in the materials provided and the item is listed as Potential Future Action Item. ED Dawson noted that this item should have been listed as a discussion item. It may be an action item in the future. Dawson noted that cities are in very different places in terms of climate change and SCA is attempting to learn what information cities need in order to potentially make a decision on climate change to guide a GMPC decision.

Councilmember Ladenburg, SeaTac, suggested that having access to a shared resource list would be valuable to cities. Ladenburg also noted that there may be financial resources available for cities to meet targets.

Deputy Mayor Catherine Stanford, Lake Forest Park, requested more information on the process to be used to set a greenhouse gas emissions reduction goal and what the benchmark would be. Stanford also asked if we were looking at an aggregate King County greenhouse gas reduction target or a city by city reduction target. Deputy Mayor Stanford also shared work she is doing with a downtown Seattle business association, Seattle District 2030, http://www.2030districts.org/seattle, an interdisciplinary public-private collaborative working to create a groundbreaking high-performance building district in downtown Seattle. Stanford suggested that it would be valuable to
have information for each potential strategy called “resources” that addressed staff needs, operating budget and if the action was the responsibility of the city/private sector.

Mayor Talmas, Woodinville, noted that his city is not well versed in the climate change issue and it would be helpful to have background information he can distribute to council. That information would address the effects implementation of a target could have on cities, including potential changes in zoning, and the funding that would be required to implement strategies.

Mayor Larson, Snoqualmie, shared that he thought Snoqualmie was a leader on the issue until he reviewed what Issaquah is doing around climate change, noting the excellent work being done in that city. Larson noted that K4C is looking at some of the ideas mentioned by PIC members tonight and is packaging the ideas in a way that is accessible to cities. Mayor Larson also noted that K4C has sample comprehensive plan language and a library of resources and suggested that K4C staff could make presentations to cities if requested on climate change efforts in King County. To schedule a presentation, contact Matt Kuharic, Senior Climate Change Specialist, King County, at matt.kuharic@kingcounty.gov or Nicole Sanders, Snoqualmie, at nsanders@ci.snoqualmie.wa.us.

Elizabeth Willmott from Climate Solutions New Energy Cities Program, is also available for presentations.

Councilmember Tosta, Burien, is very supportive of the work going on in the region. Councilmember Tosta requested a one page description of the proposal that she could discuss with her council; the document would include what is being asked of cities, benefits of taking such actions and the resources available to help with implementing those actions.

Council President Margeson, Redmond, noted that Redmond was an early supporter of this work. He suggested that a missing piece of the solution is Puget Sound Energy’s involvement in the solution. Council President Margeson used the analogy of water; when the area needed to conserve water, there were programs in place from utilities to replace high water users such as toilets, showerheads, washers, etc. He suggested PSE should be making similar types of investments in retrofitting high energy uses in homes; such as programs to replace windows and add insulation.

Councilmember Mhoon, Covington, noted cost was mentioned but there were no specific costs to cities included in the report.

ED Dawson thanked the members for their input and noted we will have a clear request for the PIC’s consideration and why that is moving forward, ready for the next meeting. Dawson reiterated the King County-Cities Climate Collaborative’s willingness to present to individual councils if requested.

7. **Hazardous Waste Fee Rate Restructure**

Chair Talmas introduced the item, noting that this was an item brought to the PIC for feedback prior to the Board of Health, but noting that this was a relatively uncontroversial item that had already been supported by SCA’s representative at the Local Hazardous Waste Management Program’s (LHWMP) Management Coordinating Committee. He invited Mayor David Baker, Kenmore, to speak to this item.

Mayor Baker, member of the Board of Health and the Local Hazardous Waste Management Program’s (LHWMP) Management Coordinating Committee, reported that this rate hadn’t been
raised in long time. He noted cities do not want hazardous waste materials in landfills and water and this program keeps those items from being disposed of in an inappropriate manner. The purpose of the amendment is to make the rates more equitable.

Doreen Booth noted that the LHWMP is proposing this structural rate change to make the hazardous waste fees collected from commercial businesses more equitable. Currently, most businesses pay the same fee regardless of their waste volume. Mayor Baker noted the rate restructure is now going to the Board of Health for action but it has been discussed at the LHWMP Management Coordinating Committee for some time.

ED Dawson asked if the members were comfortable allowing this item to move forward without a position.

Mayor Hill, Algona, asked for clarification as to how this will affect cities. Hill noted some cities were called out in the staff report as billing entities. Doreen Booth responded that the cities listed and the haulers will have to make administrative changes in their billing software. Booth noted that the LHWMP Management Coordinating Committee approved one time monies to be set aside to help offset the costs associated with making such changes.

Mayor Hill asked if the change would have an impact on cities’ franchise agreements. Booth explained that this is a pass through fee added to bills and transmitted to the LHWMP. There is no impact on franchise agreements. Mayor Hill noted that commercial property owners will see a decrease or increase in costs.

Council President Margeson, Redmond, noted that the fee was an IT fee.

Councilmember Toby Nixon, Kirkland, requested concise messaging to the public that cities could put on utility bills. He noted Kirkland staff was working on the issue.

ED Dawson asked members if they were comfortable with the Board of Health members voting to support this change. PIC members noted their approval, and did not see the need to bring back to PIC for adoption of a formal position.

8. Informational Items
Chair Talmas highlighted two informational items: Transportation Benefit District (TBD) Update and King County Regional Disaster Framework. Talmas reported that the TBD Board (consisting of members of the King County Council) unanimously approved the TBD ballot measure and that it is not anticipated that SCA will be taking a further position on this issue. Talmas also encouraged members to take the King County Regional Disaster Framework item back to their cities for consideration. One benefit of being a signatory partner to the framework is to save time during a disaster by having decision-making authority for jurisdictions already in place and on file.

9. Upcoming Events
Chair Talmas noted two upcoming events:
   a) The next Public Issues Committee Meeting – Wednesday, April 9, 2014 – 7:00 PM
   Renton City Hall
b) The next SCA Networking Dinner – Wednesday, March 19, 2014 – 5:30 PM
Renton Pavilion Events Center – King County Executive Dow Constantine, Keynote Speaker. There will be a women’s leadership happy hour prior to this event.

10. For the Good of the Order
Councilmember Odell, Sammamish, shared information from the recent National League of Cities (NLC) 2014 Congressional Cities Conference in Washington DC. Councilmember Odell discussed the potential future of MAP 21 (Moving Ahead for Progress in the 21st Century Act) and the likelihood of multiyear funding. He also shared information about rail safety and the lack of jurisdiction local and state governments have over railroads. Councilmember Odell suggested cities ensure their emergency plans address rail safety. He also chairs the Western Municipal Association (WMA) and at the NLC Conference, worked with Colorado members to put together a WMA sponsored Washington / Colorado panel on marijuana legislation and impacts. Councilmember Odell noted that a future WMA meeting may center on the topic of climate change in western states.

Councilmember Mhoon, Covington, noted that King Conservation District had recently had an election. The results of that election will be posted at http://www.kingcd.org/. Councilmember Mhoon also noted that Covington’s lobbyist reported that 2014 was the worst year on record for the passage of bills in the state legislature.

Mayor Berger, Carnation, reminded members he is on the KCD Advisory Committee along with Councilmember Kate Kruller, Tukwila, and Deputy Mayor Chris Eggen, Shoreline. He encouraged members to share their issues and experiences with KCD with him or the other members.

Councilmember Ladenburg, SeaTac, raised the issue of a lack of funding in the state budget to further the work of the Ruckelshaus Center to continue the process of mediation between local governments and other stakeholders to seek an agreement on public records reform. Councilmember Ladenburg encouraged members to sign a letter asking for the $50,000 funding for the Center to be reinstated. ED Dawson agreed to circulate the letter, Attachment C, to members.

Councilmember Nixon, Kirkland, noted he is the president of the Washington Coalition for Open Government and is supportive of the work of the Ruckelshaus Center. Councilmember Nixon noted he will review the letter to determine if he can support it. Note: Councilmember Nixon did support the letter requesting funding for the Ruckelshaus Center process.

11. Adjourn
The meeting was adjourned at 8:29 PM.
# 2014 Roll Call – Public Issues Committee Meeting
## March 12, 2014

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Electeds present are highlighted in gray. Cities represented are bolded.
March 13, 2014

The Honorable Jay Inslee
Office of the Governor
P.O. Box 40002
Olympia, WA 98504-0002

Re: Requested Veto of H.B. 1287

Dear Governor Inslee:

I write to request that you veto House Bill 1287, which grants an exemption from property tax for properties owned by federally-recognized Indian tribes within Washington State. The bill is very bad policy. It is also unconstitutional, and will expose the State to litigation and liability. Please veto it, immediately.

HB 1287 Is Bad Public Policy

The bill is bad policy, for a host of different reasons. It increases taxes for single-family homeowners and small businesses, by “shifting” the property taxes currently paid by tribes to other taxpayers. There is great potential that citizens and cities across the State will bear a tax burden for all off-reservation properties owned currently and purchased in the future by tribes. This is a grossly unfair additional burden to place on the backs of those who have just struggled through the worst economic conditions since the Great Depression.

The bill also deprives local government of needed revenues. The value of new, tax-exempt tribal development will never come on to the tax rolls. Cities, towns and special purpose districts will never receive their share of this lost revenue – which would otherwise be considered “new construction” property tax exempt from the statutory 1% levy limit – because the new development’s value will never be added to the cities’ overall property tax base. Meanwhile, those same local governments will be asked to provide police, fire, water, sewer and other general government services to the tribes’ developments. HB 1287’s proposed replacement, a “Payment in Lieu of Tax” or “PILT,” is subject to the tribe’s agreement with counties, and there is no guarantee that the any PILT amount will replace the lost property tax revenues.

Last, but certainly not least, the bill puts small business owners, realtors, developers and others at a disadvantage. Those businesses and individuals are the foundation of our State’s economy. They work hard, make and sell products, provide jobs and health care benefits – and pay their property taxes. There is no good policy reason to give the tribes an unfair advantage over other taxpayers.
Additional discussion of HB 1287’s policy flaws are detailed in the joint position statement of the Washington State Association of Counties, the Association of Washington Businesses, the Washington Association of County Officials, and the King County Department of Assessments, which were submitted to the Senate Ways & Means Committee. A copy of the position statement is attached.

The Bill Is Unconstitutional.

HB 1287 is not just bad policy. It is also unconstitutional, and illegal. It grants a property tax exemption to tribes keyed to whether a tribe pays either (1) a leasehold excise tax; or (2) a PILT. Both the leasehold excise tax and PILT are “taxes,” according to our state Supreme Court’s test for identifying whether a particular charge is a “tax.” However, HB 1287 impermissibly delegates legislative taxing authority to set the PILT rate, and amount, to the tribes or, alternatively to the Department of Revenue, an executive branch agency.

Under Article VII, Section 1, “The power of taxation shall never be suspended, surrendered or contracted away.” It is unconstitutional to delegate the Legislature’s taxing power to another government, including especially to tribes who are treated as “domestic dependent nations” and/or “sovereign governments” under federal law.

To the extent that HB 1287 confers the power to set the PILT tax rate and amount upon the Department of Revenue in the absence of a tribe’s disagreement, this delegation, too, is unlawful. The power to tax, and to set tax rates and amounts, is a legislative function, vested solely in the Legislature pursuant to Article II, Section 1. The power to unilaterally set a PILT rate and amount, as provided by HB 1287, simply may not be delegated to an executive branch agency such as the Department of Revenue.

Even if delegations envisioned in HB 1287 were legally possible, any lawful delegation of taxing power must be accompanied by non-arbitrary administrative safeguards. HB 1287 does not come close to meeting this requirement, given its blanket deferral to the tribe’s agreement or the Department of Revenue’s action regardless of how low of a tax rate or amount to which a tribe might agree, or the relationship – if any – to the property tax that would otherwise have been generated by the tribally-owned property.

HB 1287 also violates Article VII, Section 1’s uniformity requirement (“All taxes shall be uniform upon the same class of property. . .”). Under that constitutional provision, all real estate is one class, except for property expressly exempted in the Constitution itself, such as state, county, school and other municipal corporation property. Tax uniformity also requires both an equal tax rate and equality in valuing the property taxed. HB 1287’s PILT violates all of these constitutional requirements.

If HB 1287 is signed into law, it will subject the State to litigation that not only challenges its constitutionality but that exposes the State to financial liability. It is not hard to envision potential taxpayer claims for refunds of the amount of property tax “shifted” onto them from the tribes, or claims by local governments for reimbursement of revenues lost as a result of the bill’s
non-uniform provisions. There is simply no good reason for the State to take on legal and financial risks like these, for a bill as badly flawed as HB 1287.

Conclusion

Please immediately veto HB 1287. It is bad policy. It is bad for Washington taxpayers, bad for local governments, and bad for Washington businesses. And, even if you may be inclined to support the bill’s underlying intent, you should nevertheless veto this bill and return it to the Legislature for further study, additional input from affected stakeholders, and affirmative, legislative determination of the appropriate PILT tax rates and amounts.

Thank you in advance for your careful consideration of our views.

Sincerely,

Signature
Dear Local Government Committee Member,

Thank you for all the work you do for your constituents and the State of Washington on the House Local Government Committee. We appreciate all that you have done in the 2014 session. I wanted to bring to your attention one issue that has been a focus of the Local Government Committee for the past several years that is included in the Operating Budget, as passed by the House: funding for further Ruckelshaus work on public records reform.

As you are aware, local governments have been working with stakeholders from the media industry as well as coalition for open government groups to find common ground to improve the public records policy for several years. In the 2013 biennial budget, $25,000 was allocated to fund a study of this issue by the Ruckelshaus Center. This appropriation was designed to create a framework for mediation between our groups. In their December 2013 report, the Ruckelshaus Center indicated that the $25,000 in funding had been utilized and that further work was needed.

The House has now passed an Operating Budget that allocates an additional $50,000 to the Ruckelshaus Center to continue the process of mediation between local governments and other stakeholders to seek an agreement on public records reform. The City of SeaTac believes that this is a valuable process, and hopes that the allocation to the Ruckelshaus Center at this amount is valuable.

As a member of the House Local Government Committee, you know the value of this mediation process first-hand and have been able to see the amount of progress that has been made. I would like to ask you to urge budget negotiators to include funding for public records mediation in the amount of $50,000 in the 2014 Supplemental Operating Budget.

I look forward to working with you on this important issue.

Sincerely,