

WACD Legislative Bulletin

Week One

The 2018 legislative session began on Monday January 8th and lawmakers hit the ground running this week, with nearly 1000 bills introduced in the first week. After a special election in November, Democrats regained control of the Senate for the first time since a conservative coalition was formed in 2013. Now, with a slim one-vote majority in the Senate, Democrats are feeling the pressure to enact long-delayed progressive priorities. In the House, Democrats hold a 50-48 majority and need all 50 votes to pass any legislation.

Keith Wagoner (R) was appointed to serve as Senator for the 39th Legislative District, which spans parts of Skagit, Snohomish and King counties. He was appointed on January 3 to serve the unexpired term of Senator Kirk Pearson who took a presidential appointment. Senator Wagoner is a retired U.S. Navy Commander and the former mayor of Sedro-Woolley.

On Tuesday, Gov. Inslee delivered his [State of the State](#) and urged Washington lawmakers to embrace his ambitious plan to tax fossil-fuel emissions in Washington state. In his State of the State address, the governor implored legislators to cast aside their reservations and adopt a plan to tackle climate change in this year's short, 60-day legislative session. Republicans remain adamantly opposed to a carbon tax, and Democrats have been divided over what such a plan should look like.

While carbon pricing was the center piece of the governor's address, he also called for measures to end gun violence, to expand access to voting and an end to the death penalty.

The WACD lobbying team has been focused on meeting with Agriculture and Natural Resource Committee members to introduce the new team including your new Executive Director. It's important for legislators to also know and develop a relationship with Patricia. She has been sharing her conservation district background and highlighting the innovative and successful projects in specific districts. We are highlighting the importance of the Capital Budget and the programs that support CD work.

Carbon Tax Details

Governor Inslee's plan would tax carbon emissions generated by transportation fuels and power plants at \$20 per metric ton starting in July of 2019. After that, the tax would increase by 3.5 percent each year, plus inflation.

The governor's office estimates the tax would raise \$1.5 billion over its first two years, and \$3.3 billion over four years. Much of the money from the tax would initially be used to replenish the roughly \$1 billion in reserves Inslee hopes to spend on education. The money later would be spent on a mix of clean energy, water conservation and other environmental projects.

While the tax would be paid by power plants and fuel importers, Inslee's staff predicted some of the costs would pass on to consumers and result in a hike in the price of electricity, natural gas and gasoline for many people starting in 2020. That year consumers could see an increase

in costs of 4 to 5 percent on electricity, roughly 10 percent on natural gas used in homes and 6 to 9 percent on gasoline.

The governor's tax plan includes measures aimed at helping mitigate those costs for people who have low incomes. Some industries that are energy-intensive would be exempted from the plan, and products such as aircraft fuels and fossil fuels used for agriculture would be protected from the tax.

Under Inslee's plan, \$1.5 billion raised by the tax would initially refill the \$950 million in state budget reserves used to address Washington's final task related to the state Supreme Court's 2012 McCleary ruling. That order said the state was not fully funding public schools as required by the state constitution. After paying for education, half of the money from Inslee's carbon tax would pay for clean-energy projects such as investments in electric-powered mass transit.

Conservation projects, such as improvements to flood plain management, storm water run-off, and forest and natural lands health, would see 35 percent of the carbon tax money. The other 15 percent would go to assisting low-income communities and tribes and to help workers transition to clean energy jobs.

The Governor's carbon tax legislation ([SB 6203](#)) will be heard in the Senate Energy & Technology Committee on Tuesday, January 16th.

Capital Budget & Hirst Decision

Perhaps top of the list of pending issues is approval of a biennial capital budget, normally adopted in the first year of a biennium. Republicans refused to approve the capital budget without first addressing the 2016 state Supreme Court decision on water rights known as the Hirst Decision. The court ruled that Whatcom County failed to protect water resources by allowing new wells to reduce flow in streams for fish and other uses. The court said counties must ensure, independently of the state, that water is physically and legally available before they issue building permits in certain areas. In the wake of the ruling, some counties have temporarily halted certain rural development, while others changed criteria for obtaining a building permit. At issue is a struggle to balance competing needs of people and wildlife for limited water, a challenge that has played out across the state for years.

Even though Democrats have control of the Legislature, Republicans maintain substantial leverage on adoption of a capital budget. Bonds necessary to implement the capital budget require approval from 60 percent of lawmakers.

[SB 6091](#) is a new Senate bill for a 'Hirst fix'. The original bill closely aligned with the House proposal that was discussed in a December work session and was heard the first day of session. Senate Democrats and Republicans took additional time to negotiate and reached a bipartisan compromise that was quickly moved from the Senate committee on Friday and placed on second reading. A full Senate floor vote is expected on Monday, January 15. (Monday update-reports of an official compromise were premature. Negotiations have stalled and no vote took place today.) The Senate Ways and Means committee is also scheduled to vote the biennial

capital budget ([SB 6090](#)) out of committee the same day. It's uncertain how the 'Hirst fix' will progress but lead lawmakers are pushing for the House to bring the bipartisan compromise to the floor later in the week. Meanwhile, the House will still hear the proposals that have been developed in that chamber. [HB 2740](#) is scheduled for a hearing in the House Agriculture and Natural Resources Committee on Tuesday, January 16 at 10 am.

Aquaculture

The Senate heard and the House is scheduled to hear legislation that calls for a ban on the use of Atlantic salmon and other non-native fish pens in marine aquaculture. The measure comes on the heels of an August incident at Cypress Island in which thousands of Atlantic salmon escaped into the Puget Sound from a net pen facility ([HB 2260](#), [HB 2418](#), [SB 6086](#))

Marbled Murrelet

There are two different bills related to the impacts of the Marbled Murrelet long-term conservation strategy affecting state trust lands on the Olympia Peninsula. The Marbled Murrelet is an endangered bird and the Department of Natural Resources is updating their habitat conservation plan to extend their "take permit" with US Fish and Wildlife. The land being considered would reduce the harvestable timber and negatively impact trust beneficiaries and the revenue to counties and junior taxing districts.

[HB 2300](#) creates a legislative task force to review actions to provide economic relief for communities impacted by environmental protections of the marbled murrelet. [HB 2285/SB 6020](#) establishes an advisory committee to the Commissioner of Public Lands and a reporting process for the department of natural resources regarding certain marbled murrelet habitat information.

Fire Protection

[HB 2562](#) is sponsored by Rep. Dent and allows the creation of rangeland fire protection districts that will provide detection, prevention, and suppression of wildfire services and resources. Proponents include the Cattleman's Association, Audubon, The Nature Conservancy, Conservation NW and private landowners. The bill has not yet been scheduled for a hearing.

[HB 2441](#) sponsored by Rep. Manweller authorizes smaller eastern Washington counties to use certain funds collected from the surcharge for local homeless housing and assistance to (1) educate homeowners about wildfire risk and prevention measures; and (2) For wildfire prevention and response activities. It would require the department of natural resources to provide funding or training for prescribed burning to local authorities in areas at risk for wildfires. The measure also would provide a business and occupation tax credit to harvesters to increase proactive thinning and clearing of lands for the purpose of preventing and mitigating wildfires. A hearing is set for Wednesday, January 17 in the House Committee on Community Development, Housing & Tribal Affairs at 8:00 AM.

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