

WACD Legislative Bulletin Week Two

Only two weeks remain before the first cutoff deadline of February 2nd whereby non-fiscal bills must advance from the policy committee to remain alive. This will be a welcome deadline as the volume of bills moving through the system right now is overwhelming. Over 1250 bills have been introduced in the past two weeks, not to mention bills considered from the 2017 session. History was made last week when roughly 235 bills were introduced in one day (which broke the record of 150 bills in one day about eight years ago). Committee chairs continue to pass bills “as works in progress” to make sure the bills don’t die in the policy committee. All of this is somewhat symptomatic of pent up demand by interests who now believe their agenda can be moved forward with Democrats in control of both chambers of the Legislature. There is hope that Democratic leadership will be thoughtful and measured regarding how much of this volume will ultimately be passed.

Of most significance this week was the passage of the “**Hirst Fix**” and approval of the \$4 billion **Biennial Capital Budget** and the bonds to pay for it.

In only the second week of the 2018 session, Senate Democrats and Republicans took additional time to negotiate watershed by watershed in order to reach a bipartisan compromise for [SB 6091](#), the vehicle for the ‘Hirst fix’. The bill was approved by a vote of 35-14 in the Senate and 66-30 in the House. The biennial capital budget ([SB 6090](#)) remained virtually unchanged from the version agreed upon by both chambers last summer. It was approved unanimously by the Senate and 95-1 in the House. All bills were signed by the Governor on Friday.

Capital Budget Details

WACC Biennial Capital Budget 2017-2019		
PROGRAM	REQUEST	ADOPTED
Natural Resource Investment for the Economy & Environment	\$4 Million	\$4 Million
Improve Shellfish Growing Areas	\$4 Million	\$4 Million
CREP Riparian Cost Share	\$3.5 Million	\$2.6 Million
CREP Riparian Contract Funding	\$4 Million	\$2.3 Million
Dairy Distillation Grants Conservation Commission to make competitive grants available for dairy nutrient projects assisting dairy owners to address impacts to soil, water, or air.		\$4 Million
CREP PIP Loan Program	\$100,000	\$50,000
Irrigation Efficiencies (Included in Dept. of Ecology Budget)	\$4 Million	\$4 Million
Regional Conservation Partnership Program.	\$9.1 Million	\$2 million
Forest Hazard Reduction -Through DNR, mitigate forest hazards through thinning, prescribed burning, and other measures to reduce risk of forest fires and insect damage on state-owned public lands. (Fire Recovery/Firewise)	(\$3 Million)	\$13 Million (SCC portion- \$1 Million)
More Information: Click here for the SUMMARY , for the Budget Bill and for the Interactive Report .		

Hirst Fix Details

SB 6091 will allow landowners in rural areas to tap household wells (permit-exempt wells) while local committees work to develop plans for future water use. Those plans must outline how to offset potential impacts to rivers and streams from those wells. The plan includes \$300 million over the next 15 years for projects that improve stream flows and restore watersheds. Here are the details of the other important provisions of the legislation:

- WRIsAs with **new instream flow rules** will abide by those rules.
- WRIsAs with NO instream flow rules will be able to proceed with permitting exempt well uses without a fee or limitation on gallons.
- WRIsAs with **old instream flow rules** have been divided into **two categories** - those who have completed watershed plans and those who have not.
 - Both will categories will pay a \$500 fee when applying for a building permit
 - Those with watershed plans can use up to 3,000 gallons per day
 - Those without watershed plans will be limited to 950 gallons per day
- WRIsAs **with watershed plans** will restart their planning units to complete the evaluation and recommendation on future water use, improvements to instream flows and ways to offset impacts related to new domestic wells.
- WRIsAs **without watershed plans** will establish watershed restoration and enhancement committees to recommend improvements to instream flows and ways to offset impacts related to new domestic wells.
- In both cases the watershed planning units or WRECs can recommend modifications to the fee and gallon limits (both increase and decrease). They can also recommend specific conservation requirements.
- Ecology will **adopt rules** to implement the plans when necessary.
 - The deadline for Ecology completing this work for the WRECs is June 30, 2021.
 - The deadline for Ecology completing this work for watershed planning units is February 1, 2021.
- There are **two metering pilot projects**, one in the Dungeness and the other in the Kittitas WRIA. In both places wells are in place and required either by Ecology rule or county requirements.
- There is a **task force on the Foster** court case. It must complete its work by November 15, 2019.
- There will be up to **five Foster pilot projects** for appropriated permit water.
 - These pilot projects will use the mitigation sequencing specified in the bill.
 - These pilot projects will run concurrently with and inform the task force.
- The bill provides **300 million in new bonded money** to be used for instream flow restoration and to fund watershed plans.
 - The money will be available in increments until June 30, 2033.
 - It will be in a non-appropriated account.

Carbon Tax Details

The Governor’s carbon tax legislation ([SB 6203](#)) described in last week's report had its first hearing in the Senate Energy & Technology Committee on Tuesday, January 16th. Two other carbon tax proposals have been introduced [SB 6096](#) (Ranker) and [SB 6335](#) (Hobbs). Neither of these bills have been set for hearing. A comparison of the three bills is below.

2018 Carbon Tax Matrix

Carbon Tax Matrix	SB 6203	SB 6096	SB 6335
Bill Sponsors	Governor Inslee, Carlyle (D-36), + 15 Democratic Co-Sponsors	Ranker (D-40), Darneille (D-27), Dhingra (D-45), Hunt (D-22)	Hobbs (D-44), Saldaña (D-37)
Carbon Price (\$/Tonne)	\$20/metric ton + 3.5% + Inflation per year. No cap (~\$26 in 2024) Consumption based carbon tax	\$15/ metric ton + \$2.50/yr, Cap at \$30/tonne (\$30 in 2024) Consumption based carbon tax	\$15/metric ton, \$20 in 2024 Consumption based carbon tax
Notable Exemptions	TransAlta coal transition power, agricultural and aviation fuels, biofuels	TransAlta coal transition power; agricultural, maritime & aviation fuel	Agricultural, public/school transportation, and road construction/maintenance fuels, biofuels, U.S. gov, foreign diplomats
EITE Provisions	Exempts EITE's identified by agency rulemaking and must be re-approved every three years.	Exempts EITE's specified by list of 20 NAIC's codes or identified by agency rulemaking.	Exempts EITE's specified by list of 55 NAIC's codes plus businesses described by existing RCW's or identified by agency rulemaking.
Low Income, and impacted communities provisions	15% of expenditures on low-income assistance programs. 20% of Utility retention directed to low-income assistance programs. Priority for carbon projects benefiting low income, communities of color, and tribes.	Both Climate Impact Funds and Climate Impact Assistance Funds benefit disproportionately impacted communities. 20% of Utility retention directed to low-income assistance programs	Multimodal Investments which can reduce pollution and congestion, while improving public transportation and other mobility options in disproportionately impacted communities
Use of Funds	100% Utility Tax Returned to Utilities Of total revenue: 50% Carbon Reductions 35% Water/Forest Funds 15% Low Income Programs	70% Utility Tax Returned to Utilities \$350M growing to \$650M by 2026 to Climate Impact Fund then Remaining: 55% Carbon Reductions 30% Water/Forests 15% Climate Impact Assistance	40% Multimodal Investments 20% Water 10% Forests 5% Rural Economic Development 5% Fish Culverts
Other	Requires decarbonization planning for 80% reduction in GHG by 2050	Strengthens State GHG targets 40% below 1990 by 2035	Act is repealed if state carbon tax initiative or federal policy passes.

EITE = Emission Intensive Trade Exposed Business, NAIC's = North American Industry Classification System

Marbled Murrelet

There are two different bills related to the impacts of the Marbled Murrelet long-term conservation strategy affecting state trust lands. 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. The bill had a hearing on January 10 in the House Committee on Technology & Economic Development but has not advanced from the Committee.

[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. HB 2285 was approved by the House Committee on Agriculture & Natural Resources on January 17 and sent to the Rules Committee for further action. SB 6020 was heard by the Senate Committee on Agriculture, Water, Natural Resources & Parks on January 11 but has not advanced from the Committee.

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 been scheduled for a hearing in the House Committee on Agriculture & Natural Resources on January 25.

[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 was held on January 17 in the House Committee on Community Development, Housing & Tribal Affairs.

WACD Bill Tracking for Week 3

Bill No.	Title	Committee	Hearing Date	Effect
HB 2285 /SB 6020	Establishing a reporting process for DNR regarding marbled murrelet habitat	(HB 2285) House Rules	N/A	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.
HB 2562	Concerning rangeland fire protection associations	House Ag. & Natural Resources	1/25	Allows the creation of rangeland fire protection districts that will provide detection, prevention, and suppression of wildfire services and resources.
HB 2671	Improving the behavioral health of people in the agriculture industry	House Health Care & Wellness	1/24	Requires the department of health to establish a pilot program for behavioral health and suicide prevention for members of the agricultural industry workforce.
HB 2902	Ensuring WA aggressively acts to open fish habitat by removing barriers under all forms of ownership	House Ag. & Natural Resources	1/25	Would require the state to provide no less than \$50 million per year toward the funding of fish passage barrier removal projects.
SB 6386	Ensuring the funding of fairs	Senate Ag, Water, Natural Resources, & Parks	1/25	Requires sales taxes collected on fairgrounds during fairs to be deposited in the state "fair fund".
SB 6529	Protecting Agriculture workers and community members from pesticides	Senate Labor & Commerce	1/25	Allows a civil fine of up to \$7,500 for exposure to pesticides.

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