

WACD Legislative Bulletin

Week Four

The legislature reached its first self-imposed deadline on Friday, February 2nd whereby non-fiscal bills must advance from the policy committee to remain alive. The deadline for bills in the fiscal committees (Ways and Means, Appropriations and the two Transportation Committees) is Tuesday, February 6th.

The state's **Revenue and Economic Forecast** will be released on February 15th, and at that time, budget writers will fine-tune their supplemental budgets. The revenue forecast is expected to be favorable, with significant increases in forecasted revenue growth over the next 4 years. The House and Senate proposed budgets will be released in mid-to-late February, and at that time, any accompanying tax bills that may be needed to fund the respective budgets. With mid-term elections occurring in 2018, support in either chamber for a major tax increase this session is not expected.

There will be a **Supplemental Capital Budget** for 2018. But coming so quickly on the heels of the approval of the biennial budget that should have been approved early in 2017 there is speculation that the supplemental budget will be a bare-bones spending addendum. There is plenty of demand for new spending and time will tell if budget writers stick to the plan of minimal new spending.

Last week, the House Finance Committee Chair introduced [HB 2967](#), a bill to assist Washington families by improving the fairness of the state's tax system by enacting a **Capital Gains Tax** and providing property tax relief. The legislation intends to "ask the citizens of Washington to reduce the state property tax levy and replace it with the capital gains excise tax." The bill is designed to mitigate higher property taxes, reported imbalance in the state's tax structure and to "ensure that everyone is paying their fair share." The bill is scheduled for a hearing in the House Finance Committee on February 5th.

Senate Democratic leaders continue to work with stakeholders on a possible compromise related to a **Carbon Tax**. While it is still unlikely that the Legislature will adopt a carbon tax, many are hopeful that these discussions will lead The Nature Conservancy (and other

advocates) to incorporate principles in their proposed ballot initiative, likely coming to voters in Fall 2018.

The Senate Committee on Energy, Environment & Technology approved [SB 6203](#) (Carlyle) which would impose a tax on carbon on July 1, 2019 if voters approve a constitutional amendment that restricts use of carbon tax funds to purposes relating to climate mitigation and resilience. Constitutional amendments require a two-thirds vote of the legislature before appearing on the ballot. Among many other provisions it would impose a carbon pollution tax equal to \$10 per metric ton of carbon dioxide on the sale or use of fossil fuel within the state of Washington (down from the governor's request of \$20) and in 2021 increases \$2 each year until capped at \$30/ton. Natural gas would be taxed at the end use and electricity would be taxed at the utility level. The measure includes exemptions for logging trucks and manufacturers of renewable energy equipment.

Last week, the House Environment Committee passed along party lines a revised version of [HB 2338](#) (Fitzgibbon), legislation to impose a **Low Carbon Fuel Standard (LCFS)** in the state of Washington. The policy is similar to LCFS programs in Oregon and California and requires fuel producers and importers to reduce the carbon intensity of their transportation fuels by 10% (below 2017 levels) by 2028. Republicans expressed significant concern about going-back on a pledge not to pursue an LCFS as part of the bipartisan grand bargain on the last transportation package. As such, Republicans urged that the bill be sent to the Transportation Committee for thorough review. This policy is expected to increase gasoline and diesel fuel prices. This measure is scheduled for public hearing in the House Committee on Transportation on February 5th and for executive action on the 6th.

The Senate Environment, Energy & Technology Committee has approved has also approved [SB 6253](#) (Ranker) the so-called "**100% Clean Energy Standard.**" The bill would require:

- all electric utilities and market customers to only meet new
- electricity needs with distributed-energy and carbon-free resources.
- all electric utilities and market customers to meet all electricity needs with distributed-energy and carbon-free resources by December 31, 2045.
- all electric utilities to eliminate from electric rates all costs associated with coal-fired generation by January 1, 2030.

The bill was referred to the Ways and Means Committee where it is scheduled to be heard on February 5th. A similar bill, [HB 2402](#) (Tarleton), was approved by House Committee on Technology & Economic Development and sent to the Appropriations Committee. HB 2302 would prohibit a consumer-owned qualifying utility, small utility, or market customer from using electricity from any of the following resources to meet any new energy or capacity need, except under certain circumstances: coal-fired generation; certain new hydroelectric generation; nuclear generation; natural gas-fired generation; oil or diesel generation; or waste incineration.

The Senate Environment, Energy & Technology Committee has approved [SB 6269](#) (Ranker), a bill intended to strengthen **Oil Transportation Safety**. The legislation applies the barrel tax to crude oil received by pipeline and raises the oil spill administration tax from \$0.04 to \$0.06 cents per barrel. The bill requires the Department of Ecology to review, assess, and provide a report on vessel traffic safety in northern Puget Sound, establish the Salish Sea Shared Waters forum and requires changes to contingency plans and spill drills. Chair Carlyle asked for effective tax rate information for the refineries and suggested that the refineries received a record windfall from the federal tax changes. SB 6269 was sent to the Ways and Means Committee and has not been scheduled, though, could be considered "necessary to implement the budget" if leaders agree to expand this tax.

A proposal to require growers to give the state Health Department up to a seven-day notice every time they **Spray Pesticides**. The premise of [SB 6529](#) (Saldana), according to its preamble, is that pesticide applications are a "consistent source of pesticide exposure and pose significant risks to community members." Other provisions of the bill would require making public each month the type and amount of pesticide applied for each spraying. Farmers and pesticide applicators not filing the right information could be fined \$7,500. Farmers objected to having to reveal their management practices to competitors. They also said they were worried the information would be used against them in lawsuits. SB 6529 was approved by the Senate Committee on Labor & Commerce and referred to the Ways and Means Committee where it must be approved by Tuesday, February 6th.

[HB 2902](#) (Wilcox) appropriates \$50 million for the fiscal year ending June 30, 2019 to the Department of Fish and Wildlife for **Fish Passage Barrier Removal** projects. The measure was referred to the House Appropriations Committee where it must be approved by February 6th. As amended by the House Committee on Agriculture & Natural Resources the measure now:

- Removes a section that would have required the estimated amounts of 10% of general fund revenue exceeding 2017 revenue and 10% of budget surpluses identified by the

Economic and Revenue Forecast Council to be included in the governor's budget for the purposes of fish barrier removal as described in this act.

- Creates the Fish Passage Barrier Removal Account (Account), which receives a \$50 million transfer from the state general fund each fiscal year starting in FY 2020, increased annually by the rate of annual growth in state general fund revenues. The Account can only be used for fish passage barrier removal as described in this act.
- Amends several references to the Fish and Passage Barrier Removal Board (Board) such that the Board determines how the Department of Fish and Wildlife (WDFW) provides fish barrier removal funding, and the Board has oversight of WDFW's report to the legislature.
- Adds a fourth class to a list of priority fish barrier removal projects: other projects, regardless of ownership, identified by the Board as necessary to restore access continuity within a watershed.
- Adds the list of priority projects to the Board's authorizing statute.
- Requires WDFW, in its budget requests, to include information on how current and requested appropriations out of the Account are anticipated to be spent, as determined by the Board.

[HB 1562](#) (Gregerson) establishes the **Washington Food Policy Forum** as a public-private partnership to develop recommendations to advance specific food system goals. A carryover from 2017, the bill was heard on January 29 in the House Appropriations Committee and must be approved by the committee by Tuesday, February 6th.

Multiple **Fire Protection Bills** have advanced from their respective policy committees and were referred to the House Appropriations Committee where they must be approved by February 6th.

[HB 2561](#) (Dent) identifies several fire response activities to be addressed by the wildland fire advisory committee including: Examine the value of community programs that educate homeowners and engage in preventive projects within wildfire risk communities, such as Firewise, and make recommendations on whether these programs should be advanced, and if so, how, including potential sources of ongoing funding for the programs.

[HB 2562](#) (Dent) As amended by the House Committee on Agriculture & Natural Resources the bill adds an intent section to state, among other things, that rangeland fire protection associations (RFPAs) can provide critical initial attack firefighting capabilities, and that the purpose of RFPAs is to augment, not supplant or displace, existing wildland firefighting jurisdictions.

- Modifies requirements for members of RFPAs, to include specifying that the recommended level of training for an RFPA member is training that achieves the level of Wildland Firefighter 2, as specified in the published standards of the National Wildfire Coordinating Group.
- Directs the Department of Natural Resources (DNR) to provide certain information to an RFPA concerning DNR wildfire detection, prevention, and suppression activities taking place within the boundaries of an RFPA if the RFPA has notified the DNR of its boundaries.
- Directs the DNR to cooperate with any RFPA operating within the DNR's jurisdiction concerning the DNR's wildfire detection, prevention, and suppression activities, either consistent with any written agreement the DNR may have with the RFPA or in a manner that the DNR will use RFPA members and resources to facilitate efforts of wildfire suppression as practicable to the situation.
- Authorizes the DNR to negotiate the form and content of the written agreement with an RFPA, and to determine the safety, administrative, and training requirements that must be met in order for the RFPA to enter into a written agreement.
- Directs a fire protection service agency or fire protection jurisdiction, as appropriate, to provide certain information to an RFPA concerning the fire protection service agency's or the fire protection jurisdiction's wildfire detection, prevention, and suppression activities taking place within the boundaries of an RFPA if the RFPA has notified the fire protection service agency or fire protection jurisdiction of its boundaries.
- Authorizes fire protection service agencies and fire protection jurisdictions to enter into agreements for the detection, prevention, or suppression of fires with an RFPA.
- Authorizes fire protection service agencies and fire protection jurisdictions to negotiate the form and content of the written agreement with an RFPA, and to determine the safety, administrative, and training requirements that must be met in order for the RFPA to enter into a written agreement.
- Directs a fire protection service agency or fire protection jurisdiction, as appropriate, to cooperate with any RFPA operating within the fire protection service agency's or the fire protection jurisdiction's jurisdiction concerning the fire protection service agency's or the fire protection jurisdiction's wildfire detection, prevention, and suppression activities, either consistent with any written agreement the fire protection service agency or fire protection jurisdiction may have with the RFPA or in a manner that the fire protection service agency or fire protection jurisdiction will use RFPA members and resources to facilitate efforts of wildfire suppression as practicable to the situation.

[HB 2733](#) (Orcutt) as amended by the House Committee on Agriculture & Natural Resources, the bill creates a prescribed fire program and enumerates specific elements and activities the program must cover. It also allows burn permits issued to certified burn

managers to have modified requirements in recognition of the burn manager's training and skills.

Two different bills were considered that address the **Marbled Murrelet** long-term conservation strategy affecting state trust lands. The Department of Natural Resources is updating the 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](#) would create a legislative task force to review actions to provide economic relief for communities impacted by environmental protections of the marbled murrelet. The bill did not advance from the policy committee and can be considered 'dead' for the session. [HB 2285/SB 6020](#) would establish an advisory committee to the Commissioner of Public Lands and a reporting process for the DNR regarding certain marbled murrelet habitat information. HB 2285 advanced and is on the House floor calendar. The companion bill, SB 6020, did not advance from the senate policy committee and can be considered 'dead' for the session.

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