



## CITY OF SEATTLE 2011 STATE LEGISLATIVE BULLETIN

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Number 1

### ***Weekly Overview***

The 2011 Second Special Session began on Monday November 28<sup>th</sup>. Governor Gregoire called the Legislature into special session in order to address a projected \$2 billion budget deficit. The special session is scheduled to last 30 days, and the 2012 regular session begins on January 9<sup>th</sup>.

Hearings on Governor Gregoire's proposed supplemental budget dominated the first week, with panel after panel of citizens and organizations testifying in strong support of new revenue in order to prevent some of the deepest cuts. There were also multiple protests of the proposed cuts with people taking over the committee hearings at times and occupying the capitol at others.

Later in the week, the House began to hold hearings on some of the bills that would be necessary in order to implement the proposed cuts. We expect to see more of these kinds of bills this week.

This is an abbreviated version of the bulletin; during the special session we will be providing less frequent and shorter bulletins since there is less to update on than during the regular session, but we will continue to provide updates as new information becomes available.

### ***Updates on Priorities***

**Budget:** On November 21<sup>st</sup>, Governor Gregoire proposed a 2012 supplemental operating budget to close the \$2 billion budget gap. Here is a small sample of the proposed cuts to some of the City of Seattle priorities:

*Eliminates liquor excise tax sharing:* The local share of liquor excise taxes was not protected by Initiative 1183. Governor Gregoire has proposed eliminating the \$26 million local share of the taxes. Seattle's portion of the reduction would be approximately \$2.9 million.

*Eliminates Disability Lifeline:* Ends medical services to the 21,000 people enrolled in the Disability Lifeline and ADATSA programs.

*Eliminates the Basic Health Plan:* Eliminates the program that provides health care for 35,000 low income individuals enrolled in the program statewide.

*Implement offender supervision reforms:* Reforms would save an estimated \$27 million statewide. It's likely that these cuts would significantly reduce or eliminate the proactive work of Seattle's Neighborhood Corrections Initiative, which has played a vital role in monitoring former offenders once released back into the community.

*Transfer Local Toxics Control Account funds (MTCA):* \$40 million from the Local Toxics Control Account would be transferred to the state general fund. The City of Seattle has multiple toxic cleanup requirements that currently depend upon state funding to complete.

**City Fiscal Health:** The House Ways and Means Committee held a public hearing on [HB 2128](#), which clarifies that the state and local retail sales tax exemption for residential telephone services is limited to telephone services regulated by the UTC (which does not include cell phones). The bill is in response to a recent court decision. Without this legislation (or a reversal on appeal), state and local governments would be required to pay a significant refund for taxes collected, approximately \$1 billion. Seattle's share of the refund would likely be approximately \$13.5 million. AWC testified in support of the legislation, which has already passed out of committee and is now in Rules.

## ***Looking Ahead***

The special session will continue this week. Both the House and Senate will continue to hold public hearings. The Senate Ways and Means plans to continue taking public testimony on the Governor's proposed budget and could take up bills necessary to implement the budget. The House Ways and Means Committee will hold a work session on the Education portion of the budget, and hold public hearings on a variety of bills necessary to implement the budget.

AWC is hosting a Mayors Exchange on December 7<sup>th</sup> and expect to have approximately 60 Mayors in Olympia for workshops and meetings regarding legislative matters. Mayor McGinn is registered and planning to attend. A number of key legislators and staff from the Governor's office will be presenting and participating in some of the discussions.