



Board of County Commissioners
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LEGISLATIVE REPORT FROM COMMISSIONER EISENHOUR TO THE BOARD OF COUNTY COMMISSIONERS
1/13/25

32 of 39 counties attended WSACs January 9 Legislative Steering Committee mtg in Olympia. This was the first LSC mtg for the '25 session. We considered two issues via briefing papers with a recommendation and discussion. It is my sense that there will be a number of these throughout the session and I will share the issues as they come. If you ever want more info about an issue just say something and I will share the briefing paper and other background (if available) with you. I am also sharing with potentially interested departments for feedback and discussion.

We had issue papers for this week for:

1) **A Retail Delivery Fee (RDF)** on the purchase of taxable retail items delivered by motor vehicles.

Specifically, the draft legislation does the following:

- Imposes an RDF on each retailer equal to 35 cents on each retail sale that constitutes a retail delivery;
- Provides an exemption to retailers that made retail sales totaling less than \$1,000,000 in the previous calendar year;
- Also exempts orders under \$50 and retail deliveries of non-taxable food, prescriptions drugs, feminine hygiene products, and certain medical equipment from the fee;
- Beginning January 1, 2027, and by January 1 of each year thereafter, raises the fee by 3 percent;
- Creates a new Transportation Funding Stabilization account in the state treasury;
- Distributes forty percent of the total revenue deposited in the account to counties;
- Requires that revenue be spent solely for the purpose of the preservation and maintenance of county-owned roadways (or transportation assets); and
- Distributes revenue to counties as follows (replicates Motor Vehicle Fuel Tax Distribution):
 - (1) One-tenth of the amount quarterly based on an equal distribution of such funds to each county;
 - (2) Three-tenths of the amount to each county in direct proportion of that county's total equivalent population, as computed pursuant to RCW 46.68.124(1), to the total equivalent population of all counties;
 - (3) Three-tenths of the amount to each county in direct proportion of that county's total annual road cost, as computed pursuant to RCW 46.68.124(2), to the total annual road costs of all counties;
 - (4) Three-tenths of the amount to each county in direct proportion of that county's money need factor, as computed pursuant to RCW 46.68.124(3), to the total of money need factors of all counties.

I would say the group was pretty evenly split on pro and con on this idea. I expressed support.

2) **Clean Energy and County Finance.** A WSAC formed Task Force made up almost entirely of Eastern Washington counties recommended a **nameplate capacity tax** to replace personal property taxes for wind, solar and energy storage projects. Nameplate capacity, also known as the rated capacity, nominal capacity, installed capacity, maximum effect or gross capacity, is the intended full-load sustained output of a facility such as a power station, electric generator, a chemical plant, fuel plant, mine, metal refinery, and many others. A tax is charged, for example, at a per megawatt rate.

I voted for this but it sounds like a good shift but it won't touch us for a long while. We did talk about coastal projects briefly.

We spent most of the 5-hour meeting reviewing Legislative priorities, policy updates and known legislation by issue areas.

- WPPA – ports affiliate - are supporting the Road Usage Charge (RUC) and also leaning in on some public records bills.
- WSALPHO – public health affiliate – is prioritizing 2 policy and 2 budget items. Policy – 1. Child Fatality Bill (SB) 5163, Adam Bernbaum may sponsor the house companion, 2. Group B Water Systems. Budget – 1. \$45M for Foundational Public Health (FPHS) to maintain and add a CPI increase to current investments, provide a 10% increase to tribes and address an increase in State BoH rules, 2. Funding to address better coordination between healthcare and public health.
- WACSWM – solid waste affiliate – is focusing on funding to preserve MOTCA (Model Toxics account), a \$100M capital backlog and implementation of organics requirements.
- Human Services (ACHS) is focused on Housing, Behavioral Health and IDD via employment / community inclusion – there is a bill they have concerns about (HB 1158) which shifts focus from counties to state for this item. Also supporting Commerce on Community Health Grant and Point In Time Count.
- Also heard from Engineers, Cities and Building Industry

WSAC Legislative Priorities are organized in 7 areas:

- 1) Fiscal Sustainability – Paul Jewell
 - a. Revise 1% property tax limit to 3% - currently waiting to introduce this
 - b. Implement local graduated REET
 - c. Implement county utility tax – **SB 5088 Senator Chapman**, local option, up to 3%
 - d. Allocate greater share of cannabis tax revenue to counties – Kelsey Hulse is lead on this
- 2) Public Defense Reform – adequate funding for trial court public defense, counties should not shoulder most of this burden – Derek Young
 - a. AWC also supporting, the need for funding will be the fight, four legs are co-sponsoring this
- 3) Improving Behavioral Health – Brad Banks – There are gaps in making Medicaid work for community BH. Improve contractual standards through Medicaid procurement. There is a prime sponsor.
- 4) County Housing Strategies – Brian Enlow
 - a. Authorize detached ADUs on all residential lots
 - b. Increase development options – missing middle, LAMIRDS
 - c. GMA counties eligible for MFTW program to incentivize multifamily
 - d. Expand state investment in infrastructure that supports housing – Sen Lovelett working this
 - e. Invest in pre-designed housing plans pilot. A number of counties, including us, said they were already working on this.
 - f. Also discussed a new local tax option on Short Terms Rentals
- 5) County Transportation System Viability – Axel Swanson (Public Works too)
- 6) Support Rural Coroners, funding for - **Senator Chapman sponsored SB 5089** which obligates state to provide 6 yrs of funding for counties with under 40k in population for coroner requirement.
- 7) Clean Energy Project Benefits – protection afforded when cooperating with EFSEC (Energy Facility Site Evaluation Council) when siting facilities (mostly Eastern Washington)

There are a number of pre-filed bills which WSAC will track – I can share an updated list weekly – in addition to the few mentioned above issues include county auditor duties, county treasurer costs, public works reporting requirements (concerns), county roads, solid waste & recycling (including a new WRAP / REWRAP bill and a number of counter proposals), building code and permitting of supportive housing, local building codes, GMA, PFDs, PFAS (!) and a new Trueblood bill just dropped (HB 1218).

That's a wrap for week one!