



**Washington State
Association of Counties**
The Voice of Washington Counties

2017 FEDERAL PRIORITIES

Marketplace Fairness

WSAC supports DESTINATION BASED legislation to permit the collection of existing sales and use taxes from remote sellers. The issue of collecting remote sales taxes has escalated in recent years due to the Internet's growth as a retail marketplace. As a result, Washington State's 39 Counties lose millions of uncollected sales taxes every year, and Main Street businesses find themselves at a significant competitive disadvantage to online merchants. According to the State of Washington's Department of Revenue, collecting a DESTINATION BASED remote sales and use tax would generate an estimated \$250 million in local sales and use tax during the Fiscal 2017-19 biennium.

Secure Rural Schools and Payments in Lieu of Taxes

WSAC appreciates congress' recognition that Secure Rural Schools and Payments in Lieu of Taxes are separate funding mechanisms created for very different reasons.

WSAC supports restoring full mandatory funding for the Payments in Lieu of Taxes (PILT) program, which compensates counties for tax-exempt federal land within their boundaries.

WSAC also supports extending the Secure Rural Schools (SRS) program as a transitional funding mechanism until the federal government fully implements a sustainable long-term forest management program with adequate revenue sharing for forest counties and schools.

In Fiscal Year 2015, Washington's counties received \$19.5 million in PILT (37 of 39 Counties) and \$17.7 million in SRS (26 of 39 Counties).

Budget and Finance

DESTINATION BASED - Marketplace Fairness Act/Remote Transactions Parity Act

The Washington State Association of Counties (WSAC) asks Congress to grant state and local governments the authority to enforce existing sales tax laws on remote purchases made over the Internet. Over the years, several legislative initiatives have been introduced to resolve this issue although none have become law. The 113th Congress saw the most progress when the Senate passed the Marketplace Fairness Act (MFA) of 2013 with a strong bipartisan vote (69-27).

The issue of taxing remote sales has compounded in recent years due to the extraordinary development of the Internet as a retail marketplace. Washington State's 39 Counties lose millions of dollars in uncollected sales taxes. At the same time Main Street businesses are at a significant competitive disadvantage to online retailers. According to the State of Washington's Department of Revenue, collecting a DESTINATION BASED remote sales and use tax would generate an estimated \$250 million in local sales and use tax during the Fiscal 2017-19 biennium.

Senators: Support and cosponsor the Marketplace Fairness Act (S. 698)

House of Representatives: Support and cosponsor a DESTINATION BASED Marketplace Fairness Act, such as the Remote Transactions Parity Act (H.R. 2775)

Secure Rural Schools (SRS) and Payment in Lieu of Taxes (PILT)

WSAC supports the reauthorization and full funding of:

- Secure Rural Schools (SRS) Program (P.L. 110-343)
- Payments in Lieu of Taxes (PILT) Program (P.L. 103- 379)

WSAC supports Congress' recognition that SRS and PILT are separate funding mechanisms created for very different reasons: PILT to compensate counties for the impacts of federal land ownership within their boundaries; SRS to offset lost timber harvest revenue sharing. In calendar year 2015, Washington's counties received \$19.5 million in PILT and \$17.7 million in SRS.

Protect County Revenue and Investment Strategies - Tax-Exempt Municipal Bonds

Protect the use of tax-exempt municipal bonds. This federal policy is no "loophole". Tax Exempt Bonds help reduce the cost of debt service and program costs to citizens. Washington's counties support the tax-exempt status of municipal bonds to provide vital investment in public facilities from jails to roads, courthouses to parks, stormwater and wastewater treatment facilities and other important community infrastructure.

Protect Defense Spending in Washington State

Federal military spending in Washington State is critical to the states' economy and many of our counties. Washington State is fortunate to contain a number of significant military installations including:

- Joint Base Lewis McChord (Pierce/Thurston Counties)
- Yakima Firing Range (Kittitas and Yakima Counties)
- Fairchild Air Force Base (Spokane County)
- Puget Sound Naval Ship Yard (Kitsap County)
- Naval Base Kitsap (Kitsap County)
- Everett Naval Station (Snohomish County)
- Whidbey Island Naval Air Station (Island County)
- Naval Undersea Weapons Engineering Station (Kitsap and Jefferson Counties)

COUNTIES

Budget and Finance - Cont'd

- Camp Murray – State of Washington Military Department (Pierce County)
- Coast Guard Assets and Missions (Clallam, King, Whatcom, Pacific, Grays Harbor)

In addition to the federal military installations, our Washington State National Guard and Military Department are vital to providing support and response to state and federal disasters including floods, earthquakes, catastrophic forest fires, and other emergencies that outpace the ability of local emergency responders. WSAC supports the findings of the National Commission on the Future of the Army that recommends sustainable resources for the Washington State National Guard.

International Trade

WSAC understands how critical trade between the United State and other nations is to the economy of our counties and the State of Washington. 40% of jobs in Washington State are linked to international trade. As such, WSAC supports appropriate legislation, policies and investments to sustain and increase Washington’s global competitiveness in the marketplace including:

- Programs that increase present market share or develop new product markets;
- Elimination of trade barriers that limit export of Washington based products;
- Long-term reauthorization of the Export-Import Bank of the United States;
- Approval for the Trans-Pacific Partnership (TPP);
- Increase federal, state and local investment in freight mobility;

Fulfill Congressional commitments to fully fund and reform the Harbor Maintenance Trust Fund (HMTF) and to fully implement the deep water port set aside to aide our deep-water ports and dredge-dependent ports on the Columbia River and within Puget Sound.

Help America Vote Act

Washington State and our 39 counties have used or obligated funds appropriated to the Help America Vote Act of 2002 (HAVA) to implement the requirements of the law and to improve the administration of elections. However, fulfilling the original intention of HAVA and fully funding the law is necessary to ensure Washington State and our 39 counties have the financial resources to sustain the improvements they have made since 2002.

WSAC urges Congress to fully fund the requirements of the Help America Vote Act. The funds allocated to Washington State, and in many cases passed through to counties, are used to continuously upgrade voting systems, registering voters in statewide voter registration databases, provide provisional voting options, improve voter accessibility, and implement other improvements to the administration of elections.

Public Safety, Health and Human Service

Prevention and Public Health Fund

Washington’s 39 counties deliver public health, mental health and chemical dependency services on behalf of the state of Washington. Critically important is preserving the Prevention and Public Health Fund to assist our local public health departments to prevent illness and promote health so that all Washington residents have access to health care services. Since 2010, Washington State has received approximately \$25 million through the Prevention and Public Health Fund.

Public Safety, Health and Human Service - Cont'd

Also beneficial to Public Health's population based work on prevention is the integration occurring in healthcare reform to address barriers to full health care in our communities and the promotion of health and wellbeing of individuals.

E-Cigarettes and Vaping

The Federal Drug Administration must act swiftly to implement rules for the sale, manufacture, distribution, and marketing of electronic cigarettes and novel products consistent with other nicotine and tobacco products. Further, nothing in federal law should pre-empt a local public health jurisdiction from creating more stringent local ordinances.

Medicaid Inmate Exclusion

Washington's counties support repealing, or otherwise easing the Medicaid inmate exclusion – and other restrictions on federal health benefits – for otherwise eligible beneficiaries in pre-trial custody. The disruption in continuity of care for individuals caused by this federal regulation, especially for those with complex medical & behavioral health conditions, is of primary concern. This regulation impairs the ability to achieve good health outcomes as individuals transition in and out of our county jails and corrections system.

Behavioral Health

Elected and appointed county leaders are fully engaged in reforming the behavioral health system in Washington State. Our county jails continue to be the largest mental health institutions in the state and this is both morally and financially unacceptable.

Twenty-two counties and one city have implemented a 1/10th of one percent sales and use tax to support behavioral health services (accounting for approximately 90% of available revenue). Counties are actively forming new Behavioral Health Organizations and working with the state to expand and integrate behavioral and physical health care services, and create a seamless system of care.

Congress and the Federal Agencies can assist in focusing on several items:

- Revise the federal Institutions for Mental Disease exclusion rule to allow Medicaid to be used for brief acute behavioral health care stays or support a Section 1115 Waiver that provides for this long term in Washington State;
- Revise the substance abuse confidentiality rules to align with HIPAA and other related regulations;
- Expand access to medication-assisted treatment and provide additional Medicaid-funded Suboxone treatment slots;
- Support Federal Legislation, such as the Mental Health Awareness and Improvement Act (Sen. Murray and Sen. Alexander);
- Federal legislation, programs, policies and rules associated with behavioral health programs and services must provide flexibility to meet the most pressing local needs and the most prevalent mental health issues for clients:
 - Substance use disorder services;
 - Funding for detox services;
 - Housing opportunities for individuals with behavioral health issues are foundational to people's wellbeing and ability to stabilize and seek treatment, including low barrier housing;
 - Transportation is often an obstacle to sustain treatment for clients and access services;
 - Opportunities to provide best practice programs and services partnering the courts, criminal justice system, and co-occurring service providers is deemed key to manage system impacts and reduce costs;
 - Availability of evidence based programs for early detection and intervention of children/youth who are developing mental health issues, including psychosis;
 - National education on drug take back so citizens know why and how to dispose of their no longer needed prescription drugs.

Public Safety, Health and Human Service - Cont'd**FEMA Individual Assistance**

The criteria for FEMA Individual Assistance must be modified to assure rural residents are dealt with in a fair and equitable manner. FEMA should immediately pursue a change to their policies to allow communities impacted by wildfires access to the agency's Individual Assistance Programs. Current FEMA criteria requiring "concentration of damage" unfairly denies Individual Assistance to rural residents with losses from flooding, landslides, earthquakes and catastrophic fires.

- WSAC Supports HR 4243 To improve Federal disaster relief and emergency assistance, and for other purposes (Individual Assistance Improvement Act of 2015)

National Weather Service - Doppler Radar Gap

The National Weather Service's Doppler radar network has a gap or hole in coverage along the eastern slopes of the Cascades and part of the Columbia Basin extending from the Canadian border in Okanogan County south into Klickitat County (portions of seven Counties). WSAC supports resources (estimated at \$200,000) to complete a feasibility study as a first step in attempting to fill the weather radar gap and give the National Weather Service the opportunity to alert communities when potentially devastating weather events are approaching and/or occurring. The feasibility study intends to identify the strategic locations to place new weather radar equipment to support future installation of new Doppler radar for the region.

Older Americans Act (OAA)

County Commissioners and Councilmembers in Washington State serve on the leadership of our 13 Area Agencies on Aging. WSAC asks Congress to reauthorize the OAA and to expand the local discretion and flexibility to distribute funds as needed. WSAC urges the strengthening, through additional funding, of the Older Americans Act (OAA) in these key areas:

- Home delivered nutrition services
- Case management
- Information and assistance service
- Supportive Services (including Long-Term Care)
- Ombudsman Program
- Health Promotion
- Disease Prevention

Repeal the 40 Percent Excise Tax on Employer Sponsored Health Insurance

Support legislation to repeal the excise tax on county sponsored employee health insurance offerings so counties are not faced with additional financial burdens and remain competitive in attracting and retaining a quality workforce.

Transportation

- WSAC supports the long term continued reauthorization of the surface transportation program.
- WSAC seeks enhanced and new funding to replace and restore aging infrastructure and support growth and economic development
- Washington State's 39 Counties operates over ½ of the centerline road miles in Washington State – 39,221 miles. We maintain 3,389 bridges greater than 20 feet of which 600 are structurally deficient or functionally obsolete. Additionally, we are responsible for over 3,000 small bridges and culverts that likely impede adult salmon and other fish species from returning upstream for spawning.
- Five Counties (Pierce, Whatcom, Wahkiakum, Skagit, King (passenger only)) operate ferry systems.
- King County operates the eighth largest bus transit system in the nation.
- Many counties own airports including Boeing Field (King) and Paine Field (Snohomish).
- It is important for Congress and federal agencies to understand that counties are major owners of transportation infrastructure and as such provided levels of funding and authority that adequately reflect their role in the nation's transportation system.

Transportation - Cont'd

- Highway Trust Fund: WSAC supports using Highway Trust Fund revenue for a total public transportation program (roadways and transit) and that Congress and the Administration should retain the existing budget treatment of the highway and mass transit accounts within the Highway Trust Fund.
- WSAC supports the long-term solvency of the Highway Trust Fund by considering revenue sources that will better capture all users of the nation's highways and account for all vehicles. Congress should also consider streamlining administrative requirements in order to direct more funding toward highway improvement.
- Harbor Maintenance Trust Fund: WSAC supports the full expenditure of harbor maintenance trust fund collections on dredging and harbor maintenance, and providing equity for deep draft ports that contribute collections to the fund but do not have significant dredging needs by allowing them to utilize trust fund dollars for limited port-related uses other than dredging.
- Airport and Airway Trust Fund: WSAC supports funding the airports and airway trust fund at levels to meet current and future infrastructure needs and allow for the steady flow of authorized funds without cuts or delays.
- Airport Rates and Charges: WSAC supports local governments and airport operators having the full authority to impose and enforce fees, rates and charges that dedicate all airport revenue to airport development, capital financing and operations.
- Off-Airport User Fees: WSAC supports the continued authority of local governments and other public airports to set fees, rates, and charges for the use of airport facilities by off-airport business, with the proceeds being dedicated to airport development, capital financing and operations.

Natural Resources

Federal Forest Health and Management

WSAC supports policies and legislation, as well as pilot programs and projects, to renew the federal government's commitment to manage federal forests for the benefit of counties containing federal forestland. Management should be conducted in a manner that produces a sustainable resource yield, improved forest health, and aides in the prevention of catastrophic wildfires.

Federal Lands Transfer to the States

WSAC supports a systematic and factual review of the potential benefits and risks associated with the transfer of federal lands to Washington State or its counties.

Columbia River Treaty

Our Counties along the Columbia River and within the Columbia River Basin are actively involved in participating in the update process for the Columbia River Treaty – an international agreement between Canada and the United States regarding the cooperative development and operation of the water resources of the Columbia River Basin for the current stated benefits of flood control and power. It is imperative that the Washington State Congressional Delegation ensure that the input, participation, and decisions of local elected leaders are included in Treaty review and update. We ask the administration and congress assure that a modernized Treaty is designed to meet the future regional water supply needs for irrigation, municipal and industrial use, instream flows, navigation, and recreation.

Columbia River System Operations Environmental Impact Statement Development

WSAC is closely monitoring the U.S. Army Corps of Engineers, Bureau of Reclamation and Bonneville Power Administration development of a "Columbia River System Operations" environmental impact statement (EIS). We are deeply concerned over radical changes and proposals that will negatively impact flood risk management, irrigation, power generation, navigation, fish and wildlife, cultural resources and recreation opportunities provided by the current system.

Natural Resources - Cont'd

Waters of the United States

Washington's 39 Counties maintains over 40,000 miles of roads and associated ditches, bridges, culverts, stormwater facilities, and other supporting transportation infrastructure. We ask support for legislation to withdraw the final "Waters of the U.S." rule and require the agencies to restart the rule-making process, inclusive of state and local governments. Additionally, we ask that congress set forth principles the agencies should consider when rewriting the rule, including the exemption of certain county road ditches.

Water Quality Standards - Clean Water Act

We continue to support the delegated authority to Washington State to develop local solutions to implement all facets of the Clean Water Act, without interference from Environmental Protection Agency, including:

- Update to the Washington State Water Quality Standards, including human health criteria.
- Update to non-point pollution plan and Concentrated Animal Feeding Operations (CAFO) permits.

Stormwater

We support targeted federal investment in cost effective approaches to retrofitting stormwater facilities and collect stormwater runoff in separate storm sewers and discharge it to surface waters as required under the federal Clean Water Act. It is important counties receive federal funding support to implement the Municipal Stormwater Permits and National Pollutant Discharge Elimination System (NPDES) permits so these burdens do not fall solely on ratepayers.

National Flood Insurance Program (NFIP) and Biggert-Waters Act

WSAC supports a sustainable, fiscally responsible NFIP to protect the businesses and homeowners who built according to code and have followed all applicable laws. We urge Congress and the administration to keep flood insurance rates affordable while balancing the fiscal solvency of the program.

Salmon Recovery and Watershed Restoration

All 39 Counties are engaged in:

- Recovery of salmonid and endangered fish species; and
- Watershed planning and restoration

WSAC supports an equitable method to assure federal funds go to on the ground, local government projects and programs supported by local implementing organizations, local governments, tribes, and citizens. WSAC seeks stable and predictable funding for both Coastal, Puget Sound, and Columbia River Basin recovery activities:

- Puget Sound Nearshore Ecosystem Restoration
- National Estuary Program
- Pacific Coastal Salmon Recovery Programs
- Mitchell Act or other programs and services including appropriate hatchery activities that assist in our Regional Salmon Recovery Efforts
- Support the Congressional Puget Sound Recovery Caucus to improve the profile and standing of the Puget Sound under national restoration, conservation, recovery, and economic development programs for coastal and maritime communities.
- WSAC Supports HR 3630 Promoting United Government Efforts to Save Our Sound (PUGET SOS Act)

Endangered Species Act Reform

WSAC supports effective and balanced legislative and administrative improvements to the ESA that support the protection of fish, wildlife and plant populations, responsible land, water and resource management and take into account economic community impacts.

Reauthorization of the Land and Water Conservation Fund

WSAC calls for the reauthorization of the Land and Water Conservation Fund (LWCF). In Washington State, LWCF has provided over \$600 million to fund more than 600 projects over the past 50 years. These projects help to protect

2017

**FEDERAL
ISSUES**

WASHINGTON

Natural Resources - Cont'd

community greenspaces, builds parks and trails, and improves boating and recreational access.

WSAC supports LWCF reauthorization provided there is a restriction on the purchase of federal lands by USFS, BLM, or NPS unless there is consent from the County Legislative Authority within which the property lies.