

## **2019 LEGISLATIVE PRIORITIES**

We live in a time of rapid change. The opportunities and challenges for business are different than they were even just a few years ago. At the Kent Chamber of Commerce, we are committed to taking visible action to champion a strong local and regional economy and develop the critical workforce that is needed as we look to the future. We are proactive voice for the business community as we monitor issues at all levels of government in Washington State and facilitate the platform for businesses to connect with and influence policy makers. Below you will find our 2019 Legislative Priorities. We look forward to a year of robust dialogue and collaboration with elected officials, policy makers and business leaders.

### **KENT, WASHINGTON**

Our City is a key component of Washington’s global economy. The Kent Valley is among the nations largest center for manufacturing and distribution and boasts a half-century legacy in outer space innovation – hundreds of advanced manufacturers call Kent home. We are a major economic driver for the State of Washington and our infrastructure needs to be protected. Kent is a melting pot of diversity and culture. Over 130 languages are spoken in our primary schools and our higher education institutions are home to hundreds of international students.

### **ECONOMIC VITALITY**

While the economy in the region is impacted in much the same way as the rest of the state when it comes to minimum wage, regulatory requirements on business and taxes, our firms that create and provide jobs have some unique concerns:

- **Streamlined Sales Tax-** The passage of **SSB 5089** was intended as a step-in implementing sales tax collection requirement on internet sales. Under the national agreement, companies could “voluntarily” collect sales tax on behalf of the member states. If companies chose to “voluntarily” comply they would receive in return, 1) vendor compensation or financial assistance in the costs of collection; and 2) liability protection against back taxes in the event the state came under legal question. South King County jurisdictions were hit particularly hard. The Legislature began appropriating approximately \$50 million per biennium in streamlined sales tax mitigation based on 2008 estimates. The actual amount of mitigation was determined by actual loss of sales and use tax, reduced by voluntary compliance. If the Legislature acted on requiring internet retailers to collect and remit sales and use tax the additional tax collection would be attributed to mitigation.

As of 2017, there were 57 jurisdictions, including 49 cities, receiving mitigation. Initial revenue estimates resulting from new sales tax collections provided by **EHB 2163** indicate that at least 11 cities receiving mitigation will be at a loss when attributing the new revenue source to the mitigation calculation. The State Legislature should continue to fund Streamlined Sales Tax (SST) Mitigation payments for those cities that have not received adequate revenue under the Washington Marketplace Fairness Act (MFA) to offset discontinuing these payments and respectfully request that mitigation payments are included in the proposed 2019-21 Operating Budget.

- **Trade, Aerospace and Manufacturing –** The region is uniquely impacted by trade, aerospace and other types of manufacturing. It is imperative that the Legislature retain and support tax incentives that ensure trade and manufacturing firms in Washington State are nationally and globally competitive. As an alternative to differential rates and specific incentives, the Legislature should support general reductions in B&O tax rates, starting with reducing manufacturing B&O rates overall to spur state manufacturing growth.

▪ Economic Development -- Our South Sound region is appreciative of the partnerships with our Economic Development Councils. We know that our economy and communities' benefit from these public-private development partnerships. Our challenges and opportunities are great, unique and diverse in our region and we appreciate the individualized and specific support we receive from the agencies charged with expanding and diversifying jobs in our communities. Therefore, we look forward to continued individualized regional support on behalf and in collaboration with our councils as we work to encourage investment and job growth for our region.

▪ The Kent Chamber supports the City of Kent requests \$2 million in capital funding to complete the Mill Creek Flood Plain Stabilization Project along 76<sup>th</sup> Avenue to improve a salmon-bearing stream and protect against flooding in an area that is home to 5,800 businesses. The total project cost is \$10 million, of which \$8 million has already been secured through other funding sources (\$2 million in state funds and \$6 million in city funds)

### **TRANSPORTATION**

Transportation infrastructure continues as a priority objective for the South Sound region. Regional projects passed in 2015 must receive funding, including the Puget Sound Gateway projects.

- It is imperative these projects not only are funded to completion, but timelines should be moved up to accommodate the region's traffic needs and maximize cost efficiencies.
- Puget Sound Gateway Project
  - All assets and resources for the Puget Sound Gateway Project need to stay with the project.
  - We are adamant that our legislators resist any proposal to take any surplus revenue and dedicate it to other projects. The communities supporting this project have worked over a decade to secure funding for this project.
  - Furthermore, cities such as Kent have contributed \$10 million dollars and lost taxable revenue as we have had to sacrifice our largest tax payer in land acquisition for the project.
  - If any excess funds are generated over the life of the project, they should go back to the local jurisdictions that have shouldered the burden of this project which benefits the entire State of Washington.
- In addition, support efforts to clarify the decision-making process for, and the Washington Freight Advisory Committee's role in, evaluating and selecting projects for funding. Preservation projects seeking funding should be evaluated using the same selection criteria as all other projects, without a set-aside of funds dedicated for preservation.
- The Kent Chamber of Commerce supports the City of Kent request for \$2 million to complete 224<sup>th</sup> Phase 2, which completes the Veterans Drive/228<sup>th</sup> Street Corridor – a project decades in the making to provide key east-west connection to move regional traffic through the City of Kent. This corridor connects five state highways and is a freight corridor supporting the Kent Valley – one of the region's and state's largest job-generating centers.

### **HUMAN INFRASTRUCTURE**

The most valuable resource in the South Sound region is the people who live and work here. Our businesses and communities can only prosper with the right investments that improve the ability for people to thrive and find jobs.

#### **Workforce Development:**

▪ Career and Technical Education – The Legislature should ensure that adequate education dollars are going to CTE programs and that all students have access to relevant CTE courses. Our K-12 schools must have the staff, space and industry relevant equipment, that meets industry standards, to provide students with opportunities for graduation and careers that don't require a traditional academic education. The Legislature and local jurisdictions

should provide for partnerships, strategies and investments that create better bridges from high school to post-secondary career and technical education.

- Higher Education -- Education pathways that facilitate economic growth and include certificate programs, licensing and apprenticeship in addition to traditional associate and bachelor degrees have a high value for the South Sound region. These programs, and pathways needed to complete these programs, should be included in any higher education funding plans.

### **Healthy and Safe Communities:**

- Housing & Homelessness-- The Legislature must ensure Growth Management Act implementation facilitates housing affordable to all economic segments of the population, including the growing homeless populations in our communities. Housing supply must be sufficient to meet actual demand. Solutions could include: allowing more incentives for multi-family housing – including condominiums; and, incentives for development closer to transit stations as transit is expanded in the Region.

- Mental Health – Investments must be made to ensure mental health care - including mental health care for juveniles - is readily available for ensuring safe and healthy communities. One solution that could be addressed in the South Sound Region is the ability for cross-jurisdictional services to be provided – allowing those who live in Pierce County but work in King County (or vice versa) to receive services in a way that is more convenient for their lives.

- Criminal Justice- Our local communities depend heavily on the skilled men and women in law enforcement to maintain public safety. Their training and the availability and ease of access to training is paramount to ensure our local police agencies are able to maintain the highest quality of service. The Criminal Justice Training Center should receive priority funding and allocations to ensure their operations are easily accessible and wait times for training are limited.