

**CITY COUNCIL AGENDA TOPIC**

State Legislative Update

Genesee Adkins, Chief of External Affairs, 452-7849

Katie Kuciemba Halse, Acting Assistant Director of Intergovernmental Relations, 452-2055

*City Manager's Office*

**EXECUTIVE SUMMARY****INFORMATION  
ONLY**

Staff will present a mid-session update on the Washington State Legislative Session, now underway. This is for information only.

**RECOMMENDATION**

N/A

**BACKGROUND & ANALYSIS**

The Washington State Legislature convened for a 60-day session on January 8. Staff will provide updates on the identified priorities that were part of the 2024 State Legislative Agenda adopted by the council in October 2023. Below is a synopsis of the status of top priorities and next steps.

Top Priority Issues

***Affordable Housing and Land Use***

In the second year of the 2023-24 biennium, Bellevue has continued to prioritize affordable housing and land use in the short session. There are several pieces of legislation moving on related topics this session, following on the heels of the 2023 long session, which was the busiest in recent memory on housing and land use topics. At this time, there are still bills in motion on the following topics: transit-oriented development, lot-splitting, state review of housing elements, co-living, and more.

Meanwhile, lawmakers have resurrected discussions about how to resource more housing in Washington. The chief proposal is Real Estate Excise Tax (REET) Legislation: House Bill (HB) 2276 and Senate Bill (SB) 6191 would reduce the state real estate excise taxes on properties with a selling price under \$3,025,000 and impose a new real estate transfer tax of 1 percent on any property over \$3,025,000. This year's bill does not include a local option REET, but it does direct the Department of Revenue to provide recommendations to the Legislature on how to implement and administer a local option graduated REET.

***Services and Infrastructure for a Growing Community***

***Electric Fire Engine and Charging Infrastructure:*** The Cities of Bellevue and Redmond have an

opportunity to be the first in the state to switch to cleaner and quieter electric engines instead of buying replacement diesel engines, which pollute our environment and impact fire fighter health. This project involves removing two diesel engines from service, purchasing two electric engines, and purchasing and installing charging infrastructure. In December 2022, both cities successfully received partial grant funding from the Department of Ecology for conversion to electric engines; however, manufacturing costs continue to escalate, causing a funding gap. Together, Bellevue and Redmond have requested \$800,000 in the supplemental budget to defray the additional costs, which are the last dollars in after anticipated federal support. We have submitted local project funds from our delegation members in the 41<sup>st</sup> and 48<sup>th</sup> districts and are eagerly awaiting the first drafts of the supplemental budgets in the second half of February.

### *Signature Transportation Investments*

***Mountains to Sound Greenway Trail:*** *Move Ahead Washington* included \$6.9 million for a section of trail between 142nd Place SE and 150th Avenue SE. In 2023, the Legislature programmed \$300,000 to complete design in the 2023-25 transportation budget biennium, while the remaining \$6.6 million was programmed in a “future biennium,” beyond 2029. The City of Bellevue has requested that the Legislature rephase \$6.6 million in *Move Ahead Washington* funding for construction in the 2025-27 biennium. Doing so would enable the City to leverage \$2.37 million in federal funds that must be obligated by June 1, 2025. The project supports access to transit and higher education, providing mobility options to emergency shelter and permanent supportive housing under construction. Bellevue officials and staff have met with our local delegation and Transportation Committee leadership, and we are optimistic their budgets will resolve this timing issue. The governor’s Proposed Supplemental Transportation Budget made the timing shift, which is an auspicious first step in the process.

***I-405 and SR 167 Funding Gap:*** Bellevue continues to support infrastructure improvements to maximize the effectiveness of the 50-mile Express Toll Lane system, implementation of the I-405 Master Plan, and upgrade the efficiency of state highways and regional corridors. The Council played a key role in Bellevue’s support for the Legislature’s actions to approve toll authorization in 2019 and to fill the \$450 million funding gap during the 2022 legislative session with *Move Ahead Washington*. As of this fall, there is a new funding gap of \$275 million or more. Bellevue has advocated for a practical solutions assessment of the remaining unfunded projects and has encouraged the Legislature to identify long-term funding solutions to keep the project moving forward. While funding to close the gap seems unlikely in the short session, it’s critical that lawmakers work diligently toward a solution in the interim.

### Olympia Engagement and Next Steps

#### ***Upcoming Engagement and Next Steps***

This mid-session update comes at a critical juncture in the process, with tomorrow marking the exact midpoint of the 60-day short session. Staff continue to track, analyze, and provide comments on hundreds of bills in Olympia that would impact the City, all guided by the 2024 State Legislative Agenda

and other adopted City policy.

Councilmembers have had several touchpoints with the legislative work to date, with more to come. Councilmembers joined legislators for site visits in the legislative interim at the Mountains to Sound Greenway Trail gap, met with lawmakers pre-session to discuss the City's priorities and share their own, have testified on key legislation in House and Senate committees, and have met with Governor Inslee to advance the Association of Washington Cities (AWC) priorities. Last week, the mayor, deputy mayor, fire chief, and intergovernmental staff visited Olympia in person to advance the city's top issues. This week, councilmembers will attend AWC City Action Days to represent Bellevue and our priorities. The City's team will call upon councilmembers as needed during the remaining weeks of session to help advocate for city priorities -- both in policy and in the budget.

As in prior years, we will work in the legislative interim to build support for emerging City needs, to show lawmakers the impacts of their policy direction, and to thank them for their investments in the community.

## **POLICY & FISCAL IMPACTS**

### **Policy Impact**

City Council adopted its 2024 State Legislative Agenda on October 23.

### **Fiscal Impact**

The fiscal impact of will be determined by the cumulative actions of the Legislature at the close of session.

## **OPTIONS**

N/A

## **ATTACHMENTS**

A. Bellevue 2024 State Legislative Agenda

## **AVAILABLE IN COUNCIL LIBRARY**

N/A