City Manager's Office

DATE: April 16, 2024

SUBJECT: State Legislative Summary, March 2024

Overview:

The Washington State Legislature convened the 2024 Legislative Session for 60 days, starting January 8 and concluding March 7. Democrats held strong majorities in both the House of Representatives, 58 to 40, and the State Senate, 29 to 20. Leading up to beginning of the Session, Democrats in the <u>House of Representatives</u> and <u>Senate</u> outlined their priorities for the 2024 session: investing in behavioral health, responding to climate change, increasing gun control, continuing housing efforts from 2023, and improving special education.

Democrats have had control over the Governor's Office and both chambers of the Legislature for several years and have adopted many policies that Republicans have objected to. In response, in 2023, conservative Republicans mobilized to collect the necessary signatures to file a historic six initiatives to the Legislature. Each of the six initiatives push back on policies advanced by the Democrats in recent years including repealing the Climate Commitment Act, repealing the Capital Gains Tax, allowing taxpayers to opt-in to the payroll tax that funds the Long Term Care Act, increasing parental rights and access to K-12 curriculum and student records, prohibiting the state or local governments from enacting an income tax, and allowing police officers to engage in vehicular pursuits on more occasions. For each initiative, the Legislature could choose whether to 1) adopt the initiative; 2) adopt an alternative to appear on the November ballot alongside the initiative; or 3) take no action and allow the initiative to advance to the November ballot for voter consideration.

The Legislature chose to adopt the following three initiatives:

- <u>Initiative 2111</u> (prohibiting income tax)
- <u>Initiative 2081</u> (parental rights)
- <u>Initiative 2113</u> (vehicular pursuits)

The Legislature did not take action on the following three initiatives and they will appear on the November ballot:

- <u>Initiative 2117</u> (repealing the Climate Commitment Act)
- <u>Initiative 2109</u> (repealing the capital gains tax)
- <u>Initiative 2124</u> (opt out of Washington's long-term care retirement program)

As the second year of the two-year legislative biennium, 1,105 bills introduced during the 2023 session that were not passed into law were carried over for consideration during the 2024 session. In addition to those bills that carried over, an additional 1,560 bills were introduced. Of these, the Legislature passed 376 bills into law.

In addition to considering the Initiatives to the legislature and proposed legislation, the Legislature adopted supplemental budgets, making changes to the 2023-25 biennial budgets adopted during the 2023 legislative session. Below are brief summaries of the budgets adopted:

Operating Budget: The 2024 Supplemental Operating Budget (click <u>here</u>, labeled "As Passed Legislature") spends \$1.1 billion to maintain existing programs, and an additional \$1 billion to fund new policy expenditures. The existing programs with the largest increase in cost include Medicaid medical assistance, the Food Assistance Program, K-12 enrollment, and compliance with the *Trueblood* case judgment. The largest new policy expenditures occurred in education and behavioral health.

Capital Budget: The 2024 Supplemental Capital Budget (click <u>here</u>, labeled "As Passed Legislature") allocates \$1.3 billion in total funds, with \$130.6 million from debt limit bonds and \$1.2 billion from other resources including \$688.4 million in Climate Commitment Act accounts and \$307.5 million from the Common School Construction Fund. Several of the appropriations are contingent on voters rejecting Initiative 2117. The budget also does not appropriate revenue generated from the capital gains tax beyond November 2024.

Transportation Budget: The 2024 Supplemental Transportation Budget (click <u>here</u>, labeled "As Passed Legislature") spends a total of \$14.6 billion, including \$340 million from Climate Commitment Accounts, which are contingent on voters rejecting Initiative 2117. Funds were predominantly spent on projects already scheduled to receive funding during the 2023-25 biennium. This spending reflects a 0.8 percent decrease in traditional transportation revenues from what was originally forecasted for 2023-25.

One of the major challenges facing the Legislature was the Climate Commitment Act, or Washington State cap-and-invest system for carbon emissions. The Legislature approved the Act in 2022, and the first auctions under the program started in 2023 generating significantly more revenue than was forecasted. Initiative 2117 proposes to repeal the Act. This session legislators allocated Climate Commitment Act funds to several projects and programs while making those appropriations contingent on voters rejecting Initiative 2117.

Bellevue Funding Requests:

Electric Fire Engine

The City of Bellevue partnered with the City of Redmond to jointly request \$800,000 to fund the state's first two electric fire engines and associated charging infrastructure. The final 2024 Supplemental Transportation Budget allocates \$800,000 to Bellevue and Redmond to support the purchase of the first two electric fire engines in Washington State. The funding is contingent on voters rejecting Initiative 2117 in November.

Mountains to Sound Greenway

The City of Bellevue was allocated \$6.9 million in the 2022 *Move Ahead Washington* package for the Mountains to Sound Greenway project. In 2023, the Legislature programmed this funding, allocating \$300,000 in 2023-25, and \$6.6 million in "future biennia" post-2029. The allocation of the \$6.6 million post-2029 would have placed \$2.37 million in federal funding allocated to the project through the Puget Sound Regional Council (PSRC) at risk of being lost. The final 2024 Supplemental Transportation budget reprograms the funding for the Mountains to Sound Greenway Project to allocate \$6.9 million in the 2023-25 biennium. This is earlier than the City's original request to advance \$6.6 million of the funding to the 2025-27 biennium. Furthermore, the funding is not connected to Initiative 2117.

Interstate 405/State Route 167 (I-405/SR 167) Corridor Investments

The I-405/SR 167 Executive Advisory Committee encouraged the Legislature to provide an upfront investment in the 2023-2025 biennium for preliminary engineering work on the projects remaining in the funding program, including interchange improvements at NE 6th Street and Coal Creek Parkway. The final 2024 Supplemental Transportation Budget allocates \$2 million for the I-405/Renton to Bellevue Widening and Express Toll Lanes project in the 2023-2025 biennium.

Policy Proposals:

Affordable Housing, Homelessness and Human Services

The Legislature considered several bold housing policies, such as House Bill 2114/Senate Bill 2114/Senate Bill 5961, capping rent increases, and House Bill 2276/Senate Bill 6191, generating increased revenue through changes to the state real estate excise tax. However, opposition from landlord organizations, realtors, and feedback from Republicans and constituents prevented the bills from passing during the short 60-day session.

Housing Trust Fund: \$127 million is provided in the Supplemental Capital Budget for affordable housing projects through the Housing Trust Fund. This is in addition to the \$400 million provided in the biennial budget. The \$127 million is allocated as follows:

- \$44 million for housing for those with developmental disabilities
- \$41 million for specific projects
- \$20 million for rapid conversion or acquisition of housing to address extremely low-income and unhoused populations

- \$17 million for housing to benefit low-income and special needs populations, including permanent supportive housing
- \$15 million for the acquisition and preservation of mobile homes
- \$5 million for affordable housing urgent repairs grants

Shelter Funding:

- \$20 million is appropriated to acquire, renovate, and prepare property for rapid conversion into enhanced emergency shelters, permanent supportive housing, transitional housing, permanent housing, youth housing, tiny homes or other shelters. \$40 million was provided last session.
- \$2 million is allocated for grants to cities, counties, or nonprofit organizations to support individuals in need of emergency housing assistance. Funds distributed in coordination with the Governor's Office.
- \$34 million is allocated to local governments for homeless housing programs and services.
- \$23.6 million is allocated for housing assistance, including long-term rental subsidies, permanent supportive housing, and low and no barrier housing beds for unhoused individuals. Priority must be given to individuals with a mental health disorder, substance use disorder, or other complex conditions; individuals with a criminal history; and individuals transitioning from behavioral health treatment facilities or local jails.

Extreme Weather Response: House Bill 1012, sponsored by Representative Mari Leavitt (D-28th LD), provides resources for local governments to offer services during extreme weather events. The bill was introduced in the 2023 session and was approved during the 2024 session. Under the final version of the bill, the Military Department can also purchase temporary shelters to loan out to political subdivisions when assisting with extreme weather events. The 2024 Supplemental Operating Budget allocates \$1.5 million for the implementation of this bill.

Commercial Conversion Tax Incentives: Senate Bill 6175, sponsored by Senator Yasmin Trudeau (D-27th LD), establishes a local option sales and use tax deferral for projects that convert commercial buildings to residential purposes and dedicate 10 percent of the units to households making 80 percent of the area median income or less. The bill also clarifies that commercial/non-residential buildings being converted to residential may also apply for the Multifamily Property Tax Exemption program. The 2024 Supplemental Operating Budget allocates \$54,000 for fiscal year 2025 to implement this bill.

Affordable Homeownership Unit Development: <u>Senate Bill 6173</u>, sponsored by Senator T'wina Nobles (D-28th LD), allows local jurisdictions to use revenue from the affordable and supportive housing sales and use tax for housing and services for people whose income is at or below 80 percent of the median income of the local jurisdiction that imposes the tax. This is applicable only if the affordable housing development is for owner-occupied properties.

Workforce Housing Accelerator: <u>House Bill 1892</u>, sponsored by Representative Mari Leavitt (D-28th LD), creates the Workforce Housing Accelerator Revolving Loan Fund Program within the Department of Commerce. The Department of Commerce will administer loans to eligible organizations to assist with the development of housing for low-income households.

Property Tax Exemptions for Nonprofits: <u>House Bill 2012</u>, sponsored by Representative Chipalo Street (D-37th LD), allows voter-approved levy lid lifts, and certain city and county funds as qualifying funding sources for a project to receive the nonprofit housing property tax exemption.

Calculating Average Median Household Income: \$250,000 is allocated to the Department of Commerce to evaluate alternative methods for calculating average median household income. A report is due June 30, 2025.

Department of Housing: \$250,000 is allocated to the Office of Financial Management to provide recommendations on the method and format for studying the transition to a Department of Housing. The report is due December 1, 2024. House Bill 2270, proposing to create a Department of Housing separate from the current Department of Commerce did not advance through the legislative process; however, this budget proviso advances the content contained within that bill.

Planning and Land Use

The 2024 Legislature introduced many bills to continue the trend of prioritizing housing development and density, but many of them failed to get across the finish line, including House Bill 1245 requiring lot splitting and House Bill 2113 requiring Commerce approval of local housing development regulations. Below are some notable outcomes:

Siting of Permanent Supportive Housing and Emergency Shelter: The Legislature considered but did not advance House Bill 2474/House Bill 2474/House Bill 2113 requiring Commerce approval of local housing development regulations. Instead, \$600,000 is allocated for the Department of Commerce to provide technical assistance in planning for and siting permanent supportive housing and emergency housing facilities, including providing dispute resolution services. The Department is tasked with providing a report by March 1, 2025, on which local governments received funding and resolution status for disputes resolved...

Residential Parking: Senate Bill 6015, sponsored by Senator Sharon Shewmake (D-42nd LD), was signed into law and requires cities and counties to allow certain parking configurations to satisfy parking requirements for residential development. For example, the bill states that a city cannot require parking to be enclosed or require a garage or carport, and that parking spaces that count towards minimum parking requirements can be enclosed or unenclosed. Tandem parking must be allowed to count toward parking minimums, and a city may not require parking spaces to be greater than 8 feet by 20 feet, except for parking for individuals with disabilities. It also specifies that the existence of non-conforming gravel surfacing in existing designated parking areas may be used to meet local parking standards for buildings with six parking spaces or less. Additionally, cities may not require off-street parking as a condition of permitting a

residential project if compliance with tree retention would otherwise make a proposed residential development or redevelopment infeasible. To implement this bill, the 2024 Supplemental Operating Budget allocates \$57,000 to the Department of Commerce for fiscal year 2025.

Co-Living Housing Bill: House Bill 1998, sponsored by Representative Mia Gregerson (D-33rd LD), requires cities and counties to adopt regulations or controls to allow co-living housing. The bill requires cities and counties to allow co-living housing on any lot within an Urban Growth Area that allows at least six multifamily residential units. Additionally, a city or county may not treat a sleeping unit in co-living housing as more than one-half of a dwelling unit for purposes of calculating fees for sewer connections unless the city or county makes a finding, based on facts, that the connection fees should exceed the one-half threshold. Governor Inslee signed this bill into law on March 19.

Middle Housing: House Bill 2321, sponsored by Representative Jessica Bateman (D-22nd LD), modifies certain provisions of the 2023 middle housing policies. The bill requires that cities with a population of at least 25,000 must allow six of the nine types of middle housing. Cities with less than 25,000 people can choose the number of middle housing types that meet minimum density requirements. The bill also allows middle housing to be built on lots where a portion of the lot is a critical area. Finally, middle housing densities only apply around bus rapid transit stops once construction of those stops has begun. Areas designated as sole-source aquifers by the United States Environmental Protection Agency on islands in the Puget Sound are exempt from the density requirements. To implement this bill the 2024 Supplemental Operating Budget allocates \$213,000 for fiscal year 2025.

Residential Housing Regulations: House Bill 2071, sponsored by Representative Davina Duerr (D-1st LD), concerns residential housing regulations. The enacted bill directs the State Building Code Council to convene two technical advisory groups: one to recommend changes to apply the Washington State Residential Code to multiplex housing, and another to recommend changes needed to the International Building Code (IBC) to allow dwelling units with less than 190 square feet. Additionally, the Office of Regulatory and Innovation Assistance is directed to develop an optional standard energy code plan set that meets or exceeds all energy code regulations for residential housing, subject to the international residential code. The 2024 Supplemental Operating Budget allocates \$225,000 and \$180,000 for the implementation of this bill.

Transit-Oriented Development: The Legislature considered but did not advance House Bill 2160 regarding transit-oriented development; it stalled in the Senate Ways & Means Committee. The bill evolved throughout the legislative process, but broadly would have mandated that the city adopt transit-oriented densities around light rail and bus rapid transit stops at the 5-year comprehensive plan periodic update in 2029. While the bill did not pass, \$250,000 is provided to the Joint Transportation Committee to complete a review of transit-oriented development conditions in cities in King, Pierce, Spokane, Clark, and Snohomish Counties that have over 12,500 in population and have at least one major transit stop. The review must look at comprehensive plans, housing-focused tax and fee programs, and development regulations

required to be adopted on or before December 31, 2024. It must include examples of local or national best practices for transit-oriented affordable and workforce housing development. The report must include recommendations for state policies to expand transit-oriented development, minimizing displacement of existing communities, and ensuring affordability. The review is due to the Legislature by June 30, 2025..

Behavioral Health

Leading up to the 2024 Legislative Session, a federal court fined Washington State \$100 million for its failure to comply with a settlement agreement associated with the *Trueblood* court decision. The 2024 Supplemental Operating Budget reflects paying that fine and continuing to invest in behavioral health by a total of \$660 million.

Crisis Relief Center Model: Senate Bill 5853, sponsored by Senator Manka Dhingra (D-45th LD), allows 23-hour Crisis Relief Centers (CRCs) to serve children. This model of care was approved for adults in the 2023 session with the passage of Senate Bill 5120. The bill requires 23-hour CRCs that treat child and adult clients to have separate entrances, internal entrances, spaces, and treatment areas with no contact between the children and adult clients. The Department of Health is directed to create licensure and certification rules for CRCs that provide services to children. The 2024 Supplemental Operating Budget allocates \$134,000 for the implementation of Senate Bill 5853. An additional \$1 million is allocated to establish grants to crisis services providers to establish and expand 23-hour crisis relief center capacity.

Extending Liability Protections: House Bill 2088, sponsored by Representative Tina Orwall (D-33rd LD), is agency-request legislation by the Health Care Authority. This bill extends liability protections for responders dispatched from mobile rapid response crisis teams and community-based crisis teams and applies to responders transporting patients to behavioral health services. Individuals will have immunity when acting in good faith within the scope of the individual's employment responsibilities.

Siting of Behavioral Health Facilities: Funding is allocated to retain a behavioral health facility siting administrator to coordinate the development of effective behavioral health housing options and provide technical assistance in siting facilities.. Additionally, \$48 million additional is provided for specific facilities in communities across the state.

Assisting Refugees and Immigrants: House Bill 2368, sponsored by Representative Mia Gregerson (D-33rd LD), requires the Department of Social and Health Services (DSHS) to coordinate state, federal, and local efforts to support the economic and social integration of immigrants and refugees arriving and resettling in Washington. The Office of Refugee Assistance at DSHS will provide refugees with cash assistance, medical assistance, and support services. Additionally, DSHS is authorized to administer services to immigrants who don't qualify for federally funded services.DSHS will also be the lead agency for the administrative plan for refugee resettlement. Finally, it requires DSHS to coordinate with local, state, federal, and other stakeholders, and for DSHS to

engage with impacted communities to determine an equitable funding distribution and contracting process. In addition to the bill passing, \$25 million is provided to the Office of Refugee and Immigrant Assistance to expand support services for individuals newly arriving to the United States and Washington who do not qualify for federal refugee resettlement program services. Support services include, but are not limited to, housing assistance, food, transportation, childhood education services, education and employment supports, connection to legal services, and social services navigation..

Climate and the Environment

Much of the climate and environment policy discussion this session was overshadowed by the looming possibility of the Climate Commitment Act (CCA) being repealed if Initiative 2117 is approved by voters in November. Revenues generated by the CCA in the first half of the biennium are invested in a variety of programs and projects that reduce carbon emissions. Most notably, \$150 million is allocated to provide public and private electric utilities with funding to provide bill credits for low-income and moderate-income residential electricity customers to help with the clean energy transition in the amount of \$200 per household by September 15, 2024. The budget also includes investments that are made with projected CCA revenue that are contingent on Initiative 2117 failing. The Legislature did take action to begin linking the Climate Commitment Act with other regions by approving Senate Bill 6058, sponsored by Senator Joe Nguyen (D-34th LD), which directs the Department of Ecology to facilitate linkage of Washington's carbon market with the California and Quebec carbon markets. The intent of linkage is to create a bigger market and theoretically bring down the carbon emission auction prices, leading to lower fuel costs. The earliest linkage could be facilitated is 2025.

A number of notable bills relating to environmental or climate policy were debated but did not survive to final passage, including: House Bill 2051 reducing emissions from small engines, House Bill 1433 concerning energy labeling on residential buildings, and House Bill 2049 which would have placed new requirements on packaging producers to participate and fund the collection and management of products through producer responsibility organizations. Below are some of the additional environmental policies approved this session:

Organic Material Management Systems: House Bill 2301, sponsored by Representative Beth Doglio (D-22nd LD), makes various changes related to organic material management. The bill creates and modifies existing grant programs for projects and programs that reduce food waste, policy implementation, and compost products. Organic material collection requirements in certain jurisdictions and certain businesses are modified. The bill also makes technical changes to product labeling. To implement this bill the 2024 Supplemental Operating Budget allocates more than \$6 million across various sections. These investments are contingent upon voters rejecting Initiative 2117.

Electric Vehicles

Zero Emission School Buses: <u>House Bill 1368</u>, sponsored by Representative Tana Senn (D-41st LD), requires the Department of Ecology (DOE) to administer the zero-emission school bus grant program and prioritize grants to overburdened communities and school

districts with buses manufactured prior to 2007. DOE is required to provide notice of a grant award decision to the utility providing electrical service to the grant recipient. Office of Superintendent of Public Instruction (OSPI), in consultation with DOE, must develop guidance regarding formula factors to calculate the cost of ownership of zero emission buses and adopt rules to establish such formulas. It also provides that, once the total cost of ownership of zero emission school buses is at or below the total cost of ownership of diesel school buses, school districts may only receive reimbursement for the purchase of zero emission school buses and may only contract with pupil transportation service providers that use zero emission school buses. There are also exemptions to the reimbursement limitations for school districts meeting certain criteria. Finally, grant prioritization is based on the school district and not the bus route. Model Toxics Control revenues totaling \$15.715 million, plus \$4 million from CCA, are provided for the Department of Ecology to establish grants to facilitate the transition from diesel school buses to zero-emissions vehicles. School districts serving tribes and vulnerable populations in overburdened communities are prioritized. The \$4 million from the CCA is contingent upon voters rejecting Initiative 2117.).

Zero-Emissions Electric Vehicle Infrastructure: An additional \$12 million of CCA revenues is provided for zero-emission electric vehicle supply equipment infrastructure at facilities to accommodate charging station installations. WSDOT must provide a report to the Transportation Committees of the Legislature estimating current biennial and future carbon reduction impacts resulting from zero-emission electric vehicles and supply equipment infrastructure by June 30, 2025..

Community Electric Vehicle Charging Infrastructure: \$105 million is appropriated for the development of community electric vehicle charging infrastructure, including local governments. This funding is void if the CCA is repealed.

Voucher Incentive Program for Zero Emission Medium and Heavy Duty Vehicles: \$110 million is designated for program administration and staffing for a point of sale voucher incentive program to encourage faster adoption of zero-emission medium and heavy-duty vehicles. The program must be administered by a third party and be designed based on the relevant Joint Transportation Committee report.

Decarbonization

Clean Buildings: <u>House Bill 1976</u>, sponsored by Representative Mary Fosse (D-38th LD), relates to changing the incentive structure for tier 1 and tier 2 buildings. The Department of Commerce may provide incentives greater than the base incentive payment for upgrading tier 1 and tier 2 buildings under the Early Adoption Incentive Program to owners of buildings that comply with the State Energy Performance Standard.

Heat Pumps: Senate Bill 5973, sponsored by Senator Marko Liias (D-21st LD), prohibits Homeowner Associations (HOAs) from adopting restrictions or prohibiting the installation

of heat pumps. An HOA must pay a civil penalty up to \$1,000 if they violate this prohibition.

Natural Gas Transition: <u>House Bill 1589</u>, sponsored by Representative Beth Doglio (D-22nd LD), was one of the most controversial bills to pass the Legislature. Requested by Puget Sound Energy, the bill allows the investor-owned utility to apply to the Utilities and Transportation Commission to combine the rate bases of their electric and natural gas utilities. The purpose of this would be to transition natural gas customers to electric service.

Facility Decarbonization Grants: \$14.5 million is allocated to provide grants to local governments, public higher education institutions, school districts, tribal governments, and state agencies to reduce energy and operational costs.

Securing Grant Opportunities: \$3.5 million is allocated to the Department of Commerce to develop a web portal for grant opportunities related to energy, climate, and clean technology. An additional \$5 million is allocated to assistant entities to access federal tax incentives and grants, \$4.5 million is provided to assist entities in authoring grant applications, and to provide support for federal grant reporting for entities that receive federal grants. An additional \$2 million is allocated to the Office of Financial Management to build a grant writing, tracking, and management database for the state acquisition of federal funds, and to support development of state strategies for successfully bringing specific types of federal funding to Washington. This funding is contingent on voters rejecting Initiative 2117.).

Compliance with Tier 1 and Tier 2 Buildings: \$4 million is provided to the Association of Washington Cities and \$4 million to the Washington State Association of Counties to assess current energy performance for tier 1 and tier 2 covered buildings and provide cost estimates for upgrades..

<u>Safety</u>

The Legislature continues to grapple with how best to balance police accountability with public safety. Within the Democrat majorities, some legislators want to advance more police accountability and reform measures while others would prefer to modify previously enacted reforms and invest in hiring more law enforcement personnel. This divide was pronounced during the 2023 session but became more entrenched during the 2024 session with the emergence of a bi-partisan, bi-cameral public safety caucus led by moderate Democrats.

The most notable and unexpected action on public safety was the Legislature's choice to enact Initiative 2113. In 2021, the Legislature approved House Bill 1054, establishing a statewide standard for when police officers can engage in vehicular pursuits. Senate Bill 5352 from the 2023 session made further changes to the statute, expanding the list of eligible reasons to engage in a pursuit under the reasonable suspicion evidentiary threshold, providing direction on when to end a pursuit, and adding a requirement that the pursuing officer must have completed

emergency vehicle operators' course. <u>Initiative 2113</u> allows an officer to engage in a vehicular pursuit if they have reasonable suspicion to believe the driver has violated the law. The Legislature chose to enact Initiative 2113 into law with bipartisan support.

Along with approving Initiative 2113, \$400,000 has been allocated to the Office of Financial Management to contract with a consultant to collect, review, and analyze data related to vehicular pursuits and to compile a report. The report must include recommendations to the Legislature on what data should be collected by law enforcement agencies throughout the state so that the Legislature and other policymakers have consistent and uniform information necessary to evaluate policies on pursuits. The report is due June 30, 2025..

The Washington Association of Sheriffs and Police Chiefs and other law enforcement advocates requested increased funding to hire law enforcement officers. House Bill 2231 proposed providing cities and counties with a credit against the state sales tax to fund officers, while House Bill 2211/Senate Bill 6076 would have authorized cities and counties to councilmanically increase the sales tax to fund public safety. While introduced, none of these proposals advanced through the legislative process. Even more modest proposals, such as Senate Bill 6242 which would have permanently eliminated the 25 percent city cost share for sending officers to the Basic Law Enforcement Academy, did not advance., This change, however, was temporarily funded in the budget, thereby allowing cities to not have to pay the 25 percent cost share for officers trained July 1, 2024 through June 30, 2025. Other legislation supporting the recruitment and retention of officers included:

Basic Law Enforcement Academy Donations: <u>Senate Bill 6301</u>, sponsored by Senator John Lovick (D-44th LD), allows the Criminal Justice Training Commission (CJTC) to accept donated money or properties for the purpose of carrying out CJTC's statutory purposes.

Flexibility for Hiring Law Enforcement Officers: The Legislature approved three proposals allowing increased flexibility for local law enforcement agencies hiring law enforcement officers:

- <u>Senate Bill 6157</u>, sponsored by Senator John Lovick (D-44th LD), allows Deferred Action for Childhood Arrivals (DACA) residents to apply for civil service and law enforcement positions. Agencies who hire DACA recipients are protected from liability for breach of contract if there is a change in federal law related to DACA recipients.
- House Bill 1530, sponsored by Representative Julio Cortes (D-38th LD), allows law enforcement agencies to hire lawful permanent residents.
- <u>Senate Bill 5424</u>, sponsored by Senator John Lovick (D-44th LD), allows law enforcement officers to work part-time hours.

Hog-tying Prohibition: Senate Bill 6009, sponsored by Senator Yasmin Trudeau (D-27th LD), prohibits law enforcement officers from hog-tying an individual and makes hog-tying a form of excessive force. It also defines the term hog-tying to mean fastening together bound or restrained ankles to bound or restrained wrists. The use of a product or device that does not require fastening together bound or restrained ankles to bound or restrained wrists is not a hog-tie or hog-tying.

Catalytic Converters: House Bill 2153, sponsored by Representative Cindy Ryu (D-32nd LD), deters the theft of catalytic converters by establishing new felony and gross misdemeanor crimes for trafficking, processing, selling, or offering to sell stolen catalytic converters. To determine if selling a catalytic converter is stolen or not, VIN numbers can be written on catalytic converters before a legal sale if the buyer requests it. Only licensed scrap processors are allowed to disassemble or de-can a catalytic converter. The Washington State Patrol is required to conduct periodic inspections of licensed purchases of catalytic converters that have been removed from vehicles. The 2024 Transportation Budget allocates \$46,000 (page 37) to the Washington State Patrol for the implementation of the bill.

Organized Retail Crime: The 2024 Supplemental Operating Budget allocates one million for a pilot program to respond to organized retail crime. A report is due June 15, 2025. (page 10. The Legislature considered but did not advance <u>Senate Bill 5160</u>, regarding retail theft.

Firearm Sensitive Places: Senate Bill 5444, sponsored by Senator Javier Valdez (D-46th LD), makes it a gross misdemeanor for a person to knowingly possess a firearm in public libraries, zoos or aquariums accredited by the Association of Zoos and Aquariums or the Zoological Association of America, and transit station or transit facilities, including all passenger facilities, structures, stops, shelters, bus zones, properties, and rights-of-way owned, leased held, or used by a transit authority for the purpose of providing public transportation services. The definition of transit stations and facilities does not include transit vehicles.

Responding to Opioid Crisis Through Public Outreach and in Schools: The Legislature enacted several policies to respond increase education, including <u>Senate Bill 5906</u>, which requires the Department of Health (DOH) to develop an ongoing drug overdose campaign, and to conduct a feasibility study for an opioid overdose prevention hotline. Additionally, \$2 million is allocated to the Department of Health to administer grants to local health jurisdictions for opioid and fentanyl awareness, prevention, and education campaigns.

Specific proposals that the Legislature approved to address to the opioid crisis through the education system include:

- <u>Senate Bill 5804</u> requires all schools to carry one set of opioid overdose reversal medication and adopt related policies. Reversal medication must be added to each school's first aid kit, and it instructs schools to include at least one location of the medication on the school's emergency map.
- House Bill 2112 requires public and private institutes of higher education to provide opioid
 and fentanyl prevention education and awareness information to students. Higher education
 institutions must also provide naloxone and fentanyl strips, along with training for staff and
 residence halls on usage.
- House Bill 1956 directs the Office of the Superintendent of Public Instruction to develop, update, and distribute substance use prevention and awareness materials to schools.

First Responder Wellness: House Bill 2311, sponsored by Representative Lauren Davis (D-32nd LD), requires the Criminal Justice Training Commission (CJTC) to create a task force on first responder wellness and develop a 40-hour training program and peer support network. The CJTC will establish and administer a grant program for funding the implementation of peer support counseling programs within the state. The bill also amends statutory provisions to allow testimonial privilege during peer support group meetings.

Electric Vehicle Fires: Senate Bill 5812, sponsored by Senator Jeff Wilson (R-19th LD), directs the Washington State Patrol to work with the Department of Ecology to conduct a study on electric vehicle fires.

Transportation & Public Works

The 2024 Legislature was particularly challenged in the transportation arena as project costs have increased to be as much as 50 percent higher than anticipated, and revenues have declined. Furthermore, the 2022 Move Ahead Washington Transportation Package relies heavily on revenues generated from the Climate Commitment Act. If Initiative 2117 is approved by voters and the Climate Commitment Act is repealed, balancing the state's transportation budget will become even more challenging.

Following another year of record-breaking traffic fatalities, the Legislature continued to prioritize traffic safety policies and investments. One of the major policies in this arena, lowering the allowable blood alcohol concentration from .08 to .05 (Senate Bill 5002) did not receive further consideration in the second year of the biennium. Below are other transportation-related bills and investments:

Automated Traffic Safety Cameras: The City supports expanded use of automated traffic enforcement, and supported the development and passage of House Bill 2384, sponsored by Representative Brandy Donaghy (D-44th LD), allows cities and counties expanded authority to use automated traffic safety cameras (school zone cameras, red-light cameras, speed cameras, and bus lane enforcement cameras). The bill authorizes automated traffic safety cameras to be used on state routes within the city that are classified as city streets, and in work zones on city streets and county roads. All revenue generated remains with the local government, rather than the current law which requires cities to share speed camera revenue with the state. Additionally, revenue generated must be used for traffic safety purposes, and a proportionate share of the revenue must be spent in census tracts with household incomes in the lowest quartile and in areas that experience above average rates of injury crashes. The bill authorizes civilian employees who work for a law enforcement agency, public works, or transportation department, and who are sufficiently trained and certified by peace officers or traffic engineers, to review camera footage and issue citations. Individuals on public assistance must be provided with a 50 percent reduction in fines stemming from traffic safety cameras. Several other specific provisions are added exempting existing programs from the new requirements of the bill.

Project Delivery Streamlining Group: \$350,000 is provided for the Joint Transportation Committee and the Municipal Research and Services Center (MRSC) to convene a project delivery streamlining workgroup. The final report is due to the Legislature on June 30, 2025.

WSDOT Alternative Public Works Contracting Options: \$450,000 is provided to the Joint Transportation Committee to conduct a study and make recommendations on alternative project delivery methods that may be used by WSDOT in public works contracting. The study must review the use of several contracting methods and how the choice of project delivery method impacts the cost, contract competition, and project delivery schedule. There must be an analysis of the use of other project delivery methods across the country. Washington State specific options must also be explored, including the use of the Environmental Mitigation Revolving Account and Advance Right-of-Way Revolving Fund as cost containment strategies, and the benefits and costs associated with bundling bridge, culvert, and other groups of projects into single procurement packages. The study must examine these contracting options in relation to managing costs associated with meeting the requirements of the culvert court injunction. The final report is due to the Legislature by June 30, 2025.

Study of Public Works Contracts: \$175,000 is allocated to the Municipal Research and Services Center (MRSC) to conduct a public works study. The study shall evaluate the application of public works requirements, including prevailing wage and apprentice utilization, on publicly funded construction, including those supported in part or in whole with state funds, the granting or loaning of public dollars, and tax deferrals or reimbursements. A report is due June 30, 2025.

Study of Registered Apprenticeship Programs: \$75,000 is allocated to the Department of Labor and Industries to survey registered apprenticeship programs and assimilate data that documents the fee structure and contractual elements of partnerships between the various registered apprenticeship programs and community and technical college system. A report is due November 15, 2024.

Work and Change Orders: <u>Senate Bill 6192</u>, sponsored by Senator Curtis King (R-14th LD), requires private construction projects, including subcontractors and suppliers, to issue a change order no later than 30 days after satisfactory completion of any additional work projects. The latest version of the bill does not grant any rights to a contractor, subcontractor, or supplier that is not in a written contract with, excluding residential projects of 12 units or less. It also requires contractors and subcontractors to issue change orders within 10 days of receipt of a change order.

Prompt Payment: Senate Bill 6040, sponsored by Senator Javier Valdez (D-46th LD), requires the Capital Projects Advisory Review Board (CPARB) to review the extent to which prompt pay statutes meet the needs of small businesses, particularly women and minority-owned businesses. The review must also consider a requirement that within ten days of payment, the prime contractor and each higher tier subcontractor must make payment to its subcontractor until the small business or women, or minority-owned business has received payment. CPARB

must present findings and recommendations to the Legislature on or before November 1, 2024. The bill takes effect on July 1, 2024.

Road Usage Charge Next Steps: The Washington Transportation Commission completed a statewide road usage charge (RUC) pilot program, "Forward Drive," in 2023. \$250,000 is provided to the Commission to carry out engagement with Washington stakeholders on the results of the completed pilot program to inform next steps towards implementing a road usage charge. Recommendations must be submitted to the Legislature by December 1, 2024. Additionally, \$50,000 is provided for the Department of Licensing to conduct a study on the feasibility of implementing and administering a per-mile fee program. The study must identify staffing and resources needed to implement the program, and any possible technical investments. The final study is due to the Governor and the Legislature by December 31, 2025.

Traffic Safety Investments: The Legislature makes several investments to understand and mitigate driving behaviors and conditions that result in traffic safety incidents. Highlights include \$200,000 to the Traffic Safety Commission to develop a law enforcement light metering pilot program to measure lighting in locations where serious injury or fatalities have occurred; \$300,000 for the Traffic Safety Commission to purchase telematics data on vehicle speeds and driver behaviors, such as hard braking, on a statewide basis and in select geographical areas prone to crashes, with an annual report summarizing the data from June 30, 2025 to June 30, 2027. \$1 million is provided to the Traffic Safety Commission to supplement existing funding for impaired driving and other enforcement, with a focus on high visibility enforcement and indigenous knowledge-informed tribal traffic safety support. A report on these outcomes is due back to the Legislature by December 1, 2025.

Truck Parking: Parking for semi-trucks near ports and warehouse facilities is a growing challenge. \$14.1 million is provided for WSDOT to develop and implement a technology based truck parking availability system along the I-5 corridor. The final report for this work is due to the legislature by December 1, 2024. Further, the Legislature allocated \$1 million for the design of the I-5 Fort Lewis Weigh Station and SR 906 Phase 3 truck parking improvements. The budget also indicates legislative intent to provide \$4.95 million in the 25-27 biennium for additional truck parking improvements based on WSDOT and the freight mobility strategic investment board's recommendations.

Fish Barrier Adoption: House Bill 2045, sponsored by Representative Kevin Waters (R-17th LD), authorizes local governments and the Washington State Department of Transportation to enact Adopt-A-Fish Passage programs for the purpose of fish barrier removal. To the extent feasible, local governments must coordinate donations with any grant applications for state funding of fish barrier removal with the goal of expediting the removal of fish passage barriers.

General Government

The Legislature considered several proposals that would have broadly changed how local governments do business. Many of those proposals, including <u>House Bill 1932</u>, allowing local agencies to transition to even-year elections; <u>House Bill 1990</u>, would have established a

statewide aerial imagery service available to local governments; <u>Senate Bill 6232</u>, and <u>House Bill 2307</u>, attempting to assist agencies in managing public records; and <u>Senate Bill 5924</u> mandating access to personnel records, and more were considered but did not get across the finish line. However, several proposals did get across the finish line:

Lunar New Year: House Bill 2209, sponsored by Representative My-Linh Thai (D-41st LD), designates the Lunar New Year as a legislatively recognized day.

Public Comment Notice: <u>House Bill 1105</u>, sponsored by Representative Shelley Kloba (D-1st LD), was introduced during the 2023 session, and was approved during the 2024 session. The final version of the bill requires that whenever a public agency is mandated by law to provide notice that it is soliciting written public comment, the notice must specify the first and last date by which such public comment must be submitted. A public agency that violates the public comment notice requirements is subject to a civil penalty of \$500 for the first violation and \$1,000 for any subsequent violation, but no member of the agency is personally liable for a violation.

Royalty Receipts for Local Business & Occupation Taxes: \$200,000 is allocated to the Office of Financial Management to conduct a study and provide a report to the Legislature on royalty receipts apportionment for local business taxes. Report is due to the Legislature by December 31, 2024.

Property Tax Levies: House Bill 2044, sponsored by Representative Davina Duerr (D-1st LD), eliminates a non-supplant restriction applicable to local government taxing districts located in a county with a population of 1.5 million or more.

Technical Changes to Allowable Exemptions for Tourism Promotion Area Assessments: House Bill 2137, sponsored by April Berg (D-44th LD), allows local governments to exempt lodging businesses, units, or guests from lodging charges imposed within a tourism promotion area. The bill is largely technical and stems from recent Department of Revenue feedback to cities on their interpretation of current allowable exemptions.

Match Act: House Bill 1870, sponsored by Representative Stephanie Barnard (R-8th LD) promotes economic development for local communities by requiring the Department of Commerce to assist local communities with federal grant applications and creating a resource guide for federal grant applicants. The bill is null and void unless funded in the budget. The 2024 Supplemental Operating Budget allocates \$500,000 to implement this bill.

Childcare:

Two competing childcare proposals were introduced this session. <u>House Bill 1716</u>, sponsored by Representative Alicia Rule (D-Blaine) would have established a business and occupation tax rebate for employers who provide childcare assistance to employees. <u>House Bill 2232</u>, sponsored by Representative Tana Senn (D-Mercer Island) would have required employers who already receive a tax preference to provide childcare on-site or pay at least 25 percent of

childcare costs for an employee. However, the Legislature did not approve either proposal. Below are those actions that were approved related to improving childcare access:

Access to Childcare Subsidies: <u>House Bill 1945</u> and <u>House Bill 2124</u> both make it easier for families to access Working Connections Child Care (WCCC) subsidies if they already qualify for certain food assistance or early education programs. <u>House Bill 2111</u> streamlines the process for families to apply for WCCC.

Childcare Business and Occupation Tax Preference: Senate Bill 6038, sponsored by Senator Claire Wilson (D-Federal Way), eliminates the state business and occupation tax for childcare providers of children up to age 12 and children up to age 17 who have a verified special need. The exemption expires in 2035 and in accordance with state law, any tax exemption is subject to evaluation by the Joint Legislative Audit and Review Committee (JLARC).

Gubernatorial Veto Activity:

Governor Inslee did not fully veto any bills passed by the legislature. A few bills that had partial vetoes, most notably to the operating budget. The only item worth noting for local governments is the partial veto of the study on ranked choice voting. The governor indicated that in addition to the authorized funding being inadequate, local government elections staff would not have sufficient time to dedicate to this work during a Presidential election year. Bellevue staff have additional detail on the governor's partial vetoes available if needed.

Early Learning Grant and Loan Program: <u>House Bill 2195</u>, sponsored by Representative Lisa Callan (D-5th LD), eliminates the grant and loan award limits in the Early Learning Facilities program (ELF) by July 1, 2025. The bill prioritizes grants and loans for applications for construction and renovation projects that are ready for construction. The bill also adds translation services as an eligible administrative cost.