

**CITY COUNCIL AGENDA TOPIC**

2024 State Legislative Session Kick-off

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**EXECUTIVE SUMMARY****ACTION**

Staff will present a preview of the 2024 State Legislative Session, which begins January 8 in Olympia, including both key policy areas and budget issues, as well as ways the City will interact with the legislature during the session.

**RECOMMENDATION**

N/A

**BACKGROUND/ANALYSIS****Kick-off of the 2024 State Legislative Session**

The 2024 legislative session will begin January 8, 2024. This is the second year of the two-year biennium and will last for 60 days, ending March 8. During this time, the legislature will adopt supplemental capital, operating, and transportation budgets for 2023-25, which are customarily only relatively small adjustments to the two-year budget adopted this past spring. All bills introduced during the 2023 session that did not pass will be automatically reintroduced in the 2024 session.

Last fall's elections resulted in strong Democrat majorities, and 25 new first-time legislators. The House of Representatives has 58 Democrats and 40 Republicans, while the State Senate has 29 Democrats and 20 Republicans. The State Senate convened November 30 and December 1, and the House of Representatives convened December 4 and 5 for Committee Days. During Committee Days, legislators meet in their respective committees in Olympia to hold work sessions on topics likely to be discussed during the 2024 legislative session.

**Likely Hot Topics in the 2024 Session*****Supplemental Budgets***

Governor Inslee released the details of his proposed 2024 Supplemental Operating, Capital, and Transportation budgets during the week of December 11. The November Economic and Revenue Update indicated that the state will have \$64.529 billion available for the 2023-25 biennium. Inslee's proposals prioritized specific new investments in the areas of fentanyl treatment, encampments, and behavioral health services.

***Climate Commitment Act***

One of the predominant themes of the 2024 session will be proposed changes to the Climate Commitment Act (CCA) and a discussion on how to spend funds generated by the Act. Washington State has brought in over \$1.4 billion in revenues from greenhouse gas allowance auctions this year. At

this pace, the state is expected to bring in a billion dollars more than anticipated by 2024. Under current law, this revenue will be deposited into accounts that the Legislature can spend through appropriation.

Meanwhile, signatures are being collected on Initiative 2117, which would repeal the Climate Commitment Act. Proponents of the ballot measure must gather around 400,000 signatures from registered voters by the end of the year in order to certify an initiative. It is anticipated that the signature gathering efforts will be successful and the initiative will be submitted to the Legislature in January.

### ***Transit-Oriented Development***

Representative Julia Reed (D-Seattle), Representative Jake Fey (D-Tacoma), and Sen. Jasmine Trudeau (D-Tacoma) are working together on a new draft on this topic, continuing efforts that started during the 2023 legislative session. Lawmakers and stakeholders met multiple times in the days leading up to the end of the year, working to refine a number of key issues.

Bellevue has continued to provide detailed input to the lawmakers about this very important issue. Bellevue has been most concerned about the timing of the bill's requirements and their impact on the 2024 comprehensive plan, the definition of major transit stop, a "safe harbor" provision protecting against appeals, potential grant programs for cities, among other components. Rep. Reed, the primary proponent of the bill, has consistently invited the City of Bellevue to participate in discussions regarding refinements to the bill in advance of the 2024 legislative session.

### ***Transportation Funding Challenges***

Of the state's three budgets, the transportation budget continues to face the most significant challenges. During Committee Days, both the House and Senate Transportation Committees heard updates on the budget challenges they will face during the 2024 session.

As mentioned in previous reports, the Washington State Department of Transportation has indicated that several projects, including those along the Interstate 405/State Route 167 corridor, will cost more than the amount appropriated in the 2023-25 biennial budget and the associated multi-year transportation plan. Additionally, the State Route 520 project has faced significant cost increases due to inflation, supply chain issues, and limited competition among contractors. Additional funding of around \$700 million is likely needed for that project alone.

Rising costs of culverts are also impacting the 2023-25 Transportation Budget. In 2013, a federal court injunction was issued after 21 tribes sued Washington State, mandating that the state replace state-owned culverts to restore fish passage in order to honor tribal fishing rights.

### ***Organized Retail Theft***

The Senate Labor & Commerce Committee held a work session on retail theft. Initiated in July of 2022, Attorney General Bob Ferguson convened an Organized Retail Crimes Task Force with the main goal of enhancing coordination with law enforcement agencies to address multi-jurisdictional crimes. The Task Force highlighted that 54% of small businesses in Washington State are experiencing increased theft resulting in nearly \$3 billion in losses. Tracking retail crimes across counties is proving to be especially challenging. Several presenters spoke on the significance of retail crime, underscoring its impact on employee well-being and the need for costly resources to protect employees and customers.

Councilmembers will recall that Bellevue Police Chief Wendell Shirley participates in this task force.

### ***HB 1110 Implementation***

The Senate Housing Committee heard a presentation from the Department of Commerce on a draft middle housing model ordinance and guidance for cities to comply with House Bill 1110, which required cities to integrate middle housing types into the next comprehensive plan update. Commerce, in accordance with HB 1110, must publish their model ordinances no later than six months following July 23, 2023. Separately, Representative Jessica Bateman (D-Olympia) has indicated that she plans to propose legislation in 2024 making technical fixes to House Bill 1110. The City of Bellevue received a draft of the proposal and provided comments in preparation for the upcoming session.

### **City of Bellevue Adopted 2024 State Legislative Agenda**

#### ***Highest Priority Issues***

The agenda's Highest Priority Issues section highlights the items of utmost importance to the City of Bellevue in the upcoming state legislative session. These items are primarily either exclusively or largely Bellevue-led and Bellevue-focused and highlight the areas of greatest value at this time.

In the 2024 session, those priority issues are:

#### Affordable Housing and Land Use

- Recognition of our state's affordable housing crisis
- Desire to shape bills on transit-oriented development to be effective
- New and flexible local funding sources

#### Infrastructure for a Growing Community

- Electric fire engine and charging infrastructure
- Mountains to Sound Greenway Trail funding shift
- I-405 funding gap

### ***State Policy Statement***

The agenda's State Policy Statement covers a broad set of issues and gives the City the flexibility and charge to weigh in on a host of issues, funds, and bills that may arise during the legislative session. Many of the items captured in this section are led by other parties or coalitions, and Bellevue intends to weigh in as necessary and strategic to advocate for the City's interests, direct or indirect.

In the 2024 session, those issue categories are:

- Homelessness and Human Services
- Climate and the Environment
- Fiscal Sustainability, Financing Tools, and General Government
- Equity and Social Justice
- Public Safety
- Transportation
- Public Works and Infrastructure
- Economic Development and Workforce

- AWC Legislative Priorities
- Implementing Bellevue's Vision and Priorities

### **Association of Washington Cities Legislative Priorities Development**

The AWC Legislative Priorities Committee adopted the Association's 2024 legislative agenda last fall. Bellevue weighed in on the association's legislative priority development process this past year, as well. The 2024 AWC legislative priorities are:

- Help recruit and retain police officers for public safety
- Continue investing in infrastructure
- Revise the arbitrary property tax cap
- Provide behavioral health resources

### **Engagement, Timeline, and Next Steps**

In anticipation of the session, staff have continued to position Bellevue's priority issues for success and to prepare for the short, fast-paced session. Some of those recent and upcoming steps include:

- Meetings with 41<sup>st</sup> and 48<sup>th</sup> District lawmakers to brief them on the legislative agenda
- Development of a graphic version of the agenda
- Meetings with AWC and other cities, as well as other stakeholders, on key emerging issues
- Identify key dates in the upcoming session and when Bellevue will plan to be on the ground
- Plan to attend City Action Days on February 7-8, 2024

## **POLICY & FISCAL IMPACTS**

### **Policy Impact**

The work of the Washington State Legislature will have myriad impacts on the City, and it is important that the City weigh in appropriately on bills throughout the course of the session. The adopted state legislative agenda outlines the City's chief policy objectives.

### **Fiscal Impact**

The budget developed at the state level are of critical importance to the City, as many important programs either directly within the City's scope or of benefit to or impact upon our residents, employees, businesses, and visitors. The legislature's ability to impact or modify authorized city revenue tools and revenue streams is also of direct and essential interest to Bellevue.

## **OPTIONS**

N/A

## **ATTACHMENTS**

A. 2024 State Legislative Agenda

## **AVAILABLE IN COUNCIL LIBRARY**

N/A