



City of
Bellevue

City Manager's
Office

DATE: June 11, 2024

SUBJECT: State Legislative Update, May 2024

Overview

More than a thousand people filed to run for federal, state, judicial, and local offices in Washington during filing week, May 6-10.

Eighteen legislators did not file for re-election to their current position. Over the past decade, the average number of legislators not seeking re-election has been approximately fifteen. With this higher-than-average rate of legislators leaving their positions, the November election will bring about significant turnover in the Legislature regardless of any shift in the political climate.

For the first time in decades, it is possible that Democrats could gain a super majority in either the House of Representatives or the Senate. This is notable because while Democrats currently hold the majority in both chambers, some legislative actions, such as issuing bonds that fund the Capital Budget, require approval from 3/5 of the Legislature and are developed with bi-partisan input and support. That would likely change if Democrats gained a super majority.

The [May 14 legislative update](#) provided a district-by-district rundown of who is running for what legislative offices. All of Bellevue's legislators filed to seek re-election. Senator Patty Kuderer's term in the Senate does not end until 2027; however, she has filed to run for Insurance Commissioner. If she wins that race, an appointment process to identify her replacement will occur after the November general elections.

Below is an update on the state executive office races:

Governor: In total, 28 candidates filed to run for Governor. Current Attorney General Bob Ferguson (D), current State Senator Mark Mullet (D), former Congressman Dave Reichert (R), and Semi Bird (R) are the four leading candidates. During filing week, two other Bob Ferguson's had filed to run for the Governor's Office, but they have both since withdrawn from the race — preventing any sort of confusion their names could cause had they appeared on the August primary ballot.

Attorney General: With current Attorney General Bob Ferguson running for Governor, three people filed to run for the Attorney General's office. Former U.S. Attorney Nick Brown (D), current State Senator Manka Dhingra (D-Redmond), and Mayor of Pasco Pete Serrano (R).

Public Lands Commissioner: Seven candidates will be running for the open Public Lands Commissioner's position. Candidates include former U.S. Representative Jaime Herrera

Beutler (R), Senator Kevin Van De Wege (D-Lake Sutherland) and King County Council Chair Dave Upthegrove (D). Upthegrove and Herrera Beutler have currently raised the most money for this position.

Insurance Commissioner: Eight candidates have filed to run for the open Insurance Commissioner position, the most significant being current State Senator Patty Kuderer (D-Bellevue) and State Senator Phil Fortunato (R-Auburn).

Executive Office Incumbents: Incumbents Lieutenant Governor Denny Heck, Secretary of State Steve Hobbs, State Treasurer Mike Pellicciotti, and State Auditor Pat McCarthy are all seeking re-election and are not facing formidable opponents based on funds raised as of this writing.

The two candidates garnering the most votes during the August 6 primary will advance to the November general election.

Initiatives: As previously reported, three Initiatives to the Legislature will appear on the November ballot: [Initiative 2109](#), repealing the capital gains tax; [Initiative 2117](#), prohibiting carbon tax credit trading and repealing provisions of the 2021 Washington Climate Commitment Act; and [Initiative 2124](#), allowing all employees to opt out of paying and receiving long-term care insurance.

Several Initiatives to the People have been filed with the Secretary of State's Office. To appear on the November ballot, an Initiative to the People must have collected 324,516 valid signatures by July 5. One of the most notable Initiatives to the People circulating for signature is [Initiative 2066](#), which would require utilities and local governments to provide natural gas to eligible customers; prevent state approval of rate plans requiring or incentivizing natural gas service termination, restricting access to natural gas service, or making it cost-prohibitive; and prohibit the state energy code, localities, and air pollution control agencies from penalizing natural gas use. The Initiative is a direct counter to the Legislature approving [House Bill 1589](#) during the 2024 Legislative Session, which requires Puget Sound Energy to engage in a multi-year planning process to reduce its use of natural gas to serve customers and comply with the State's Clean Energy Transformation Act, which mandates that Puget Sound Energy get to zero carbon emissions by 2045.

In other news related to initiatives, the American Civil Liberties Union and Legal Voice have filed a lawsuit against the State to prevent [Initiative 2081](#), known as the Parental Bill of Rights, from becoming law. The Legislature approved the Initiative during the 2024 session. The lawsuit claims that Initiative 2081 conflicts with youth privacy laws and could result in harm for marginalized students.

State Revenue Updates

State legislators are beginning to forewarn of fiscal challenges for the state's budgets. If voters approve [Initiative 2109](#), repealing the State's capital gains tax and/or [Initiative 2117](#), prohibiting

carbon tax credit trading and repealing provisions of the 2021 Washington Climate Commitment Act, the Legislature will grapple with the resulting funding deficits.

However, even if voters reject the Initiatives and uphold both the capital gains tax and the Climate Commitment Act, the Legislature may have less funding at their disposal during the 2025 session than in recent years. One of the initial indicators of this is a decline in capital gains tax collections. The tax brought in \$786 million in its first year but has only brought in \$433 million during its second year of existence. The tax was expected to be an unpredictable revenue source, but such a drop-off will have an impact on budget development.

Additionally, the Legislature adopted a 2024 Supplemental Transportation Budget that balanced for the current 2023-25 fiscal biennium; however, it did not budget adequate future funding to meet the state's obligation to replace culverts. Also, state agencies are providing early indicators that caseload levels are increasing at a rate that exceeds forecasted revenue growth. Some legislators are indicating that budget deficits going into the 2025 session could be as high as \$8-\$10 billion. As a result, legislators are brainstorming various concepts to address funding shortfalls, including transfers between the state's three budgets (operating, capital and transportation) and revenue packages. The state's fiscal situation will continue to evolve between now and December 2024 when Governor Jay Inslee will propose his final budget before leaving office.

Policy Updates

Courts

Public Defense Standards: The previous report highlighted that the Washington State Bar Association (WSBA) Board of Governors submitted [new guidelines](#) for public defense services to the Washington State Supreme Court for consideration. The new guidelines reduce the maximum yearly workload from 400 misdemeanors to 120, and 150 felony cases to 47. Additionally, the guidelines add requirements for an increase in support staff and modify qualifications for the type of cases public defenders can take on.

In May, the Washington State Supreme Court Rules Committee voted to recommend to the En Banc Administrative Conference (the full Court) that the WSBA's suggested amendments be published for a public comment period ending on October 31, 2024. The Rules Committee also recommended scheduling two public meetings — one to occur prior to October 31 and the other after October 31.

The Court's next En Banc Administrative Conference meeting is tentatively scheduled for June 5. The meeting will not be open to the public, but any rules-related orders will be posted on the Supreme Court's [website](#) within 48-hours after the meeting. The Association of Washington Cities (AWC) is planning to have two listening sessions in July. One meeting is for municipalities with a municipal court, and the other is for municipalities without a municipal court (participants can take part in either meeting). A finalized date and further details about the listening sessions will be available once the En Banc Administrative Conference meeting date is finalized.

Additionally, the Senate Law and Justice Committee held a [work session](#) on May 30 that covered a number of issues, including the public defense standards recommendations. At the work session, the Washington State Bar Association and the Office of Public Defense spoke in favor of the standards. They highlighted that the proposed standards would help decrease the time spent per case, as well as addressing concerns about the accessibility of public defense access across the state.

The Association of Washington Cities, among others, expressed concerns with the proposed standards. Their concerns were mainly related to the costs that will be incurred by cities and counties to implement the new standards, and that without adequate funding and staffing, these standards would only exacerbate the issues they are trying to address. Questions and comments from the senators were primarily concerned with the State's role in facilitating funding for increasing the number of public defenders, and if it will be feasible to enact the proposed standards. The work session dedicated to the proposed standards can be found [here](#).

Judicial Resentencing: The Senate Law and Justice Committee also discussed judicial resentencing at the May 30 meeting. The discussion was prompted by two bills that did not pass last session, [House Bill 2001](#) and its companion [Senate Bill 6037](#). Invited speakers included attorneys, judges, current and formerly incarcerated individuals, and victim advocates. Many of the speakers testified that the current resentencing system is done piecemeal and does not provide timely opportunities to have sentences modified. Testifiers said that addressing resentencing holistically will help individuals, families, and communities throughout the State. This topic will likely continue in the 2025 Legislative Session.

Housing and Human Services

Student Homelessness: A report released to the Legislature by the Office of the Superintendent of Public Instruction (OSPI) shows that 3.8 percent of K-12 students have experienced homelessness or insecure housing during the 2022-23 school year, with highest numbers occurring among minority students. This is an increase from the previous report in 2019-20, but those numbers may have been impacted by reporting difficulties during the COVID pandemic. The report highlights that students experiencing homelessness and housing insecurity fail to graduate at a higher rate than the rest of the student population. The OSPI releases this report every-other-year and the full report can be found [here](#).

Affordable Housing Options: On May 24, the Senate Housing Committee held a work session on establishing and sustaining affordable housing. The meeting can be viewed [here](#), and the meeting materials can be found [here](#). The speakers at the hearing provided international, national, and local perspectives on affordable housing solutions, challenges, and needs. Presenters spoke on the need for lower construction costs, administrative and state support, as well as more mechanisms to timely address housing as community needs change. The members' questions to the presenters primarily focused on how to lower costs associated with constructing and maintaining affordable housing.

Free Naloxone Kits: With overdose deaths continuing to [rise](#), the Department of Health has begun to receive the first of 54,000 free naloxone kits, which will be delivered quarterly over the next two years. Each kit contains two dosages in nasal spray form and can be administered without medical training. The kits are free to the public and can be ordered [here](#).

Association of Washington Cities Activities

In May, the Association of Washington Cities held the first of five Legislative Priorities Committee meetings. Since the end of session, AWC has polled cities on the issues that they would like addressed during the 2025 Legislative Session. The meeting was a chance for Committee members to review and discuss the polling results, which are a starting point for the AWC to develop its 2025 legislative priorities.

The following items were listed by poll respondents as priority items for the 2025 Legislative Session:

- public safety (13 votes received);
- finance, revenue & taxes (12);
- public works, infrastructure, & utilities (10);
- transportation (8);
- human services & behavioral health (8);
- housing & homelessness (6);
- environment & natural resources (5);
- land use & planning (4);
- human resources & labor relations (3);
- open government (1); and
- other (1).

The next Committee meeting will be held during AWC's annual conference on June 19. The Committee will continue to meet throughout the Summer and Fall before adopting a Legislative Agenda to submit to the Board of Directors in September.

The AWC is also working to finish their draft Statement of Policy, which outlines positions the AWC holds on fundamental municipal issues and serves as a framework for developing legislative priorities and positions (e.g. local control). A draft proposal was released May 30. Notably, one of the core principles within the draft Statement of Policy is "community based decision-making" which includes language that states "AWC recognizes that there are instances when statewide approaches may be necessary and pledges to work towards statewide solutions that still empower and support local decision-makers." The draft Statement of Policy will be considered by AWC members at the Annual AWC Business Meeting June 20.