

City Manager's Office

DATE: February 12, 2024

SUBJECT: January State Legislative Update

Overview:

The 2024 Legislative Session began on Monday, January 8th. Throughout January, legislators met in policy and fiscal committees to hear public comments and amend and vote on proposed bills. All bills introduced during the 2023 session that did not pass into law remain under consideration, and new bills can be introduced. 2,809 bills are under consideration, of which 1,174 have been newly introduced in 2024. To remain under consideration this session, bills needed to have been approved by policy and fiscal committees by February 5th. The report below highlights those bills that survived and died with these cutoff deadlines.

Once a bill advances from a policy or fiscal committee, it is referred to the Rules Committee in the chamber in which it is under consideration. The Rules Committee does not take public comment or discuss the merits of the bill; rather, the committee serves a gatekeeping and prioritization function. Legislative leadership and rules committee members select bills from the committee to be placed on the floor calendar for discussion and a potential vote by the entire chamber. Bills that leadership does not want to advance often remain in the Rules Committee.

Starting Tuesday, February 6th, the House of Representatives and the Senate will convene on the floor to vote on bills that have advanced from the Rules Committee to the floor calendar. Amendments to bills can be offered on the floor and considered by the entire chamber. Bills need to be approved by their chamber-of-origin (Senate approves Senate bills; the House approves House bills) by February 13th. This stage of the process often involves legislators voting on bills late into the evening and night.

Additionally, budget writers have been working behind closed doors to begin developing 2024 Supplemental Operating, Capital, and Transportation budget proposals. The House and Senate are each expected to release their proposed budgets at the end of February. They will then negotiate a final version of each budget prior to the final day of the legislative session, March 7.

Unique this session, the Legislature has six initiatives the Legislature that have been filed. For each initiative, the Legislature has three options: 1) pass the proposed initiative into law; 2) forward the proposed initiative to voters in November 2024 taking no action; or 3) forward the proposed initiative to voters in November 2024 along with an alternative, i.e. a competing proposal. The Legislature appears to be leaning toward option two.

- Initiative-2081 relates to parental access to educational materials used in public schools.
- Initiative-2109 prohibits state or local governments from imposing an income tax.
- Initiative-2111 repeals the capital gains tax.
- Initiative-2113 allows officers to engage in vehicular pursuits on more occasions.
- Initiative-2124 makes it optional to participate in the state's long term care program.



• Initiative-2117 repeals the Climate Commitment Act.

Funding Requests:

Funding opportunities are more limited during the short 2024 legislative session. The City of Bellevue is making modest requests on two projects that align in the funding realities of this session:

Electric Fire Engine

The City of Bellevue has 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. This project is eligible to receive funding through the Climate Commitment Act. The City has held several meetings with the legislative delegation and submitted the required request forms to advance this request.

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 puts \$2.37 million in federal funding allocated to the project through the Puget Sound Regional Council (PSRC) at risk of being lost. The Governor's proposed 2024 Supplemental Transportation Budget allocates \$6.6 million in the 2025-27 biennium, allowing the City to receive the funding and meet the funding obligation deadline associated with the federal funds. The Legislature now needs to also include this same allocation in their proposed 2024 Supplemental Transportation Budgets.

Policy Proposals:

Homelessness and Human Services

State Real Estate Excise Tax (REET) to Fund Housing: <u>House Bill 2276</u>, sponsored by Representative April Berg (D-44th LD) and <u>Senate Bill 6191</u>, sponsored by Senator Noel Frame (D-36th LD), reduce the state real estate excise taxes (REET) on properties with a selling price under \$3,025,000 and impose a new tax of one percent on any property over \$3,025,000. Revenue generated from this proposal would be invested in state housing programs. Unlike a similar proposal considered during the 2023 legislative session, this bill does not include the authority for a city to impose a local REET increase to fund housing. However, bill proponents have indicated that if the bill advances, language can be added directing the Department of Revenue to provide recommendations to the Legislature on how to implement and administer a local option graduated REET. Neither the House nor the Senate version of the bill received committee approval prior to the cutoff deadline. However, it is possible that these bills will advance when budget proposals are released as "necessary to implement the budget."

Rent Regulation: Early in the legislative session, Democrats indicated that passing a law enacting rent stability was a top priority. <u>House Bill 2114</u>, sponsored by Representative Emily



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Alvarado (D-34th LD), was approved by the House Appropriations Committee with several amendments prior to the committee cutoff deadline. As amended, the bill caps rent increases at 7 percent, rather than 5%, in any given 12-month period. Additionally, late fees are capped at 1.5% of the tenant's total monthly rent, rather than \$10. The Senate companion, <u>Senate Bill</u> <u>5961</u>, sponsored by Senator Yasmin Trudeau (D-27th LD), did not advance out of Senate Housing Committee because a single Democrat opted not to vote in favor of the bill; for bills to be approved by the Senate Housing Committee all Democrats have to approve the bill if there are no Republicans supporting the proposal. As a result, the Senate version of the bill is no longer under consideration this session.

Commercial to Residential Incentives: <u>Senate Bill 6175</u> sponsored by Senator Yasmin Trudeau (D-27th LD), and <u>House Bill 2308</u>, sponsored by Representative Amy Walen (D-48th LD), establish incentives for projects converting commercial/non-residential spaces into residential spaces. Both the Senate Ways & Means Committee and the House Finance Committee approved versions of the bill prior to the cutoff deadline that allow such projects to receive a state and local sales and use tax exemption on labor and materials invested in the conversion, so long as a percentage of the units are dedicated to affordability. The two companion bills vary in affordability requirements and the mechanics of the sales and use tax exemption.

Multi-Family Property Tax Exemption: <u>Senate Bill 5118</u>, sponsored by Senator Patty Kuderer (D-48th LD), would have made changes the multifamily property tax exemption program related to conversions and square footage requirements. The bill was not approved by the Senate Ways & Means Committee and is no longer under consideration this session.

Extreme Weather Events: <u>House Bill 1012</u>, sponsored by Representative Mari Leavitt (D-28th LD) requires the Military Department to develop an Extreme Weather Response Grant Program. The grant program will assist cities with the cost to provide shelter during extreme periods of hot or cold weather or poor air quality due to wildfire smoke. In 2023, the bill passed out of the House of Representatives but was not approved in the Senate Ways & Means Committee. On the first day of the 2024 session, the House of Representatives approved the bill with 68 members voting in favor and 30 members voting against the bill. The bill had a public hearing in the Senate State Government & Elections Committee at the end of January.

First Responder Wellness: <u>House Bill 2311</u>, sponsored by Representative Lauren Davis (D-32nd LD), requires the Criminal Justice Training Commission (CJTC) to create a task force on first responder wellness. The CJTC is directed to establish and administer a grant program for first responder peer support counseling programs. The House Community Safety, Justice, & Reentry Committee approved an amended version of the bill that expands the task force membership. The House Appropriations Committee further amended the bill to require the bill to be funded through the state budgeting process, rather than through a direct appropriation in the bill. The bill is currently in the House Rules Committee.

ATTACHMENT A



Co-responsive Services and Trainings: <u>House Bill 2245</u>, sponsored by Representative Dan Bronoske (D-28th LD), directs the University of Washington School of Social Work to establish a co-response training pilot program and peer support group; to explore the development of credentialing opportunities; and to provide an annual assessment to the Governor and Legislature. Through an amendment in the policy committee, it was clarified that the certification offered through the program is optional and may not serve as an additional requirement for licensure for first responders or licensed human services professionals. The bill is currently in the House Rules Committee.

Assisting Refugees and Immigrants: <u>House Bill 2368</u>, 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 House Human Services, Youth, & Early Learning Committee approved an amended version of the bill specifying that DSHS coordinate with local, state, federal, and other stakeholders. The bill is in the House Rules Committee.

Tax Preference Childcare Requirement: <u>House Bill 2322</u>, sponsored by Representative Tana Senn (D-41st LD), would have offered a business and occupation tax preference to businesses that provide childcare for employees' children. The House Finance Committee approved an amended version of the bill that directs the Office of Financial Management to facilitate the creation of a report and recommendations on policy options that incentivize employer-supported childcare. The bill is in the House Rules Committee.

Planning/Land Use

Residential Lot Splitting: <u>House Bill 1245</u> sponsored by Representative Andrew Barkis (R- 2nd LD) requires cities planning under the Growth Management Act to allow the splitting of a single residential lot into two residential lots. During the 2023 session, the House of Representatives approved the bill, but it stalled in the Senate Local Government, Land Use, and Tribal Affairs Committee. On the first day of the 2024 session, the House of Representatives once again approved the bill with 94 members voting in favor, and 4 members voting against the bill. The bill has been referred to the Senate Local Government, Land Use & Tribal Affairs Committee and has not advanced any further. The bill has until February 21st to pass out of this committee to remain under consideration this session.

Housing Development Exemptions: <u>Senate Bill 6061</u>, sponsored by Senator Liz Lovelett (D-40th LD), concerns exemptions for housing development under the State Environmental Policy Act (SEPA). The Senate Local Government, Land Use & Tribal Affairs Committee approved an amended version of the bill and referred the bill to the Rules Committee. Under the amended version of the bill, to receive a SEPA infill categorical exemption, the proposed development must be capable of being connected to an established sewer system at the time of construction. The bill is in the Senate Rules Committee.

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Residential Housing Regulations: <u>House Bill 2071</u>, sponsored by Representative Davina Duerr (D-1st LD), concerns residential housing regulations. The bill directs the State Building Code Council to convene two technical advisory groups: one to recommend changes needed to apply the International Residential Code (IRC) 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. The bill prohibits cities and counties from requiring off-street parking for residential projects, and requires cities and countries to modify setback limit, and gross floor area requirements for retrofitting buildings for residential housing. The bill specifies that cities and counties are not prohibited from applying the State Building Code when allowing the required modifications to setbacks, height limits, and gross floor retrofits for retrofits of buildings being converted into residential housing. The Appropriations committee adopted an amendment to allow a setback of less than 36 inches between residential dwelling units, along with other changes. The bill is currently in the House Rules Committee.

Co-Living Housing: <u>House Bill 1998</u>, sponsored by Representative Mia Gregerson (D-33rd LD), and its companion bill <u>Senate Bill 5901</u>, sponsored by Senator Jesse Salomon (D-32nd LD), requires cities to allow co-living. Co-living is housing where sleeping units within the same home are rented independently, are lockable, and provide living and sleeping space. Co-living housing can include rented rooms in a home, as well as other congregate living facilities. The House of Representatives is anticipated to approve a <u>floor amendment</u> to the bill that aligns with the version of the bill that was approved by the Senate Local Government Committee. The amended version requires co-living to be allowed anywhere that six multifamily residential units are allowed and changes the implementation date to December 31, 2025, to allow cities additional time to implement the provisions of the bill.

Community and Transit-oriented Housing Development: <u>House Bill 2160</u>, mandating that cities allow transit-oriented development densities for residential and mixed use development around light rail and bus rapid transit stops in 2029. The amended version of the bill modifies the definition of a bus rapid transit (BRT) and extends the deadline for cities to adopt "substantially similar" regulations to be exempt from the bill from January 1, 2024, to June 30, 2025, an amendment specifically requested by Bellevue. The Senate version of the bill, <u>Senate Bill 6024</u>, sponsored by Senator Yasmin Trudeau (D-27th LD), did not advance out of committee and is no longer under consideration this session.

Commerce Approval of Housing Development Regulations: The House of Representatives is considering two different bills directing the Department of Commerce to review and approve city housing development regulations. The latest version of <u>House Bill 2113</u>, sponsored by Representative Jessica Bateman (D-22nd LD), requires cities to submit housing development regulations to Commerce for a determination of compliance six months after a comprehensive plan update. Cities are unable to deny a permit for affordable housing if Commerce has not approved the city's development regulations. Similarly, the latest version of <u>House Bill 2474</u>, sponsored by Representative Strom Peterson (D-21st LD), establishes a process for cities to submit zoning and development regulations for permanent supportive housing, transitional



housing, indoor emergency housing, or indoor emergency shelter to Commerce for review and approval, and prohibits a city from denying a project permit application unless it has received approval from Commerce or a court. Both bills are in the House Rules Committee.

Middle Housing Trailer Bill: <u>House Bill 2321</u>, sponsored by Representative Jessica Bateman (D-22nd LD), modifies provisions of last year's HB 1110 regarding middle housing regulations around the definition of a major transit stop and how lots with critical areas are treated. The bill is in the House Rules Committee.

Residential Parking: <u>Senate Bill 6015</u>, sponsored by Senator Sharon Shewmake (D-42nd LD), requires cities to allow certain parking configurations to count toward minimum parking requirements, including adjacent on-street parking spaces, parking spaces located in yard setbacks, parking areas in tandem, and specifies that parking spaces may not exceed 8 feet by 20 feet. The bill is currently on the Senate Floor Calendar.

Climate and the Environment

Extended Producer Responsibility: <u>House Bill 2049</u>, sponsored by Representative Liz Berry (D-36th LD) is also nicknamed the ReWrap Act. The bill requires producers of certain paper products and packaging to participate in and fund the operations of a Producer Responsibility Organization (PRO) to collect and manage covered products from consumers. The bill was amended and approved in the House Environment & Energy and Appropriations Committees to add exemptions and make other implementation changes. The bill is currently in the House Rules Committee.

Heat Pumps: <u>Senate Bill 5973</u>, 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 of \$1,000 if they violate this prohibition. The bill was approved by the Senate Law & Justice Committee with an amendment defining "heat pump." The bill is currently in the Senate Rules Committee.

Organic Material (Compost) Management Systems: The House Appropriations Committee approved a narrowed down version of <u>House Bill 2301</u>, sponsored by Representative Beth Doglio (D-22nd LD), making changes to how compost is collected and managed. The bill is in the House Rules Committee. The Senate version of the bill, <u>Senate Bill 6180</u>, sponsored by Senator John Lovick (D-44th LD), did not advance out of committee and is no longer under consideration.

Outdoor Power Equipment Emissions: <u>House Bill 2051</u>, sponsored by Representative Amy Walen (D-48th LD), relates to reducing emissions from small off-road engines, and gas powered outdoor power equipment. The bill directed the Department of Ecology to administer a grant program to help local governments replace their outdoor power equipment. The proposed standards would have only applied to small off-road engines and equipment that is produced



after January 1, 2027. The bill did not advance out of the House Environment & Energy Committee and is no longer under consideration this session.

<u>Safety</u>

Attorney General Enforcement of Law Enforcement Agencies: The 2023 Legislature considered but did not pass <u>House Bill 1445</u>, sponsored by former Representative (now Senator) Drew Hansen (D-23rd LD), authorizing the Attorney General to investigate and bring actions against law enforcement and corrections agencies for violations of the Constitution or state law, and requires the Attorney General to develop and publish model policies in consultation with various agencies and entities. The bill has had limited action during the 2024 session but was recently placed on the House Floor Calendar.

Catalytic Converter Theft: <u>House Bill 2153</u>, sponsored by Representative Cindy Ryu (D-32nd LD), deters the theft of catalytic converters by establishing new felony and gross misdemeanor crimes for trafficking in, processing, selling, or offering to sell stolen catalytic converters. To determine if selling a catalytic converter is stolen or not, VIN numbers are required to be written on catalytic converters before a legal sale. Both the House Consumer Protection & Business Committee and the House Transportation Committee approved the bill with bipartisan support. The bill is in the House Rules Committee.

Electric Vehicle Fires: <u>Senate Bill 5812</u>, 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. The Senate Transportation Committee approved an amended version of the bill that adds a representative of the towing and recovery industry to the groups that the Washington State Patrol must consult with and removes the appropriation within the bill to fund the study.

Hog-tying prohibition: <u>Senate Bill 6009</u>, 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. The Senate Law and Justice Committee unanimously approved the bill with an amendment revising the definition of hogtying to clarify that it means connecting a hobble restraint to handcuffs, and does not include the use of transport or waste chains used to transport prisoners, nor a product or a device that does not require the persons' knees to be flexed while their wrists are handcuffed behind the back and secured to bound ankles. The bill is on the Senate Floor Calendar.

Eluding Police Vehicle Penalties: <u>House Bill 2390</u>, sponsored by Representative Clyde Shavers (D-10th LD), and <u>Senate Bill 6200</u>, sponsored by Senator John Lovick (D-44th LD), would have allowed a vehicle used to evade arrest to be impounded. If the individual has previously had a vehicle impounded for the same reason, the vehicle is subject to forfeiture. If a person is charged with attempting to elude a police vehicle, the court is authorized to require the individual to use an electronic monitoring device. The Senate version of the bill did not receive a public hearing. While the House version of the bill was approved by the House Community



Safety, Justice, & Reentry Committee with amendments, it was then referred to the House Appropriations Committee, which did not advance the bill. Both the House and Senate versions of the bill are no longer under consideration this session.

Jay Walking: <u>Senate Bill 5383</u>, sponsored by Senator Rebecca Saldaña (D-37th LD), prohibits law enforcement officers from enforcing state or local laws related to jay-walking unless the pedestrian suddenly leaves a curb or place of safety to move into the path of a vehicle so that it is impossible for the driver to stop. The Senate Transportation Committee approved the bill with an amendment applying the bill to roadways under 35 mph.

Firearm Sensitive Places: <u>Senate Bill 5444</u>, sponsored by Senator Javier Valdez (D-46th LD), makes it a gross misdemeanor for a person to knowingly possess a firearm in certain public locations. The original bill included a lengthy list of locations, such as zoos, public libraries, parks, and state and local public buildings. The policy committee removed ferry terminals and rest stops from the list of locations in the original bill, and exempted correctional personnel, individuals with a concealed carry license, and employees at those locations from the prohibition. The Senate Ways & Means Committee further narrowed the bill to only apply to libraries, zoos, aquariums, and transit facilities (parks and state and local public buildings were removed). The bill is in the Senate Rules Committee.

Criminal Justice Training Commission (CJTC) Training Reimbursement: <u>Senate Bill 6242</u>, sponsored by Senator Mark Mullet (D-8th LD), removes the requirement for local law enforcement agencies to reimburse the Criminal Justice Training Commission (CJTC) for 25 percent of training costs for officers. The bill is currently in the Senate Rules Committee.

Law Enforcement Hiring: Two bills regarding the hiring of law enforcement officers that were considered during the 2023 session remain under consideration in 2024. <u>House Bill 1530</u>, sponsored by Rep. Julio Cortes (D-38th LD), allows law enforcement agencies to hire lawful permanent residents in addition to citizens of the United States. Early in the 2024 session, the House of Representatives unanimously approved the bill, and the Senate Law & Justice Committee held a public hearing on the proposal. Similarly, the Senate unanimously approved <u>Senate Bill 5424</u>, sponsored by Senator John Lovick (D-44th LD), allowing law enforcement officers to work part-time hours. The bill is now in the House Community Safety, Justice and Reentry Committee.

Public Safety Resources: <u>Senate Bill 6076</u>, sponsored by Senator Karen Keiser (D-33rd LD), allows counties to impose a sales and use tax without voter approval until January 1, 2027. If a county does not impose all or part of the 0.3% sales and use tax by July 1, 2024, the city's legislative authority may impose the tax. All money authorized under the sales and use tax ordinance must be used for criminal justice purposes, which includes co-responder and diversion treatment services. The Senate Ways & Means Committee held a public hearing on the bill but did not advance it prior to the fiscal committee cutoff deadline. Similarly, it's companion bill, <u>House Bill 2211</u> received a public hearing but did not pass out of a policy



committee. As a result, neither bill remains under consideration this session. Similarly, <u>House</u> <u>Bill 2231</u>, sponsored by Rep. Amy Walen (D-48th) would have authorized a credit against the state sales tax for local jurisdictions to fund public safety. The bill did not advance out of the policy committee and is also no longer under consideration this session.

General Government

Lunar New Year: <u>House Bill 2209</u>, sponsored by Representative My-Linh Thai (D-41st LD), designates the Lunar New Year as a legislatively-recognized day. The bill passed the House of Representatives with 96 members voting in favor of the bill. It has been referred to the Senate State Government & Elections Committee.

1% Property Tax Cap: The Senate Ways & Means Committee approved an amended version of <u>Senate Bill 5770</u>, sponsored by Senator Jamie Pedersen (D-43rd LD), that removes the 1 percent cap on property tax levy growth and ties it to inflation, capped at 3 percent. It also creates a 25% state property tax exemption for low-income seniors and disabled veterans, removes non-supplant language for jurisdictions in King County, and expands county hospital levy authority.

Public Records Portal: <u>Senate Bill 6232</u>, sponsored by Senator Jeff Wilson (R-19th LD), creates a pilot program for a public records request portal and directs the Joint Legislative Audit Review Committee (JLARC) to find a suitable agency to run the pilot project, and to deliver the final report on the pilot project. The bill did not advance out of the Senate Ways & Means Committee and is no longer under consideration.

Vexatious Public Records Requests: <u>House Bill 2307</u>, sponsored by Representative Joe Schmick (R-9th LD), requires public records request claimants to go through an administrative judicial review process before collecting penalties from local governments. The bill did not advance out of the House State Government & Tribal Relations Committee and is no longer under consideration this session.

Public comment notice: <u>House Bill 1105</u>, sponsored by Representative Shelley Kloba (D-1st LD), 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 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. During the 2023 session the bill was passed by the House and approved by the Senate State Government and Elections Committee, but it did not receive a vote in the Senate. The bill was reintroduced for the 2024 session and was unanimously voted out of the House on January 10, with a vote of 98 votes in favor and none opposed.

Local Government Procurement Rules: <u>Senate Bill 6167</u>, sponsored by Senator Bob Hasegawa (D-11th LD), increases, until July 1, 2026, the limit for contracts that require



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competitive bidding to \$150,000 if two or more trades are involved, or to \$75,000 if only one trade is involved. The Senate Local Government, Land Use & Tribal Affairs Committee passed the bill out of the Committee on January 30, and has been referred to the Rules Committee.

Access to Personnel Records: <u>Senate Bill 5924</u>, sponsored by Senator Patty Kuderer (D-48th LD), requires an employer to furnish an employee, former employee, or their designee with the employee's personnel file at no cost within 21 calendar days of a request. It allows an employee or former employee to bring a private action, after five days' notice, for violations of certain rights regarding personnel files, and discharge information, for equitable relief, graduated statutory damages up to \$1,000, and reasonable attorneys' fees and costs of each violation. The bill was approved by the Senate Labor and Commerce Committee but stalled in the Senate Ways and Means Committee and is no longer under consideration this session.

Prejudgment Interest: <u>Senate Bill 5059</u>, sponsored by Senator Patty Kuderer (D-48th LD) modifies the accrual date for interest on tort judgments for tortious conduct of public agencies, individuals, and other entities to the date the cause of action accrues with some exceptions. The bill did not advance out of the Senate Ways & Means Committee and is no longer under consideration this session.