



DATE: February 27, 2023
TO: Mayor Robinson and City Councilmembers
FROM: Genesee Adkins, Chief of External Affairs
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SUBJECT: State Legislative Update

February State Legislative Summary as of the End of Week 6

Overview

The Washington State Legislature has been hard at work this session considering over 1,650 legislative proposals. The number of bills under consideration is narrowing with first the policy committee cutoff deadline on February 17 and fiscal committee cutoff on February 24. Starting February 25, the Legislature will spend several weeks on the floor voting on bills. Bills need to be approved by their chamber of origin by March 8th to remain under consideration for the second half of the legislative session.

In the early weeks of the legislative session, budget committees held public hearings on the Governor's proposed operating, capital, and transportation budgets. Budget writers are now meeting weekly to undertake the significant task of evaluating what elements of the Governor's proposal they will integrate into their respective budget proposals. The House of Representatives and the State Senate will release their respective operating, capital, and transportation budget proposals in mid-March. The House of Representatives is scheduled to release its budget proposals first, followed by the Senate. Budget writers have indicated that there is constrained funding in all three budgets, with the transportation budget being the most constrained. While it's not likely the budgets will include significant cuts, they also may not include significant new investments.

Highest Priority Issues

Affordable Housing and Land Use:

As anticipated, the Legislature is having a robust discussion on affordable housing. During recent media availabilities, leadership from all four caucuses has indicated they are pleased with the large number of affordable housing proposals that remain under consideration after the first cutoff deadline and expressed an intent to pass many of them into law.

Funding/Resources for Affordable Housing:

Land Acquisition for Affordable Housing Funding Request: The City is requesting \$6 million in the 2023-25 Capital Budget to acquire land in Bellevue to house individuals earning 0-50% of the area median income. Sen. Patty Kuderer and Rep. Amy Walen are championing this request, with support from the other members of the city's legislative delegation. The City has met with House capital budget



leadership to discuss how this request could fit into a larger discussion around how the state can facilitate more land acquisition for affordable housing.

Governor's Proposal to Authorize \$4 Billion in Bonds for Affordable Housing: House Bill 1149 sponsored by Representative Steve Tharinger (D- 24th LD) and its companion legislation Senate Bill 5202 sponsored by Senator Yasmin Trudeau (D- 27th LD) is Governor Inslee's proposal to address housing through a \$4 billion bond measure. If passed by the Legislature, the proposal will be submitted to Washington voters for ratification at the next general election. Washington State Treasurer Mike Pellicciotti has expressed concerns that issuing a \$4 billion bond could impact the state's bond rating. If an additional bond proposal is not approved, it is likely that housing will consume a significant allocation of the capital budget, limiting capital budget funds for other purposes. The House Capital Budget Committee and the Senate Housing Committee each held public hearings on the proposal. On February 1, the Senate Housing Committee voted to pass the bill out of committee with an amendment that requires a public investment impact disclosure to appear on the ballot as part of the referendum. The Senate version was referred to the Senate Ways & Means Committee for further consideration. It is likely that this bill will be deemed "necessary to implement the budget" (NTIB) and is likely not subject to the upcoming fiscal cutoff deadline.

Real estate excise tax for affordable housing: House Bill 1628 sponsored by Representative Frank Chopp (D- 43rd LD) increases the state real estate excise tax (REET) on properties over \$5 million to 4% and dedicates the new revenue to the Housing Trust Fund and related accounts. The bill also authorizes cities to impose a 0.25 percent REET to fund affordable housing, with councilmanic approval. The House Local Government Committee held a public hearing on the bill, where the Committee heard support from housing advocacy groups, the Association of Washington Cities, and several individual cities, including Councilmember Janice Zahn on behalf of the City of Bellevue. On February 10, the Committee approved a substitute bill that allows cities and counties to use revenue from the tax on infrastructure costs associated with housing projects. It also allows revenue from the second 0.25 percent REET to be used for any capital project for which the first 0.25 percent local REET can be used. The bill was heard in the House Finance Committee on February 21.

Creating the covenant homeownership account: House Bill 1474 sponsored by Representative Jamila Taylor (D- 30th LD) and its companion legislation Senate Bill 5496 sponsored by Senator John Lovick (D- 44th LD) establishes a \$100 document recording fee to fund the Covenant Homeownership Program which will provide down payment and closing cost assistance to economically disadvantaged households. The legislation contains provisions that reflect the work of the Homeownership Disparities Task Force convened by the Department of Commerce last year.

The House and Senate Housing Committees held public hearings and approved their respective versions of the bill. Numerous stakeholders testified in support, and no testimony was offered in opposition. Stakeholders such as Habitat for Humanity, the Association of Washington Cities, community-based organizations, and many real estate and mortgage financing institutions expressed the importance of addressing the legacy of racially restrictive covenants and the resulting disparities in



rates of homeownership among communities of color. The Washington Land Title Association testified with concern about increasing the document recording fee and instead proposed an incremental increase in the Real Estate Excise Tax (REET) to fund the program. The Committees approved the bill with technical amendments. Both bills are under consideration in their respective fiscal committees.

Housing benefit districts: House Bill 1111, sponsored by Rep. Cindy Ryu (D- 32nd LD), proposes to authorize and fund housing benefit districts through a grant program. Local jurisdictions would be authorized to create a housing benefit district and then seek grant funding through the Housing Finance Commission to acquire, bank, improve, sell, and lease land for the development of affordable housing. The House Housing Committee passed a substitute bill on February 7 that requires cities to have enacted a local sales tax or property tax levy for affordable housing to avail themselves of the new tool. The bill is scheduled for a hearing in the House Capital Budget Committee on February 22.

Incentives for affordable housing: The legislature has considered several proposals on methods to incentivize the private market to provide affordable housing. Some met the policy committee cutoff deadline, while others did not. Those that did include House Bill 1596 sponsored by Representative Shelly Kloba (D- 1st LD) and Senate Bill 5045, sponsored by Senator Patty Kuderer (D- 48th LD), both of which authorize cities and counties to offer a property tax exemption for attached, built-in, or detached accessory dwelling units that are rented to very low-income households. The two bills vary in the mechanics of how the exemption would function. Both bills were amended to apply to only King County within their respective policy committee. The Senate version of the bill was amended by the Senate Ways & Means Committee further to indicate that an accessory dwelling unit is not eligible for the exemption if it is occupied by an immediate family member of the taxpayer. The bill is now in the Senate Rules Committee. The House version of the bill is scheduled for a hearing in the House Finance Committee on February 22.

Multifamily property tax exemption: Two proposals were introduced that would make changes to the multifamily property tax exemption (MFTE) to incentivize affordable housing, neither of which cleared the policy committee cutoff deadline. House Bill 1350 sponsored by Representative Amy Walen (D- 48th LD) would have allowed existing buildings that dedicate at least 30% of the units to affordability to receive the 12-year MFTE. Senate Bill 5118, sponsored by Sen. Patty Kuderer (D- 48th LD), would have expanded the MFTE program to create a new 99-year option, where a building would receive a 99-year property tax exemption in return for committing 35% of the square-footage of the building to affordability. In the wake of both bills dying, Sen. Patty Kuderer has indicated she plans to convene a work group during the interim to address issues related to the MFTE.

A third proposal that was introduced but did not pass committee prior to the cutoff deadline is House Bill 1343, sponsored by Representative Shelly Kloba (D- 1st LD), which was considered at the request of the King County Assessor. The program would have allowed a city or county to provide a property tax exemption for any multi-family property that rents to very low-income households.



Flexibility on affordable housing and mental health funding: Senate Bill 5604 sponsored by Senator June Robinson (D- 38th LD) allows cities to use "HB 1406" revenues for rental assistance and allows counties to use chemical dependency and mental health sales tax revenues on modifications to existing facilities. The Senate Local Government Committee held a hearing on the bill on February 7. The Washington State Association of Counties and South Sound Housing Affordability Partners testified in support and added that an amendment to allow local governments to receive an administrative fee for housing programs created by House Bill 1406 would be helpful, as most small cities and counties lack dedicated affordable housing staff. There was no testimony in opposition. The bill is now in the Senate Rules Committee.

Landlord/Tenant Policies:

Rent increase notices and late fees: House Bill 1124 sponsored by Rep. Strom Peterson (D- 21st LD) requires landlords to provide at least 180 days' and no more than 220 days' notice for rent increases over 5%. The bill allows a tenant to terminate tenancy without penalty for any rent increase over 5% and limits any late rental payment fees to \$75. The House Housing Committee approved and amended the bill to limit any late rental payment fees to the lesser of 10% of the rental amount or \$75. The bill is now in the House Rules Committee.

Residential rent increases: House Bill 1389 sponsored by Representative Alex Ramel (D- 40th LD) prohibits a landlord from increasing the rent during the first 12 months of a lease. After the 12 months, rent increases may not be greater than the rate of inflation or three percent, whichever is greater, up to a maximum of seven percent above the existing rent. On February 9, the House Housing Committee passed a substitute bill that included some technical changes. The bill is scheduled for a hearing in the House Appropriations Committee on February 22. The Senate version of the bill did not meet the policy committee cutoff deadline.

Tenant protections: House Bill 1388 sponsored by Representative Nicole Macri (D- 43rd LD) prohibits a landlord from engaging in practices related to excessive rent increases, differential treatment based on whether the tenancy is month-to-month or longer term, and charging move-in fees and deposits that exceed one month's rent. On February 9, the House Housing Committee passed a substitute bill that revised the prohibition on excessive rent increases if the rent increase is beyond the amount necessary to maintain or improve the dwelling unit and is likely to cause the tenant to move, in addition to technical changes. The bill has been referred to the House Appropriations Committee for further consideration.

Land Use Policy:

Middle housing types: House Bill 1110 sponsored by Representative Jessica Bateman (D- 22nd LD) and its companion legislation, Senate Bill 5190 sponsored by Senator Yasmin Trudeau (D- 27th LD), requires cities to authorize minimum development densities in residential zones. Under the current version of the proposal, Bellevue would be required to allow at least four units on all residential lots,



and at least six units near bus rapid transit stops, light rail stations, and specified community amenities including parks and schools. Following robust public hearings last month in which stakeholders shared a variety of perspectives, both the House and Senate Housing Committees have approved amended versions of the bills. The amended versions include provisions addressing critical areas, establishing an alternative to eliminating parking requirements, and exempting areas that lack adequate water, sewer, and stormwater infrastructure and areas at risk of displacement. Bellevue is requesting that the bill be further amended to address affordability, and an opportunity to adopt a substantially similar policy rather than the detailed policy outlined in the bill. The House bill was heard in House Appropriations on February 21, and the Senate bill has been referred to Senate Ways & Means. Staff expect both bill versions to be amended further.

Transit-oriented development: Senate Bill 5466 sponsored by Senator Marko Lias (D- 21st LD) and House Bill 1517 sponsored by Representative Julia Reed (D- 36th LD), upon the request of the Governor's Office, requires cities to allow certain housing densities within proximity to major transit stops. The Senate Local Government, Land Use, and Tribal Affairs Committee approved the Senate version of the bill with no amendments, and it was referred to the Senate Transportation Committee for further consideration. Senate Transportation held a hearing on February 13. Similar to the prior committee hearing, the bill received supportive testimony from the construction industry, Association of Washington Business, and environmental groups. The Association of Washington Cities testified "Other," stating support for the goals of the bill, but expressing concern about the lack of local decision-making regarding parking requirements. The Low-Income Housing Alliance also testified "Other," out of concern that permanent supportive housing would be excluded from the proposed grant program to fund housing projects in transit corridors. Habitat for Humanity expressed concern that homeownership developments would also be ineligible for the grant program. The House version did not advance out of the House Housing Committee prior to the February 17 policy committee cutoff deadline, so the Senate bill, scheduled for executive action on February 23, will be the vehicle for this policy discussion moving forward.

Housing approval requirements: Senate Bill 5609 sponsored by Senator John Braun (R- 20th LD) requires local governments to approve the construction of enough new homes to eliminate their respective shares of the state's total housing shortage through 2033. The Department of Commerce is directed to calculate each local government's share of the total housing shortage and share reports from local governments of state laws that are preventing them from eliminating the housing shortage. It prohibits distribution of the earnings of investments in the Local Real Estate Excise Tax (REET) account to any local government that does not comply with the bill's requirements. The Senate Housing Committee held a hearing on the bill on January 31. The Association of Washington Cities testified in opposition, citing concerns about the mechanism that mandates permitting enough housing to satisfy the community's proportional share of the shortage and the penalty for non-compliance. Futurewise also testified in opposition due to the potential conflict with the existing Growth Management Act (GMA) housing target process. On February 10, the Committee approved amendments that allow the Department of Commerce to include data collected under other programs when calculating housing targets and requires the Department to post the number of new homes that must be created in each



jurisdiction to eliminate the housing shortage by May 1, 2024. The bill was heard on the Senate Ways and Means Committee on February 20 and is scheduled for executive action on February 23.

Eliminating minimum parking requirements: House Bill 1351 sponsored by Representative Julia Reed (D- 36th LD) prohibits counties and cities from imposing minimum parking requirements for new residential or commercial developments within proximity to a transit stop. The House Local Government Committee and the Senate Local Government, Land Use, and Tribal Affairs Committee held public hearings on the proposed bills. Stakeholders testifying in support of the bill included the Building Industry Association of Washington, Association of Washington Business, and Futurewise, among others. They stated that parking can be expensive to construct and that minimum parking requirements often hinder housing development, and that requirements can result in more parking than is necessary to serve the building. The Association of Washington Cities testified opposed, stating that the bill is overly broad and would apply to communities that may have one or two robust transit lines but lack a completed transit network that would negate the need for a personal vehicle. There was also a concern about leaving the decision about building parking solely to developers. The Senate version of the bill did not meet the policy committee cutoff deadline; however, the House version of the bill was amended and approved by the House Local Government Committee and is currently in the House Rules Committee. The Committee amended the bill to reduce the area where a city is prohibited from requiring parking minimums from .50 miles to .25 miles walking distance, and allowing a city to impose parking requirements if it first demonstrates that not doing so would have a substantially negative impact on existing residential or commercial parking. The House version of the bill is now in the House Rules Committee.

Use of existing buildings for residential purposes: House Bill 1042 sponsored by Representative Amy Walen (D- 48th LD) requires code cities to allow the addition of housing units within existing buildings in zones where multi-family housing is permitted. Cities would not be allowed to impose additional parking, design standard, or architectural requirements beyond those requirements applicable to all residential development within the building's zone. The bill provides an exception for buildings listed on a local, state, or national historic register. It was amended on the House floor by the prime sponsor to require the State Building Code Council to amend the State Energy Code to waive the requirement for an existing building to meet current energy code requirements solely due to the addition of new dwelling units. The House of Representatives passed the bill unanimously on February 8. On February 17, the bill was heard in the Senate Housing Committee, where it received supportive testimony from the Sightline Institute, Natural and Built Environments, and NAIOP. The Association of Washington Cities testified with concern about the provision that cities cannot restrict where new housing units would be sited in the building, which could have the consequence of eliminating commercial and retail space in business districts. The City's state lobbyist, Briahna Murray, also testified with several suggestions on improvements to the bill, including ensuring that timelines for adopting the provisions of the bill align with the timeline for the city to update its comprehensive plan.

Accessory dwelling units: There are two bills under consideration regarding accessory dwelling units (ADUs). Senate Bill 5235 sponsored by Senator Sharon Shewmake (D- 42nd LD) requires cities to allow



multiple accessory dwelling units per lot, depending on the size of the lot and the number of units otherwise allowed on the lot. The Senate Local Government, Land Use, and Tribal Affairs Committee held a public hearing on the legislation last month. The Association of Washington Cities, Washington State Association of Counties expressed concerns about the bills being overly prescriptive. The Senate Local Government, Land Use, and Tribal Affairs Committee unanimously passed a substitute bill on February 9 that clarified that the requirements to allow ADUs only apply within designated urban growth areas under the Growth Management Act. The bill has been placed on the Senate floor calendar and may be voted on in the Senate any day.

House Bill 1337 sponsored by Representative Mia Gregerson (D- 33rd LD) requires cities and counties to comply with at least three of the policies in the bill pertaining to accessory dwelling units. These include restrictions on requiring off-street parking for ADUs, assessing impact fees on ADU construction that are greater than 50 percent of the impact fees that would be imposed on the principal unit, and requiring owner-occupancy on the lot. Additionally, cities must allow at least two ADUs on lots in all single-family zones. The House Housing Committee approved the bill early this month with bi-partisan support. The bill is currently on the House floor calendar and could be voted on by the House of Representatives any day.

Increasing housing options through lot splitting: House Bill 1245 sponsored by Representative Andrew Barkis (R- 2nd LD) and its companion legislation Senate Bill 5364 sponsored by Senator Noel Frame (D- 36th LD) requires cities to allow the splitting of a single residential lot into two residential lots. The resulting lots must be at least 1,500 square feet. Cities are prohibited from imposing certain regulations on a residential lot resulting from a lot split. On February 2, the House Housing Committee approved a substitute bill that requires lots resulting from a split to meet existing review standards for subdivisions and allows cities to require easement widths of more than four feet for access to rear lots for access to utilities. The Senate Local Government, Land Use, and Tribal Affairs Committee also voted to pass the bill out of committee with amendments aligned with those passed by the House committee. The Senate version of the bill is in the Senate Rules Committee, while the House version is on the House floor calendar and could be voted on by the House of Representatives any day.

Streamlining development regulations: House Bill 1293 sponsored by Representative Mark Klicker (R- 16th LD) requires cities to apply only clear and objective design review standards to the exterior of new development. It establishes a categorical exemption from the State Environmental Policy Act for residential housing units within an urban growth area. The bill was heard, amended and approved by the House Housing Committee unanimously. The committee amendment limits the ability of the city to require a preapplication conference or public meeting. The bill is on the House floor calendar and could be voted on by the House of Representatives any day.

SEPA exemption for housing: Senate Bill 5412 sponsored by Senator Jesse Salomon (D- 32nd LD) would provide a State Environmental Policy Act (SEPA) exemption for projects that propose to develop residential housing units in an urban growth area or middle housing types within an unincorporated urban growth area that meet specific criteria. Those criteria include consistency with the jurisdiction's



comprehensive plan, the development would not exceed the density or intensity of use called for in the comprehensive plan, and the jurisdiction's comprehensive plan has been subject to an Environmental Impact Statement (EIS). The Senate Local Government, Land Use, and Tribal Affairs Committee amended the bill to only exempt projects that do not have a transportation system safety or operational deficiency. The bill was heard February 20 in the Senate Transportation Committee and is scheduled for executive action on February 23.

Residential multi-plex housing regulations: House Bill 1167 sponsored by Representative Davina Duerr (D- 1st LD) requires the Department of Commerce to develop and administer a grant program to assist counties and cities with adopting pre-approved middle housing plans. It prohibits local governments from imposing any development, siting, parking, design review, or other standards for multi-plex housing that are more restrictive than those required for detached single-family residences. It authorizes local governments to allow for buildings of no more than six stories to be served by a single exit. The proposal directs the State Building Code Council to convene a work group on applying the International Residential Code to multi-plex housing and requires that the life safety systems from the International Building Code be incorporated into the recommendations. The bill was amended by the House Appropriations Committee on February 21 in hopes of addressing concerns raised by cities and other stakeholders.

Local government design review: House Bill 1026 sponsored by Representative Amy Walen (D- 48th LD) aims to reduce the amount of time it takes to approve building permits by eliminating the ability for design review boards to approve projects, and instead requiring administrative design review conducted solely by local government employees without either a public meeting or external review. The House Housing Committee unanimously approved an amended version of the bill that exempts buildings listed on a local historic register, the Washington Heritage Register, or National Register of Historic Places from the requirement that design review be conducted as an administrative process only. The bill is on the House floor calendar and could be voted on by the House of Representatives any day. If voted on, it is likely the language related to the exemption for historic buildings will be amended and further refined.

Increasing supply and affordability of condominiums: Senate Bill 5258 sponsored by Senator Sharon Shewmake (D- 42nd LD) addresses condominium builder liability to boost construction of condominiums and townhomes. The proposal requires that construction defect lawsuits brought by condo owners against builders include a report by construct defect professional describing the nature and extent of the defect and recommendations for repair. The Senate Law and Justice Committee passed a substitute bill on February 16 that removes the exemption from implied warranties for condominiums in buildings containing 12 or fewer units. It also exempts sales of condominiums to individuals utilizing a down payment assistance program offered by the State Housing Finance Commission or in buildings qualifying for the multi-family housing tax exemption from the real estate excise tax. It allows impact fees to be calculated based on the trips generated in new housing units.



Permitting: While Bellevue is working locally to streamline permitting to facilitate greater housing, the Legislature is also considering several proposals around development regulations and permitting of housing:

- **Standardized housing permit process for affordable housing:** House Bill 1401 sponsored by Representative Cyndy Jacobsen (R- 25th LD) states that all local governments may adopt development regulations that create a low-cost, expedited permit process for development of single-family, duplex, triplex, or accessory dwelling units. Local governments that adopt an expedited permitting process are required to report the count of the number of housing units built to the Department of Commerce. The bill is currently in the House Rules Committee. Because the bill is optional, it has not been concerning.
- **Consolidating local permit review processes:** Senate Bill 5290 sponsored by Senator Mark Mullet (D- 5th LD) and its companion legislation House Bill 1296 sponsored by Representative Strom Peterson (D- 21st LD), requested by the Office of the Governor, as originally drafted, requires local governments to exclude project permits for interior alterations from site plan review under certain conditions. The Department of Commerce is directed to establish a consolidated permit review grant program. Grants would be available to local governments that issue final decisions on residential permit applications within 45 business days or 90 calendar days, among other criteria. The House version is currently in the House Appropriations Committee but has not yet been scheduled. The Senate bill was heard in the Ways and Means Committee on February 20 and is scheduled for executive action on February 24. The Senate policy committee significantly amended the bill to add sections that establish project permit review time periods for permit applications that meet certain public notice and public hearing requirements.
- **Local government permitting:** House Bill 1611 sponsored by Representative Julia Reed (D- 36th LD) requires cities and counties to provide notice of whether a permit application is complete within 14 days for residential or mixed-use residential applications. Permits for projects that meet affordable housing requirements in the bill are deemed to be approved if the permit review is not completed within the required timeframe. It also prohibits a local government from imposing real estate excise tax on the first sale of a residential or mixed-use residential property unless the permit was issued within the required timeframe. The bill was approved in the House Housing Committee with no amendments. The bill is currently in the House Finance Committee.
- **Local project review:** House Bill 1519 sponsored by Representative Andrew Barkis (R- 2nd LD) states that a project permit application is complete if it meets that procedural submission requirements of the local government and provides default permit processing deadlines for local governments that do not adopt different deadlines. It requires local governments to refund a



portion of permitting fees if deadlines are missed. The bill was approved by the House Local Government Committee with no amendments and is currently in the House Rules Committee.

Transportation

Budget writers have indicated that there is significantly constrained funding within the 2023-25 Transportation Budget. Additionally, the governor's proposed transportation budget recommended delaying several transportation projects due to a limited workforce in the Washington State Department of Transportation and cashflow challenges within the budget. Budget writers have indicated that they plan to review Governor Inslee's proposed delays closely, and that they will be looking and how to appropriate funds to projects that were allocated funding in the Move Ahead Washington transportation package.

The Governor's transportation budget proposal proposes to delay funding to the SR 520/124th Ave NE project. The Connecting Washington transportation package allocated \$40.9 million to the planning and right-of-way acquisition for the project, with that work scheduled to be completed in 23-25, with much of the right-of-way acquisition occurring during that time. The governor's proposed budget delays \$30 million of the project to 2033-2037, effectively delaying the land acquisition for the project. Sen. Patty Kuderer and Rep. Vandana Slatter have submitted requests to transportation budget writers requesting that the funding not be delayed since land costs will only increase with time.

Additionally, the city has coordinated with Sen. Lisa Wellman and Rep. Tana Senn to submit a request that the Mountains to Sound Greenway Trail (142nd Place SE to 150th Avenue SE) funding that was allocated in the Move Ahead Washington transportation package be phased as follows: \$300,000 in the 2023-25 biennium and \$6.6 million in the 2025-27 biennium. The governor's proposed budget reflects this phasing.

Similarly, the City of Bellevue has joined King County in requesting that Move Ahead Washington funds allocated to the Eastrail Wilburton Trestle and I-90 Steel Bridge be appropriated in the 2023-2025 biennium.

Reducing Traffic Injuries and Fatalities: Washington State is experiencing a historically high rate of traffic injuries and fatalities. In response, the Legislature is considering several proposals:

- **Right-Turn on Red:** House Bill 1582, sponsored by Rep. Cindy Ryu (D- 32nd LD) and Senate Bill 5514, sponsored by Sen. John Lovick (D- 44th LD), eliminates the ability for driver's to make a right-turn-on-red within 1,000 feet of schools, child care facilities, public parks, libraries, public transit center, hospitals, senior centers, and other like facilities. Both bills were heard in the House and Senate Transportation Committees and needs to be approved by the committees by February 24th to remain under consideration.
- **Speed Cameras on State Highways:** Senate Bill 5272, sponsored by Sen. Marko Lias (D- 21st LD), authorizes the use of speed cameras on state highways when a work zone is present. The



bill was heard and approved by the Senate Transportation Committee with an amendment limiting the use of speed cameras to when workers are present in a state highway work zone. The bill is currently on the Senate floor calendar and can be voted on by the Senate any day.

- **Lower Blood Alcohol Content:** Senate Bill 5002, sponsored by Sen. John Lovick (D- 44th LD) proposes to lower the blood alcohol concentration limits for operating a motor vehicle from .08 to .05. The bill has been heard, amended and approved by the Senate Law and Justice Committee and the Senate Transportation Committee. Amendments have focused on implementation, and changes to the effective date. The current version of the bill would go into effect on July 1, 2024. The bill is currently on the Senate floor calendar and can be voted on by the Senate any day. 75
- **Driver's Education:** Senate Bill 5430, provides financial support for novice drivers to receive driver's education. The bill was heard in the Senate Transportation Committee and needs to be approved by the committee by February 24th to remain under consideration.
- **Jaywalking:** Companion bills, House Bill 1428, sponsored by Representative Emily Alvarado (D- 34th LD), and Senate Bill 5383, sponsored by Sen. Rebecca Saldana (D- 37th LD) were introduced to remove the infraction of "jaywalking", thereby authorizing individuals to cross the street. Both bills were heard in the House and Senate Transportation Committees and need to be approved by the committees by February 24th to remain under consideration.

Per-mile charge on vehicle usage of public roadways: House Bill 1832 sponsored by Representative Jake Fey (D- 27th LD) establishes a voluntary road usage charge program that places a per-mile fee of 2.5 cents per mile on motor vehicle usage of public roadways. This proposal is part of an ongoing dialogue on future revenue sources for the state's transportation needs given that the current fuel tax is a declining revenue source. The bill was heard in the House Transportation Committee on February 21.

Impact fee use for bicycle and pedestrian facilities: House Bill 1135 sponsored by Representative Vandana Slatter (D- 48th LD) and Senate Bill 5452 sponsored by Senator Sharon Shewmake (D- 42nd LD), adds bicycle and pedestrian facilities that were designed with multi-modal commuting as an intended use to the definition of "public facilities" for which impact fee revenue may be spent to support new growth and development. The House Local Government Committee voted to pass the bill out of committee on January 20. The Senate Local Government, Land Use, and Tribal Affairs Committee passed the bill out of committee earlier this month and it was referred to the Senate Transportation Committee for further consideration. Senate Transportation held a hearing on February 13 and passed the bill out of committee on February 16. Both bills are now in their respective Rules committees.

Autonomous vehicles: Senate Bill 5594, sponsored by Sen. Matt Boehnke (R- 8th LD), authorizes the operation of fully autonomous vehicles on public roadways. The bill preempts the ability for cities to regulate autonomous vehicles. The Senate Transportation Committee held a hearing on the bill.



Bellevue staff testified with concerns about the preemption provision within the bill, but otherwise expressed support for facilitating autonomous vehicles. The bill needs to be approved by the Senate Transportation Committee by February 24th to remain under consideration and is currently scheduled for executive action on February 23.

Services and Infrastructure for a Growing Community

Each biennium, the Legislature enacts a biennial capital budget that appropriates funding to capital projects throughout the state. The City has requested \$3.1 million in state funds to replace Lake Hills Sewer Pump Station 12 within that budget. Rep. Tana Senn and Sen. Lisa Wellman are championing this request, with support from the other members of the city's legislative delegation.

The City is also requesting \$850,000 funding in the 2023-25 Operating Budget to expand the Community Service Center at mini-City Hall in Crossroads Mall. Rep. Vandana Slatter and Sen. Patty Kuderer are championing this request with support from the other members of the city's legislative delegation.

Additional Policy Issues

Homelessness and Human Services

23-hour crisis relief centers: Senate Bill 5120 sponsored by Senator Manka Dhingra (D- 45th LD) establishes licensing criteria for 23-hour crisis relief centers for certification by the Department of Health. These community-based facilities will be open 24 hours per day, seven days per week, and accept walk-ins and drop-offs from public safety agencies. These facilities offer mental health and substance use care for no more than 23 hours and 59 minutes at a time per patient. If an individual brought to a 23-hour crisis relief center refuses to stay voluntarily, the professional staff may detain the person under specified circumstances until the designated crisis responder can authorize transfer to another facility or program, or other appropriate action. The Senate Health and Long-Term Care Committee heard, amended and approved the bill. Amendments to the bill focuses on implementation of the program and did not change the concept proposed. The bill has now been referred to the Senate Ways & Means Committee for further consideration.

Supports for adults with lived experience of sex trafficking: House Bill 1089 sponsored by Representative Tina Orwall (D- 33rd LD) and Senate Bill 5114 sponsored by Senator Claire Wilson (D- 30th LD), directs the Office of Crime Victims Advocacy (OCVA) to administer funds for healing, support, and transition services for adults who have been forced to perform certain commercial sex acts. The OCVA must issue a request for proposals for service providers by September 1, 2023. The OCVA must prioritize funding for service providers in underserved areas of the state. The Senate Human Services Committee made a technical amendment to the bill to state that service providers may not require that an individual self-identify as a sex trafficking victim in order to access services. The Senate version was passed out of the policy committee and referred to the Senate Ways and Means Committee for further consideration. Senate Ways and Means held a hearing on February 13. The House Human Services,



Youth, and Early Learning Committee passed the bill out of committee, and it was referred to House Appropriations, which held a hearing last week.

Climate and the Environment

Extended Producer Responsibility (WRAP Act): House Bill 1131 sponsored by Representative Liz Berry (D- 36th LD) and, Senate Bill 5154 sponsored by Senator Christine Rolfes (D- 23rd LD), the *Washington Recycling and Packaging Act*, requires producers of certain paper products and packaging to participate in and fund the operations for a producer responsibility organization to collect and manage the packaging from consumers. As the bills have advanced through the House and Senate policy committees, the proposal has evolved such that the definition of covered products is limited to only consumer products for non-commercial use, and the duration of initial plan implementation was increased from three to five years. The current language clarifies that if a deposit return system is established, qualifying beverage containers would not be implicated in the requirement to participate in a producer responsibility organization, among other changes. On February 15, the House Appropriations Committee held a public hearing in which there were over 1,700 sign-ins and numerous testifiers. Broadly, local governments and environmental stewardship groups testified in support and waste collection and processing companies testified opposed.

Climate change in comprehensive planning: House Bill 1181 sponsored by Representative Davina Duerr (D- 1st LD) and its companion legislation, Senate Bill 5203 sponsored by Senator Liz Lovelett (D- 40th LD), requested by the Office of the Governor, amends the *Growth Management Act* to incorporate goals and provisions related to climate change. The transportation goal would include multi-modal transportation systems that reduce greenhouse gas emissions and per capita vehicle miles traveled. The land use element must consider environmental justice and health disparities and mitigate wildfire risk to lives and property. The proposal also adds a climate change and resiliency element designed to reduce greenhouse gas emissions. Having advanced out of their respective policy committees, the House version is currently in the House Rules Committee and the Senate bill is in the Ways and Means Committee.

Fiscal Sustainability, Financing Tools, and General Government

Preventing utility shutoffs for non-payment during extreme heat: At the request of the Attorney General's Office, Senate Bill 5366 sponsored by Senator Joe Nguyen (D- 34th LD) and House Bill 1329 sponsored by Representative Sharlett Mena (D- 29th LD) were introduced to prevent utilities from disconnecting customers for nonpayment during extreme heat. As originally drafted, the bill would have also required utilities to reconnect services for any customer than was previously disconnected. Both versions of the bill had robust stakeholder meetings and were significantly amended. Under the amended version, a customer whose utilities have been disconnected for lack of payment may request that the utility or landlord reconnect service on any day in which there is an excessive heat alert where the address is located. The bills are in their respective Rules committees.



Property tax cap lift: Senate Bill 5618, sponsored by Senator Patty Kuderer (D- 48th LD), revises the property tax cap for local governments to account for inflation and population growth up to three percent. The Senate Local Government, Land Use, and Tribal Affairs Committee held a public hearing on February 14, where the bill received significant support from stakeholders such as the Washington State Association of Counties, Association of Washington Cities, firefighter organizations, the Washington Recreation and Parks Association, and others. Several individual cities testified to the importance of revenue collection that keeps up with inflation and the rising costs that cities face to address housing and homelessness, public safety, and infrastructure needs. Assistant Director of Intergovernmental Relations Lacey Jane Wolfe testified in support of the bill. The Committee was scheduled to vote on the bill on February 16, but no action was taken.

House Bill 1670, sponsored by Representative Timm Ormsby (D- 3rd LD), similarly revises the property tax cap for local governments from one percent to three percent. It does not contain provisions related to inflation or population growth. The House Finance Committee heard the bill on February 20 and voted it out of committee on February 21.

Public Safety

Vehicular pursuits: Three proposals related to peace officer vehicular pursuits are progressing through the legislative process this session:

- House Bill 1363 sponsored by Representative Alicia Rule (D- 42nd LD), lowers the evidentiary threshold for peace officers to engage in vehicular pursuits from probable cause to reasonable suspicion that a person in the vehicle is, or has, committed a criminal offense. On February 16, the House Community Safety, Justice, and Reentry Committee passed a substitute bill that narrowed the circumstances under which a peace officer may engage in a vehicular pursuit to reasonable suspicion related to a violent offense, sex offense, vehicular assault, assault offense involving domestic violence, an escape, or driving under the influence, rather than any criminal offense. The pursuit may not occur unless the person being pursued poses a serious risk of harm to others. It is scheduled for executive action on February 23.
- House Bill 1586 sponsored by Representative Roger Goodman (D- 45th LD), directs the Criminal Justice Training Commission (CJTC) to convene a work group to develop legislative policy recommendations on vehicular pursuits. It also directs the CJTC to implement a vehicular pursuit technology grant program. On February 16, the House Community Safety, Justice, and Reentry Committee passed a substitute bill that added specifics on the work group membership and broadened the list of issues that the work group must consider, including such topics as responsibilities of pursuing officers and supervisors. It was heard in House Appropriations on February 22 and is scheduled for executive action on February 24.
- Senate Bill 5533 sponsored by Senator John Lovick (D- 44th LD) directs the Criminal Justice Training Commission to convene a work group to develop a model vehicle pursuit policy for



peace officers comprised of community and law enforcement stakeholders. The bill also establishes a grant program to provide law enforcement with modern vehicle pursuit management technology, subject to funds appropriated by the Legislature. The Senate Law and Justice Committee passed the bill with an amendment that broadened the composition of the Work Group and added peer-reviewed research findings, data collected from law enforcement agencies, apprehension rates, and other data points to the list of items that the Work Group shall consider. On February 14, the Senate Ways and Means Committee held a hearing, where the bill received supportive testimony from the Washington Retail Association, Association of Washington Cities (AWC), and the Washington Coalition for Police Accountability. It is scheduled for executive action on February 24.

State v. Blake decision/controlled substance possession: The Senate Law & Justice considered four different proposals representing a spectrum of perspectives –from re-establishing possession of a control substance as a Class C felony, to fully decriminalizing it. The Committee chose to advance Senate Bill 5536 sponsored by Senator June Robinson (D- 38th LD), which makes drug possession a gross misdemeanor with an emphasis on pretrial diversion. It allows charges to be dismissed if an individual completes a treatment program. It also makes treatment facilities (excluding safe injection sites) essential public facilities under the Growth Management Act for siting and permitting purposes. On February 9, the Senate Law and Justice Committee passed a substitute bill that permits pre-charging diversion to programs like arrest and jail alternative programs and law enforcement-assisted diversion programs. It also removed the requirement that defendants waive the right to a jury trial in order to enter pre-trial diversion and eliminated the 12-18-month time parameter for completing pretrial diversion, among other modifications. It was heard in Senate Ways and Means Committee on February 18 and is scheduled for executive action on February 23.

Moving violations: House Bill 1513, sponsored by Rep. Chipalo Street (D- 37th LD), and Senate Bill 5572, sponsored by Sen. Javier Valdez (D- 46th LD), limits officers' use of stops and detentions for non-moving violations as a primary offense. The House Community Safety, Justice, and Reentry Committee clarified that officers retain the authority to enforce non-moving violations and that officers may stop or detain vehicles for non-moving violations that are based on improper use of warning lights or license plates that do not match the vehicle. The bill was heard in the House Transportation Committee on February 21 and is scheduled for executive action on February 23. The Senate Transportation Committee held a public hearing on the Senate version of the bill. The committees need to approve the bill by February 24th for it to remain under consideration.

Public Works and Infrastructure

Public Works Assistance Revolving Account: Senate Bill 5303/SJR 8201 sponsored by Senator Mark Mullet (D- 5th LD) is the legislation necessary to submit to the voters a constitutional amendment establishing a Public Works Assistance Revolving Account in the State Treasury. Moneys may be withdrawn and appropriated from the revolving account to provide loans and grants to local governments for public works projects. Eligible local government entities include cities, towns, counties,



City of Bellevue

City Manager's Office

ATTACHMENT A

and municipal corporations. Funds can be used for public works projects such as streets and roads, bridges, water, storm, and sanitary sewer systems, and other needs. On February 16, the Senate Ways and Means Committee advanced both pieces of legislation with technical amendments.