

**CITY COUNCIL AGENDA TOPIC****2024 State Legislative Session Wrap-Up**

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**EXECUTIVE SUMMARY****INFORMATION  
ONLY**

The Washington State Legislature adjourned on March 7, after passing 2023-25 supplemental budgets and many bills of interest to the City of Bellevue. This memo summarizes outcomes of the 2024 legislative session.

**RECOMMENDATION**

N/A

**BACKGROUND/ANALYSIS**

The 2024 Washington State Legislative Regular Session adjourned on March 7, after adopting the 2023-25 supplemental operating, capital, and transportation budgets. The legislature introduced nearly 1,200 bills and ultimately passed 379 bills during the 60-day session. Major policy discussions included land use, affordable housing, taxation, climate change, rent regulation, human services, public safety, and funding tools. Information is included below regarding items related to Bellevue's 2024 State Legislative Agenda. Governor Inslee is currently taking action on bills, considering whether to veto, partially veto, or approve legislation and budgets approved by the legislature. The final day for the governor to take action is March 30.

***2023-25 Supplemental Operating, Capital, and Transportation Budget Summaries***

The 2024 Supplemental Operating Budget (click [here](#), labeled as "as passed legislature") spends \$1.1 billion to maintain existing programs and an additional \$1 billion to fund new policy expenditures. The existing programs with the largest increases in costs include Medicaid medical assistance, the Food Assistance Program, K-12 enrollment, and compliance with the *Trueblood* case judgment. The largest new policy expenditures occurred in education and behavioral health.

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

The 2024 Supplemental Transportation Budget (click [here](#), labeled as "as passed legislature") spends a total of \$14.6 billion, including \$340 million from Climate Commitment Act Accounts, which are contingent upon voters' rejection of Initiative 2117. Funds were predominantly spent on projects already

scheduled to receive funding during the 2023-25 biennium. This spending reflects a 0.8 percent decrease in traditional transportation revenues from what had been originally forecast for 2023-25.

### ***Budget Snapshot of Bellevue Priority Requests***

#### **Mountains to Sound Greenway**

- The final 2024 Supplemental Transportation Budget programs \$6.9 million in the 2023-25 biennium – advancing \$6.6 million from “future” biennia post-2029. These funds are not connected to I-2117. The reprogramming of these funds will allow the project to proceed forward and utilize a \$2.37 million federal grant awarded by Puget Sound Regional Council.

#### **Electric Fire Engine**

- The final 2024 Supplemental Transportation Budget allocates \$800,000 to Bellevue and Redmond (\$550K to Bellevue, \$250K to Redmond) to support the first two electric fire engines in Washington state. The funding is, however, contingent upon the Climate Commitment Act *not* being repealed by voters in November.

#### **I-405/SR 167 Corridor Funding**

- The I-405/SR 167 Executive Advisory Committee encouraged the Legislature to provide an up-front investment in the 2023-2025 biennium for preliminary engineering work on the projects remaining in the funding program, including interchange improvements at NE 6<sup>th</sup> Street and Coal Creek Parkway. The final 2024 Supplemental Transportation Budget allocates \$2 million for the I-405/Renton to Bellevue Widening and Express Toll Lanes project in the 2025-2027 biennium.

### ***Affordable Housing and Land Use***

**Co-living Housing:** [House Bill 1998](#), sponsored by Representative Mia Gregerson (D-33 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 and the Senate each approved an amended version of the bill that 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. The bill has been delivered to the Governor to be signed into law.

**Residential Parking:** [Senate Bill 6015](#), sponsored by Senator Sharon Shewmake (D-42 LD), states that certain types of parking must be allowed to meet minimum parking requirements. For example, the bill states that a city cannot require parking to be enclosed or require a garage or carport. Tandem parking must be allowed to count toward parking minimums and a city may not require parking spaces greater than 8 feet by 20 feet. The House of Representatives approved an amended version of the bill to allow parking spots that consist of grass block pavers to count toward minimum parking requirements. The amendment also specifies that gravel surfacing in parking areas must be legally non-confirming and limited to six parking spaces. Finally, it prohibits counties planning under the GMA, and cities within those counties with a population over 6,000, from requiring off-street parking as a condition of permitting a residential project if compliance with tree retention would otherwise make a

proposed residential development or redevelopment infeasible. The Senate concurred in the House amendments, and the bill now awaits action by the governor.

**Middle Housing:** [House Bill 2321](#), sponsored by Representative Jessica Bateman (D-22 LD), modifies certain provisions of the 2023 middle housing policies from House Bill 1110. The bill requires that cities with a population of at least 25,000 must allow six of the nine types of middle housing. Cities with less than 25,000 people can choose the number of middle housing types that meet minimum density requirements. The bill also allows middle housing to be built on lots where a portion of the lot is a critical area. Finally, middle housing densities only apply around bus rapid transit stops once construction of those stops has begun rather than when the stops are included within a 6-year transit plan. The House of Representatives approved the bill. The Senate also approved the bill but amended it to exempt areas designated as sole-source aquifers by the United States Environmental Protection Agency on islands in the Puget Sound from the density requirements. The House of Representatives concurred in the Senate's amendments, and the bill now awaits action by the governor.

**Commercial to Residential Incentives:** [Senate Bill 6175](#), sponsored by Senator Yasmin Trudeau (D-27 LD), establishes incentives for projects that convert commercial/non-residential buildings to residential purposes. The version that the Senate passed clarifies that buildings being converted to residential use qualify under the existing Multifamily Tax Exemption program. It also allows a city to offer a state and local sales and use tax exemption to commercial/non-residential buildings that are converted to residential use and dedicate 10 percent of the units to households making 80 percent of the area median income or less. Both chambers voted to approve the bill in the final week of session, and it now awaits action by the governor.

***Bills that Failed to Meet Cutoff Deadlines:***

- **Community and Transit-oriented Housing Development:** [House Bill 2160](#), sponsored by Representative Julia Reed (D-36 LD) would have mandated that cities allow transit-oriented development densities for residential and mixed use development around light rail and bus rapid transit stops in 2029. The House of Representatives approved the bill, but the bill stalled in the Senate Ways and Means Committee and failed to proceed this session.
- **Lot Splitting:** [House Bill 1245](#), sponsored by Representative Andrew Barkis (R-2 LD), would have required cities planning under the Growth Management Act to allow the splitting of a single residential lot into two residential lots. The House of Representatives approved the bill, but the bill stalled in the Senate Local Government Committee and failed to proceed this session.
- **Commerce Approval of Permanent Supportive Housing and Shelter Regulations:** The House of Representatives approved [House Bill 2474](#), sponsored by Representative Strom Peterson (D-21 LD), which would have established 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 prohibiting a city from denying a project permit application unless it has received approval from Commerce or a court. The House of Representatives approved the bill, but the bill stalled in the Senate Local Government Committee and failed to proceed this session.

- **Creating a Washington State Department of Housing:** [House Bill 2270](#), sponsored by Representative Melanie Morgan (D-29 LD), sought to direct the Office of Financial Management to contract with an external consultant to study the transition of state housing programs into a new state agency and to identify gaps in current housing programs. The Senate Ways & Means Committee did not vote on the bill prior to the opposite chamber fiscal committee cutoff deadline and failed to proceed this session.

### ***Other Notable Bills, Policy Issues***

**Automated Traffic Safety Cameras:** [House Bill 2384](#), sponsored by Representative Brandy Donaghy (D-44 LD), allows cities and counties expanded authority to use automated traffic safety cameras (school zone cameras, red-light cameras, speed cameras, and bus lane enforcement cameras) and allows cities and counties to retain all the revenue generated from those cameras; current law only allows cities to receive 50 percent of revenue generated from speed cameras. Revenues generated from the cameras must be used for traffic safety purposes, and a proportionate share of the revenue must be spent in census tracts with household incomes in the lowest quartile and in areas that experience above average rates of injury crashes. Cities currently utilizing revenue from red-light cameras and school-zone cameras are exempt from this requirement and may continue to spend revenue consistent with purposes outlined in an existing ordinance. Additionally, to review traffic camera violations an employee must be a civilian employee who works for the law enforcement agency, public works or transportation department, and must be sufficiently trained and certified by peace officers or traffic engineers. The House of Representatives approved the bill. The Senate further amended and approved the bill. The Senate's amendments require cities and counties under 10,000 in population to use the Department of Health disparities map when making traffic safety activity investments and further refines language reducing the traffic infraction amount for individuals receiving public assistance. The House of Representatives concurred in the Senate's amendments, and the bill now awaits action by the governor.

**Extended Producer Responsibility:** [House Bill 2049](#), sponsored by Representative Liz Berry (D-36 LD), would have required 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 did not pass out of the House of Representatives prior to the chamber-of-origin cutoff deadline and failed to proceed this session.

**Electric Vehicle Fires:** [Senate Bill 5812](#), sponsored by Senator Jeff Wilson (R-19 LD), directs the Washington State Patrol to work with the Department of Ecology to conduct a study on electric vehicle fires. Both the House of Representatives and the Senate have approved the bill, and it has been delivered to the Governor to be signed into law.

**Assisting Refugees and Immigrants:** [House Bill 2368](#), sponsored by Representative Mia Gregerson (D-33 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. DSHS will provide refugees with cash assistance, medical assistance, and support services. Additionally, DSHS is authorized to administer services to immigrants who don't

qualify for federally funded services. The bill specifies that DSHS will coordinate statewide efforts to support economic and social integration of immigrants and refugees into the state, and it expands the DSHS requirements to support basic needs of immigrants and refugees in the State. DSHS will also be the lead agency for the administrative plan for refugee resettlement. Finally, it requires DSHS to coordinate with local, state, federal, and other stakeholders, and for DSHS to engage with impacted communities to determine an equitable funding distribution and contracting process. Both the House of Representatives and the Senate have approved the bill, and it has been delivered to the Governor to be signed into law.

**First Responder Wellness:** [House Bill 2311](#), sponsored by Representative Lauren Davis (D-32 LD), requires the Criminal Justice Training Commission (CJTC) to create a task force on first responder, coroner, and medical examiner wellness. The CJTC will establish and administer a grant program for funding the implementation of peer support counseling programs. The CJTC must, subject to appropriations, contract to develop certain trainings and resources for first responder, coroner, and medical examiner wellness and peer support. The bill also amends statutory provisions to allow testimonial privilege during peer support group meetings. Both the House of Representatives and the Senate have approved the bill, and it has been delivered to the Governor to be signed into law.

### ***State Initiatives***

Six initiatives to the Legislature were filed prior to the legislative session. For each initiative, the Legislature had three options: 1) pass the proposed initiative into law; 2) take no action, thereby forwarding the proposed initiative to voters in November 2024 for consideration; or 3) forward the proposed initiative to voters in November 2024 along with an alternative, i.e. a competing proposal.

In February, the Legislature held public hearings on three of the measures, and it adopted them during the final days of the session. They will take effect after 90 days, or approximately June 5. They are:

- Initiative 2081 relating to parental access to educational materials used in public schools
- Initiative 2109 prohibiting state or local governments from imposing an income tax
- Initiative 2113 allowing officers to engage in vehicular pursuits on more occasions

The remaining three initiatives will now be forwarded to voters for consideration in November 2024:

- Initiative 2124 making it optional to participate in the state's long term care program
- Initiative 2117 repealing the Climate Commitment Act
- Initiative 2111 repealing the capital gains tax

## **POLICY & FISCAL IMPACTS**

### **Policy Impact**

City Council adopted its 2024 State Legislative Agenda on October 23.

### **Fiscal Impact**

The fiscal impacts of bills passed during the 2024 Washington State Legislative session are currently being determined.

**OPTIONS**

N/A

**ATTACHMENTS**

A. Bellevue 2024 State Legislative Agenda

**AVAILABLE IN COUNCIL LIBRARY**

N/A