

**CITY COUNCIL STUDY SESSION**

State Legislative Update

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**DIRECTION NEEDED FROM COUNCIL****INFORMATION  
ONLY**

No action is required; this is an informational briefing. The State Legislature addresses a range of policy issues of interest to the City. Council may wish to provide direction to staff regarding legislative proposals.

**RECOMMENDATION**

N/A

**BACKGROUND & ANALYSIS**

The 2022 Legislative Session began on January 10; it is the second year of the two-year legislative biennium and is scheduled to be a “short” legislative session that will last 60 days. To start, Legislators will meet in a mostly virtual format with the potential for a hybrid or in-person format in the future. While legislators attempted to lower expectations for the forthcoming short session, the lengthy list of emerging legislative proposals suggests the 2022 session will once again be fast, furious, and filled with robust policy discussions. Developing discussion topics include changes to the Long-Term Care Act; transportation funding; policing and public safety; substance abuse and behavioral health treatment options; eliminating single-family zoning; climate and decarbonizing efforts, salmon recovery and culvert replacement, amendments to the Growth Management Act (GMA) and State Environmental Policy Act (SEPA), COVID-19 restrictions, and more. All bills introduced in 2021 will continue to be under consideration in 2022 as well as new bill introductions.

In addition to policy discussions, the Legislature will make amendments to the 2021-2023 operating, capital, and transportation budgets adopted during the 2021 session by adopting supplemental budgets. The Washington economy is [reported to](#) be outperforming the national economy, resulting in nearly \$2.5 billion in new revenue available. Revenues in the capital and transportation budgets continue to be more limited. The state received \$14 billion in CARES and American Recovery and Reinvestment Act (ARPA) funds. The CARES funds have been fully allocated and spent. Of the \$4.4 billion in ARPA funds that the state received, \$1.3 billion is left to allocate. ARPA funds expire at the end of 2024.

To kick off the budget development process this session, Governor Jay Inslee [released his proposed 2022 Supplemental budget proposals](#) in mid-December. He prioritized operating and capital expenditures, through a combination of one-time and ongoing spending, in three areas: [climate change](#), [salmon recovery](#), and [homelessness](#). For additional information on how the Governor’s budget

proposals directly impact cities, click here to view the [Association of Washington Cities \(AWC\) budget matrix](#).

Next, House and Senate budget writers will each begin the process of developing their respective budget proposals for public release in late February or early March. The two chambers will then need to reach an agreement on a final budget proposal by the final day of the legislative session on March 10, or risk entering a special session.

Politically, Democrats will continue to hold the majority in both the state House of Representatives and the Senate. Given the virtual/hybrid format of the session, Legislators are once again being encouraged to limit the number of bills introduced. The House released formal guidelines that limit legislators to introducing no more than seven bills and to focus on four priority themes: serving Washingtonians better, strengthening economic well-being, advancing racial equity and justice, and addressing the climate crisis.

It is unlikely that controversial issues will advance during the 2022 session as it is immediately followed by the November 2022 election, where all members of the House of Representatives and half the members of the Senate will seek re-election utilizing the new boundaries established through redistricting.

Notably, the controversial 2021 redistricting process may be coming to a close. On Thursday, January 6, the Washington State Supreme Court declined two lawsuits that sought to invalidate the maps that were approved late in 2021 in an unprecedented fashion. The lawsuits argued that the redistricting maps are invalid due to a violation of the State's open public meeting laws; commissioners negotiated behind closed doors late into the night on November 15, their deadline in state law. Both lawsuits will now go to Thurston County Superior Court, where they were originally filed. Pending no further action, lawmakers may amend the maps within the first 30 days of the session by a two-thirds vote of both chambers. Any changes to individual districts may not exceed 2 percent of the total population. Once the 30-day period ends, the new political maps will take effect and will be in place for the next ten years, starting with this year's elections. A recent article in the Everett Herald can be found [here](#).

### **Cutoff Deadlines**

The legislative process has key deadlines that bills need to meet to remain under consideration. Below is an outline of the deadlines for this year's legislative process:

### **Session Cutoff Calendar**

February 3, 2022	Policy Committee Deadline
February 7, 2022	Fiscal Committee Deadline
February 15, 2022	Chamber-of-Origin Deadline
February 24, 2022	Opposite Chamber Policy Committee Deadline
February 28, 2022	Opposite Chamber Fiscal Committee Deadline
March 4, 2022	Opposite Chamber Deadline
March 10, 2022	Session adjourns - Sine Die

### **Legislators Scrap Hybrid Format, Opting for Virtual Session Instead**

In response to the sharp increase in COVID-19 case numbers, Legislators have announced that they will largely abandon the “hybrid” format that was announced in 2021 and will be conducting the session almost entirely virtually. Both the House and Senate will be conducting hearings remotely and will re-assess the most appropriate format every two weeks.

The House will limit the number of members on the floor to five vaccinated, boosted, and masked Legislators with only critical staff allowed in the chamber. Public galleries will be closed except for credentialed press who can verify vaccination status. There will be no public access to member offices.

Similarly, the Senate will limit the number of members on the floor to 15 – eight Democrats and seven Republicans, with three staff members allowed in the wings. Members and staff must have a negative COVID-19 test. Members of the press may view floor action from the galleries after providing a negative COVID-19 test. Members will not be holding any in-person meetings and there will be no public access to Senate facilities.

### **Transportation Investments**

Revenue package negotiations are resuming after negotiators failed to agree on a solution for a special session in the fall. Transportation leaders on both sides of the aisle have now ruled out a funding solution for transportation in 2022 that includes a gas tax increase. However, there is growing interest in developing a stopgap investment package to address immediate needs utilizing a combination of funding sources, including federal funding and operating budget transfers. Reportedly, House and Senate operating budget leadership continue to disagree on the preference of a one-time transfer versus ongoing investment out of the operating budget, with the House favoring a one-time transfer and the Senate favoring an ongoing investment.

Negotiators are also adjusting to the change in Senate Transportation Chairmanship, with Senator Marko Liias (D- Lynnwood) replacing former Chair Senator Steve Hobbs (D- Lake Stevens). Senator Liias has taken a different direction than Senator Hobbs, voicing a preference to pass what he calls a

“bridge” proposal this session to fill funding gaps, while working to develop a larger, multi-year package that invests in new infrastructure. Senator Liias is considering multiple revenue streams for this package, including transportation fees, Climate Commitment Act dollars, federal ARPA funds, and a transfer from the operating budget, with the intent to prioritize funding relief for key megaprojects (including I-405, SR 520, the Columbia River Bridge, US 2 Trestle, and Gorst), maintenance and preservation needs, and the ferry system. Sen. Liias has also indicated a desire to allocate Climate Commitment Act money to invest in transit, electrification, and bike and pedestrian projects.

As the transportation committees begin to meet during session, it is expected that negotiations around a short-term solution and a long-term solution to address the ongoing transportation budget deficit will continue to progress.

### *I-405 Improvements*

One of the City’s top legislative priorities for the 2022 session is to secure funding to complete improvements along I-405/SR 167 to support the deployment of bus rapid transit. The current funding gap to complete improvements along the corridor is \$450 million. The Governor’s proposed transportation budget addresses the funding gap by allocating \$380 million of federal ARPA dollars and \$70 million from the deferral of sales tax on projects. Notably, the Governor’s proposal does not utilize GARVEE bonds which are bonds against federal grants. GARVEE is a tool that was used to finance a portion of the SR 520 floating bridge and the SR 520 GARVEE bonds will be paid off in 2024, arguably freeing up those federal funds for other uses. On Monday, January 10, the House and Senate Transportation committees held public hearings on the Governor’s proposed transportation budget. Mayor Lynne Robinson and Councilmember Jennifer Robertson testified, urging the Legislature to identify a funding solution this session.

### *Affordable Housing, Homelessness and Human Services*

A top priority for legislators this year is to continue to address affordable housing and homelessness. One policy proposal that has received early action is [House Bill 1643](#) / [Senate Bill 5642](#) which would provide a state REET exemption for the sale or transfer of ownership of the property to non-profit entities, housing authorities, or public corporations that intend to use the property for low-income rental housing. Staff expects several additional proposals over the coming weeks.

Additionally, a coalition of Fortune 500 companies, local elected officials, chamber and business organizations, and housing advocates are urging the Legislature to utilize one-time funding for the rapid acquisition of permanent supportive housing and services for those placed in permanent supportive housing. The Governor’s proposed Supplemental Operating and Capital Budget includes significant investments. This coalition is hoping the Legislature allocates at least as much funding. The coalition has sent a [letter](#), released a [summary](#) of the statewide poll done last fall and launched a [website](#).

### **Preserve Fiscal Sustainability and Local Control**

Increasing density as a means to support affordable housing has also become a hot topic in the 2022 legislative session. Several proposals have begun to come forward that would preempt local control and land use authority. Below are additional details on emerging themes.

#### **Accessory Dwelling Units (ADU)**

Three different bills pertaining to ADUs have received early action in the Legislature and were heard the second week of session in a combined public hearing. Advocates for ADUs argued that a statewide mandate to remove all local ADU regulations would increase the supply of ADUs and create more housing affordability. Local governments highlighted the need for these decisions to be made locally and noted that many jurisdictions have removed local ADU regulations but have not seen an increase in the number ADUs constructed. The three bills being discussed are: 1) [House Bill 1337](#) which would preempt cities and counties from regulating ADUs, including precluding owner-occupancy requirements, off-street parking requirements, required public street improvements, permitting fees, strict design requirements, or setting a maximum floor area for an ADU, 2) [House Bill 1660](#) which states that cities and counties will not be allowed to impose or enforce owner occupancy requirements for ADUs that are not being used for short term rentals, 3) [House Bill 1711](#) which allows cities and counties to encourage ADU development for long term housing by offering a reduction of fees or taxes, deferment of fees and taxes, waivers, or other incentives.

#### **Missing Middle**

Governor Inslee made affordable housing one of his top priority issues when he rolled out his proposed supplemental budgets in mid-December. In addition to making significant financial investments, he and housing-focused legislators are proposing legislation aimed at increasing the availability of land for missing middle housing within city limits through [House Bill 1782](#) / [Senate Bill 5670](#). “Middle housing” is defined as duplexes, triplexes, fourplexes, fiveplexes, sixplexes, stacked flats, townhouses, and courtyard apartments. Under this proposal, cities planning under the Growth Management Act must allow all middle housing types on residential lots located within a ½ mile of a major transit stop and places additional requirements for other single-family parcels based on the city’s size. There are provisions that allow cities to adopt development and design standards for middle housing, but they may not discourage or make middle housing impracticable. Staff anticipates this bill and similar bills aimed at the missing middle to be discussed throughout the 2022 Legislative Session.

#### **Social and Criminal Justice Reform**

During the interim, Democrats were firm that they would not roll back any police reform bills approved by the 2021 Legislature, however, they have agreed to advance proposals to further refine and clarify those new laws. The same legislators that led the 2021 Police Reform efforts, Representative Roger Goodman (D-Kirkland), Representative Jesse Johnson (D-Federal Way), and Senator Manka Dhingra (D-Redmond) will also lead the clarification efforts. There are three bills currently under consideration in the Legislature:

- [House Bill 1719](#), sponsored by Representative Dan Bronoske (D-Lakewood), clarifies that bean bags can be used as a de-escalation tactic. Nearly unanimous support was expressed for allowing the use of a “military” weapon (i.e., rifle of .50 caliber or higher) with the capacity to shoot non-penetrating impact rounds such as bean bags, or rubber munition. Committee members indicated that this provision was unintentionally missed by all when the bill was discussed and passed in 2021. The Public Safety Committee is scheduled to vote on this bill on January 20.
- [House Bill 1735](#), sponsored by Representative Johnson clarifies that deadly force may be used in the face of an immediate threat of serious injury against the officer or another individual and that physical force would be allowed under limited circumstances to ensure the safety of officers when taking a person into custody for civil or forensic commitment, taking a minor into protective custody, and executing and enforcing court orders. At the public hearing, law enforcement, community members, non-profit leaders, and more expressed general support for the bill while identifying several areas for minor improvement, such as how broadly court orders are defined. The ACLU warned that the bill as drafted may be too broad. The House Public Safety Committee indicated it will work on amendments to the bill and is scheduled to vote on those amendments on January 20.
- [House Bill 1726](#), sponsored by Representative Goodman allows an officer to use physical force when there is reasonable suspicion that the person has committed, or is committing a violent offense including: 1st, 2nd, 3rd, and 4th degree assault, 1st, 2nd, 3rd, and 4th degree assault of a child, or domestic violence. Over two dozen people signed in to testify on this bill, however, due to time constraints, not everyone was able to testify. The overwhelming majority signed in opposed to the bill. Law enforcement opposed the bill, stating that two different standards will cause confusion and a desire for reasonable suspicion to be restored for all crimes, and indicated that a statewide definition of “physical force” is needed. Community members, ACLU, disability rights advocates, and the Coalition for Police Accountability opposed the bill articulating several scenarios where deadly use of police force was used where there was reasonable suspicion for a non-violent crime. Before the Committee makes a final decision regarding support or opposition, members would like to see what the Washington State Attorney General's office policy regarding de-escalation and use of force standard - that may not be available before the end of session as it is not due until July 1. The Committee is not scheduled to take further action on the bill at this time.

Meanwhile, additional bills are being heard that did not pass during the 2021 legislative session and continue to be under consideration.

- The House Civil Rights and Judiciary Committee held a public hearing on [House Bill 1202](#), which creates a civil cause of action for persons injured by a law enforcement officer. The AWC has opposed this proposal because of the increased liability cities would incur if it were law. Additionally, the Washington City Insurance Authority indicated the bill would increase insurance costs for cities and counties. Thirteen supporters argued that financial compensation is one

mechanism for accountability and breaks down the barriers that victims, their families, and the community face when trying to change the culture of policing. The House Civil Rights and Judiciary Committee is not scheduled to take further action on the bill at this time.

- [House Bill 1507](#) builds on legislation enacted during the 2021 legislative session to establish an Office of Independent Investigations for instances of police use of force that result in serious bodily injury or death. House Bill 1507 would establish independent prosecutorial authority within the Attorney General's Office that would apply concurrently to local prosecutorial authority.

### **Other Bills of Interest**

#### **Update on Changes to the Long-Term Care Act**

In 2019 the Legislature enacted the Long-Term Care Act to provide long term care benefits to Washington workers, funded through a 0.58 percent payroll tax that went into effect on Jan 1, 2022. During the first weeks of session, the House Democrats heard two bills that would delay the implementation of the Long-Term Care Act and allow more individuals to be exempt from participating in the program. These bills are anticipated to move quickly through the legislative process.

- [House Bill 1732](#) delays the implementation from January 1, 2022 to July 1, 2023 (18 months). This bill also addresses near retirement age workers by allowing a person born before January 1, 1968, who has not met the duration requirements, including payment of the premium, to be eligible for the program at the percentage of years paid into the program. It also provides that any premiums collected from the employee prior to July 1, 2023, shall be refunded to the employee within 120 days of the collection of the premiums.
- [House Bill 1733](#) allows disabled veterans, spouses or domestic partners of active-duty service members, nonimmigrant visa holders, and Washington workers who hold residence outside of the state to seek exemption from the program. The bill stipulates that should the status qualifying a worker for the exemption change for any of the groups outside of disabled veterans, their exemption will be discontinued.

## **POLICY & FISCAL IMPACTS**

The State Legislature addresses a range of policy issues of interest to the City.

## **OPTIONS**

N/A

## **ATTACHMENTS & AVAILABLE DOCUMENTS**

N/A

**AVAILABLE IN COUNCIL LIBRARY**

N/A