

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 state legislative session concluded on March 10. The following report describes vetoed bills, interim workgroups, the November 2022 state legislative elections, and other topics.

Governor Vetoes Six Bills

Once the Legislature approves a bill, the Governor may sign it into law, partially veto full sections of the bill, or veto it entirely. Governor Jay Inslee partially vetoed 12 bills and fully vetoed six bills. The partially and fully vetoed bills do not impact the City's legislative priorities. To view vetoed bills, [click here](#).

Interim Workgroups

Throughout the legislative interim, dozens of interim committees and workgroups meet to develop policy recommendations for the Legislature's consideration. Below are some highlighted workgroups:

- Tax Structure Workgroup: The [Washington State Tax Structure Workgroup](#) has been meeting since 2017 to identify options to make the Washington State tax code more fair, adequate, stable, and transparent. The work group is tasked with recommending legislation for the 2023 legislative session. At the most recent meeting, workgroup members indicated a willingness to further discuss replacing the state business and occupation tax with a margins tax, a working families tax credit, a primary residence property tax exemption, a wealth tax, and adjusting the property tax limit factor. The committee chose not to advance forward for further discussion a flat or progressive personal income tax, a flat or progressive corporate income tax, an employer compensation tax, and a value added tax. The workgroup's next meeting is May 25.
- I-405/SR 167 Executive Advisory Group (EAG): The Washington State Department of Transportation (WSDOT) convenes this advisory group of local and state elected officials

representing the communities along the I-405/SR 167 corridor. The EAG met on April 27. The meeting included updates from Secretary of Transportation Roger Millar and the project team provided a legislative recap, project updates and other program-related information including partnership updates from Sound Transit and King County Department of Natural Resources and Parks. Councilmember Janice Zahn represents the City of Bellevue in this venue.

- House Bill 1220 Advisory Committee: The Legislature approved [House Bill 1220](#) during the 2021 legislative session, which makes several changes to the required housing element of local jurisdictions' comprehensive plans. The new law tasks the Department of Commerce with providing an inventory and analysis of existing and projected housing needs that identify the number of housing units necessary to manage projected growth, including estimates on the number of units needed for moderate, low, very low, and extremely low-income households, emergency housing, emergency shelters, and permanent supportive housing. The Department has convened an advisory committee to conduct this work.

The committee is made up of technical experts including Sound Cities Association Policy Director Brian Parry. The Department intends to provide countywide projections of housing needs for all counties in Washington State, and provide further guidance for how counties, working in collaboration with cities, can allocate these projected housing needs down to local jurisdictions, consistent with the new requirements of HB 1220. The Department is receiving feedback through an advisory committee and intends to finalize allocations in late 2022 or early 2023.

State Initiative Efforts

In 2021, the Legislature enacted a [capital gains tax](#) of 7 percent on capital gains exceeding \$250,000. Since then, the tax has been legally challenged and a lower court, the Douglas County Superior Court, found the tax to be unconstitutional. Attorney General Ferguson has publicly stated an intent to appeal the lower court's decision to the Washington State Supreme Court. Simultaneously, opponents of the tax are collecting signatures for an initiative to repeal the tax. At least 325,000 signatures must be collected by July 8, 2022 for the initiative to qualify for the November 2022 ballot. The Attorney General's Office is tasked with developing a ballot title for the initiative. The I-1929 campaign has [challenged](#) the title written by the Attorney General. Several other initiatives have been [filed](#), but few if any others seem likely to collect the requisite signatures.

State Legislative Elections

With the legislative session concluded, legislators are transitioning their focus to the November 2022 elections. Each position in the House of Representatives and half the positions Senate are up for election. Candidates will be seeking election to [new district boundaries](#). The current political party breakdown for each chamber is as follows:

- House of Representatives: 57 Democrats and 41 Republicans

- State Senate: 28 Democrats, 20 Republicans, 1 Democrat who aligns with Republicans

Republicans hope to gain additional positions in the November 2022 elections, while democrats concede that it is likely they will lose positions. At this early stage of the election process, it is unclear whether Democrats will maintain the majority in both chambers or whether Republicans will gain the majority in one or both chambers.

Some of the legislative districts where the closest elections are likely to occur include the 42nd legislative district in Whatcom County, the 47th, 30th, and 31st legislative districts in South King County, the 35th legislative district in Thurston County, the 44th and 38th legislative districts in Snohomish County, the 28th legislative district in Pierce County, and the 26th district in Kitsap County.

Candidates seeking re-election or election to these positions have until May 20 to file as a candidate with the Washington State Secretary of State. Regardless of political affiliation, there will be a significant turnover in the Legislature prior to the 2023 legislative session. Over a dozen legislators have announced they will not seek re-election in 2022 and will conclude their position in the Legislature when their term expires on December 31. Below are those legislators who have made official announcements. Additional legislators are rumored to likely make announcements between now the May 20 filing deadline.

- Representative Bob McCaslin (R - Spokane Valley, 4th Legislative District)
- Representative Brad Klippert (R - Kennewick, 8th Legislative District)
- Representative Jeremie Dufault (R - Selah, 15th Legislative District)
- Representative Vicki Kraft (R - Vancouver, 17th Legislative District)
- Representative Larry Hoff (R - Vancouver, 18th Legislative District)
- Representative Laurie Dolan (D - Olympia, 22nd Legislative District)
- Representative Steve Kirby (D - Tacoma, 29th Legislative District)
- Representative Jesse Johnson (D - Federal Way, 30th Legislative District)
- Representative Eileen Cody (D - West Seattle, 34th Legislative District)
- Representative Kristen Harris-Talley (D - Seattle, 37th Legislative District)
- Representative Mike Sells (D - Everett, 38th Legislative District)
- Representative Emily Wicks (D - Everett, 38th Legislative District)
- Representative Brandon Vick (R - Vancouver, 18th Legislative District)
- Representative Pat Sullivan (D - Covington, 47th Legislative District)
- Senator Sharon Brown (R - Kennewick, 8th Legislative District)
- Senator Tim Sheldon (D - Potlatch, 35th Legislative District)
- Senator Reuven Carlyle (D - Seattle, 36th Legislative District)
- Senator David Frockt (D - Seattle, 46th Legislative District)
- Senator Mona Das (D – Kent, 47th Legislative District)

Additionally, the following House members have announced they are seeking terms in the Senate:

- Representative Matt Boehnke (R - Kennewick, 8th Legislative District)
- Representative Jesse Young (R - Gig Harbor, 26th Legislative District)
- Representative Drew MacEwen (R - Union, 35th Legislative District)
- Representative Noel Frame (D - Seattle, 36th Legislative District)
- Representative Sharon Shewmake (D - Bellingham, 42nd Legislative District)
- Representative Javier Valdez (D - Seattle, 46th Legislative District)

Secretary of State Election

There will only be one statewide race on the November 2022 election: Washington's Secretary of the State. Former Secretary of State Kim Wyman left the position to take a federal appointment. Governor Jay Inslee appointed Steve Hobbs, then Chair of the Senate Transportation Committee, to the position. Steve Hobbs will now run for the position and faces independent opponent Julie Anderson who serves as Pierce County's current auditor, and republican opponent Keith Wagoner, current Senator in the 39th Legislative District.

Association of Washington Cities

The City of Bellevue coordinates with the Association of Washington Cities on legislative engagement. Below are some key announcements from the Association:

- The Association selected Deanna Dawson as the new Chief Executive Officer of the organization. Peter King previously held this position before retiring.
- The Association recently constituted its legislative priorities committee, which will begin meeting in May. In the meantime, the Association is conducting a [survey](#) to get feedback from its membership on potential legislative priorities.

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