

State Legislative Interim Update

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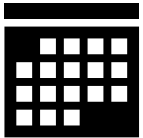
Mid-year Update on State Issues



Interim Issues and Workgroups



2023-25 State Budget Development



November Elections



Next Steps – Summer & Fall



Interim Issues and Workgroups

Tax Structure

- Washington State Tax Structure Workgroup – est. 2017
- Objective: Make the tax code more fair, adequate, stable, and transparent
- Recommending legislation for the 2023 legislative session
- Potential ideas:
 - replacing the state B&O tax with a margins tax
 - establishing a working families tax credit
 - creating a primary residence property tax exemption
 - imposing a wealth tax
 - adjusting the property tax limit factor
- Working with FAM staff to analyze options, impacts

Interim Issues and Workgroups

Blake Decision and Response

- 2021: State v. Blake - Washington State Supreme Court ruled that the state's simple drug possession law was unconstitutional.
- Blake decision impacts convictions from 1971-2021.
- The 2022 supplemental budget provided \$21.5 million for cities to address resentencing, vacation, and refunds of legal and financial obligations.
- Legislature enacted temporary policy to make possession of a controlled substance a misdemeanor with requirement for diversion (expires in 2023).
- Substance Abuse Recovery Services Advisory Cmte



Interim Issues and Workgroups

Police Reform and Vehicle Pursuits

- A number of related bills passed in the 2021 session
- Three clarifying bills were passed in the 2022 session:
 - HB 1719 – law enforcement & .50 caliber shotguns + devices
 - HB 1735 – use of physical force and deadly force
 - HB 2037 – physical force & temp. investigative detentions
- Police reform issues likely to be revisited in 2023
- Police vehicle pursuits emerging as a focus
 - Raised as an issue by WA State Patrol
 - Highlighted at the recent AWC Annual Conference



Interim Issues and Workgroups

Land Use and Housing

- Several land use and zoning bills in the 2022 session
 - HB 1660 – local regulation of ADUs
 - HB 1782 – regarding zoning of middle housing types
- None of these bills passed, but likely to re-emerge
- ‘23 AWC member survey reflects this is a top issue
- AWC hiring a neutral facilitator to lead conversations on developing “missing middle” housing approaches



Interim Issues and Workgroups

Growth Management Act Reform

- A number of changes to the GMA over recent years
 - HB 1220, HB 1241, SB 5042
 - These reforms often create additional cost burdens for cities
- In 2022, bills around adding climate change mitigation (HB 1099) and salmon recovery efforts as a goal of the GMA (HB 1117) received considerable attention but did not ultimately pass.
- Those proposals, as well as others, are likely to be considered during the 2023 session.



Interim Issues and Workgroups

Broadband Deployment

- The Legislature considered but did not approve legislation requiring cities to allow telecommunications providers to use microtrenching (small trenches in pavement) to deploy fiberoptic lines (HB 1722).
- Informal work group with telecommunication providers to explore best practices in deploying broadband, and local governments are participating
- The City of Bellevue has been asked to present at the next workgroup meeting on its right-of-way franchise agreement and permit processes.



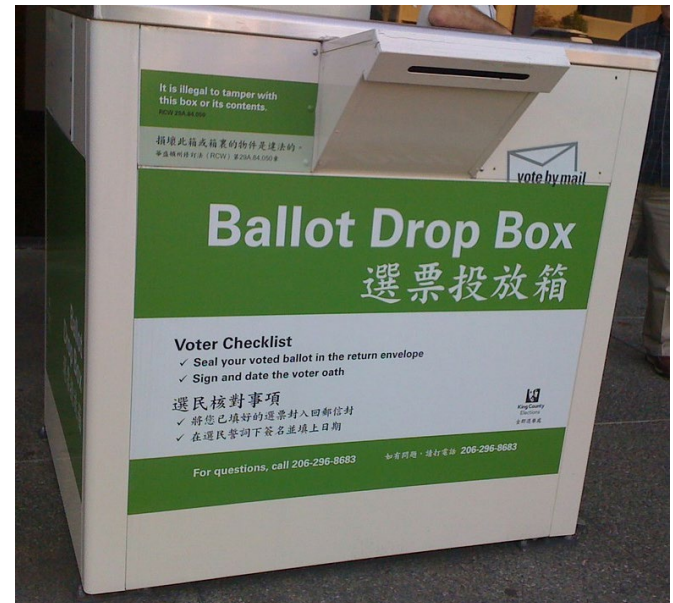
2023-25 Budget Development

- Gov Inslee will release his 2023-25 operating, capital, and transportation budget proposals in December.
 - State fiscal year runs July 1, 2023 - June 30, 2025
- WA State Economic and Revenue Forecast Council has indicated that revenue collections recently have come in 6.4% higher than forecast, totaling \$589.9 million.
 - Next revenue forecasts are in late September, late November
- Budget development for the transportation budget will focus on implementing the Move Ahead WA transportation package enacted during the 2022 session
 - WSDOT is currently working on project phasing now, and the 2023 Legislature will be focusing on developing that timeline.



November Elections

- Aug 2 Primary - Ballots mailed out on July 15
 - Top two candidates in each race will advance to the November 2022 ballot.
- November 8 General – Ballots mailed out October 15
 - All State House of Representatives positions
 - Half the positions in the State Senate
- Current House and Senate makeup:
 - House: 57 Democrats and 41 Republicans
 - State Senate: 28 Democrats, 20 Republicans, 1 Democrat who aligns with Republicans
- WA Secretary of State – only statewide race



Next steps: Summer and Fall

- Bellevue staff will continue to work with AWC, state lawmakers, and other local stakeholders in identifying areas of interest through formal and informal channels.
- Staff will coordinate with City department directors over the late summer and early fall to develop a holistic picture for the legislative session ahead.
- Soliciting City Council input on a draft agenda, with a goal of having the City Council adopt a refined final agenda this fall
 - This timeline provides time in advance of session to build support with partners and explore solutions and opportunities with lawmakers to address Bellevue's key interests.



Questions?

Thank you!

