

State Legislative Session

2023 Session Wrap-Up

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Direction

- No direction sought
- For information only



Agenda

- Budget summaries
- Priority outcomes
- Other key policy issues
- Next steps in 2023



2023 State Legislative Agenda

HIGHEST PRIORITY ISSUES

Affordable Housing and Land Use

Washington State faces an affordable housing crisis. Bellevue supports legislative action that takes a balanced, collaborative approach. Necessary state tools include regulatory reform, condominium liability reform, and safe harbor for cities increasing development capacity. Incentives and new funding options, such as a new local option Real Estate Excise Tax (REET), are essential for the construction and acquisition of affordable housing. Where possible, such options should be progressively structured to minimize impacts on low- and moderate-income households. Bellevue

Transportation

Bellevue appreciates the Legislature's bold action to pass Move Ahead Washington, which made crucial multimodal investments and closed the I-405 funding gap. As the Legislature and WSDOT implement Move Ahead Washington projects, Bellevue requests that the Mountains to Sound Greenway Trail (142nd Place SE to 150th Avenue SE) funding be phased as follows:

- \$300,000 in the 2023-25 biennium for final design and easement acquisition in advance of construction
- \$6.6 million in the 2025-27 biennium for construction



2023-25 Operating Budget

- The operating budget funds all state agency operations, including K-12 education, higher education, social services, and more.
- The 2023-25 operating budget appropriates \$69.8 billion, a net increase of \$2.4 billion, leaving \$3.6 billion in reserves.
- The budget did not include any new tax increases.
- Notable items:
 - \$2.2 B - pay increases for state employees.
 - \$44 M - for local governments to integrate a climate change and resiliency element in comprehensive plans
 - \$15.8 M - training capacity at the Basic Law Enforcement Academy
 - \$111 M - emergency housing, shelter, and associated services
 - \$66 M - one-time funds for local housing & homelessness programs
 - \$60 M - one-time funding for local governments to provide housing to individuals living in encampments



2023-25 Capital Budget

- The state's biennial capital budget funds capital construction projects.
- The 2023-25 capital budget appropriated \$9 billion. \$95.4 million in bond capacity is reserved for 2024 supp. budget.
 - Significant investments in affordable housing:
 - \$400 M - Housing Trust Fund
 - \$40 M - Housing Finance Commission's Land Acquisition Program
 - \$60 M - Funds for utility connections to new affordable housing projects
 - \$224 M - Community-based behavioral health facilities
 - \$660 M - Mental health state facilities
 - \$564.5 M - Infrastructure including restored funding for the Public Works Assistance Account
 - \$423.8 M - Clean energy, energy efficiency and climate adaptation
 - \$798 M - Water quality and stormwater grants



2023-25 Transportation Budget

- The \$13.5 billion 2023-25 transportation budget funds the state's transportation system.
- The final 2023-25 transportation budget honors the delivery schedule of many major projects that were funded through the 2015 Connecting Washington package. It also schedules some projects from the 2022 Move Ahead Washington package over the next six years.
- Climate Commitment Act revenues are invested in carbon-reducing programs:
 - \$72.2 M - Safe Routes to Schools
 - \$72.1 M - Pedestrian and Bicycle Safety programs
- \$33.7 M - Complete Streets grant program
- \$7 M - Addressing homeless encampments on WSDOT right-of-way



Priority Issues: Affordable Housing & Land Use

Budget Item: Strategic Land Acquisition Bank for 0-50% AMI Housing

Outcome: This request was not included in the 23-25 capital budget.

Major policy issues:

- HB 1110 Middle Housing Types – signed
 - Requires cities to allow middle housing types in essentially all residential zones, contains multiple alternative pathways for compliance
- HB 1337 Accessory Dwelling Units – signed (with partial veto)
 - Requires cities to allow two ADUs per lot, removes the authority for cities to require owner-occupancy, limits impact fees, regulates height, setbacks, gross floor area, etc.
- SB 5290 Consolidating Local Permit Review Processes – signed
 - Establishes a permit review grant program and new project permit review deadlines for certain permit applications; local governments must comply beginning in 2025



Priority Issues: Affordable Housing & Land Use

Other major policy issues:

- SB 5466 Transit-Oriented Development – *did not pass*
- Would have required cities to adopt transit-oriented densities near light rail stations and bus rapid transit stops, with details determined by proximity to stations, stops
- HB 1628 Increasing the Supply of Affordable Housing by Modifying the State and Local Real Estate Excise Tax (REET) – *did not pass*
 - Would have increased the state REET on certain properties and authorize cities to impose a 0.25 percent REET to fund affordable housing



Priority Issues: Transportation

Budget Item: Mountains to Sound Greenway Trail in Bellevue

Outcome: The budget allocates \$300,000 in 2023-25 and \$6.6 M in future biennia (beyond 2027-29).

Budget Item: Eastrail Corridor

Outcomes: The budget allocates \$6.0 M in construction dollars for the Wilburton Trestle. It did not advance funding for I-90 Steel Bridge design.

Other major issues:

- SR 520/124th Avenue NE Interchange Project
 - Funding was restored for design and right-of-way in the 2021-23 and 2023-25 budgets. The budget does not include construction funding.

Priority Issues: Services and Infrastructure for a Growing Community

Budget Item: Mini-City Hall / Community Service Center in Crossroads

Operating budget support would allow Mini City Hall to expand its footprint and staffing in the Crossroads Mall to serve more residents well

Outcome: The operating budget allocates \$500 K in 2023-25.

Budget Item: Pump Station 12 and Force Main at Lake Sammamish

Seeking “last dollars in” from the state to replace this aging pump station

Outcome: The capital budget allocates \$1.03 M in 2023-25.

Homelessness and Human Services

- SB 5120 Crisis Relief Centers – signed
 - Requires the Department of Health to license 23-hour crisis relief centers, facilities that are open 24 hours per day, seven days a week, offering behavioral health services to adults for no more than 23 hours and 59 minutes at a time.



Climate and the Environment

- HB 1181 Climate Change in Comprehensive Planning – signed
 - Governor-request legislation that amends the Growth Management Act to add a goal of climate change and resiliency, and several other changes to existing elements and sub-elements.
- HB 1085 Plastic Pollution – signed
- HB 1033 Compostable Product Usage - signed

Fiscal Sustainability, Financing Tools, and General Government

- HB 1329 Preventing utility shutoffs for non-payment during extreme heat – signed
 - Prohibits utilities from involuntarily terminating water or electric service to a residential user during days for which the National Weather Service has issued certain heat-related alerts. Utilities are authorized to require a payment plan prior to reconnecting service.
- SB 5770 Property Tax Levy Growth – *did not pass*
 - Would have removed the current 1% property tax cap growth factor for state and local property taxes, replacing it with a 3% cap.



Public Safety: *Blake* Resolution

- SB 5536 – Possession of Controlled substances:
 - Knowing possession is a gross misdemeanor. Knowing use in a public place is a gross misdemeanor. Each is subject to a sentence up to 180 days, a fine no more than \$1,000, or both. If a defendant has 2 or more prior convictions, they may be sentenced up to 364 days, fined up to \$1,000, or both.
 - Diversion by prosecutors and law enforcement is encouraged, though not required.
 - Additional process created to allow defendants to ask the court for pretrial diversion in jurisdictions with specific state law diversion programs
 - Court may only grant motions for diversion if prosecuting attorney agrees.
 - Local governments are preempted from regulating drug paraphernalia for personal use outside of harm reduction programs.



Public Safety

- SB 5352 Vehicular Pursuits – signed
 - Lowers the evidentiary threshold for engagement in vehicular pursuits from probable cause to reasonable suspicion for specific crimes: a violent offense, a sex offense, vehicular assault, and domestic violence assault.
 - Requires training on risk assessment analysis for pursuing officers so that they can gauge whether the risk posed by the individual being pursued outweighs the safety risk of engaging in the pursuit.



Next Steps in 2023 Interim

Understanding Impacts of New Laws on City Work, Constituents

Identify New or Different Funding Opportunities

Collaborate with Colleagues, Stakeholders on Partnerships

Thank Lawmakers, Show Them Our Progress

Look Ahead to the Short Session in 2024

Develop and Adopt a 2024 State Legislative Agenda in Fall 2023



Direction

For information only

