

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**November 3 General Election Results**

With nearly all ballots now counted, it is likely the political composition of the State House of Representatives and the State Senate will remain the same, with some new faces.

In the Senate: In the race for the 19th District, which covers Longview, Kelso and Long Beach, Republican challenger Jeff West prevailed over Democratic incumbent Dean Takko. In the 28th District, which covers Lakewood, University Place and DuPont, Democratic challenger T'wina Nobles prevailed over Republican incumbent Steve O'Ban.

In the House: In the race for the 19th District, which covers Longview, Kelso and Long Beach, Republican challenger Joel McEntire prevailed over Democratic incumbent Brian Blake. In the 42nd District, which covers Bellingham, Blaine and Lynden, Democratic challenger Alicia Rule prevailed over Republican incumbent Luanne Van Werven.

With these results, the State House of Representatives will have 57 Democrats and 41 Republicans, and the State Senate will have 27 Democrats and 22 Republicans, including one Democrat who caucuses with the Republicans.

One remaining unresolved race is for the Senate seat in the 5th District, which covers East King County, Issaquah and Sammamish. The contest is between two Democrats. Incumbent Senator Mark Mullet is challenged by a progressive candidate, Ingrid Anderson. Results as of this writing have Senator Mullet ahead by 85 votes. However, it is likely that the race will qualify for a mandatory recount and may not be resolved until the election results are certified on November 24 by the King County Elections Department.

Legislative Leadership and Committee Reorganization: Following the General Election each caucus of the House and Senate names its leaders for the coming session. The Senate has not announced its full leadership slate; however, it reelected Senator Andy Billig (D-Spokane) as Senate Majority Leader and Senator Bob Hasegawa (D-Seattle) as Caucus Chair.

The House has selected and announced its leadership positions, listed below:

House Democratic Caucus

Speaker of the House: Representative Laurie Jenkins (D-Tacoma)
Majority Leader: Representative Pat Sullivan (D-Covington)
Majority Caucus Chair: Representative Lillian Ortiz-Self (D-Mukilteo)
Majority Floor Leader: Representative Monica Stonier (D-Vancouver)
Majority Whip: Representative Marcus Riccelli (D-Spokane)
Speaker Pro Tempore: Representative Tina Orwall (D-Des Moines) was selected for 2021, and Representative John Lovick (D-Mill Creek) was selected for 2022
Deputy Speaker Pro Tempore: Representative John Lovick (D-Mill Creek) named for 2021, and Representative Tina Orwall (D-Des Moines), was named for 2022

House Republican Caucus

Minority Leader: Representative JT Wilcox (R-Roy)
Minority Deputy Leader: Representative Joel Kretz (R-Wauconda)
Minority Caucus Chair: Representative Paul Harris (R-Vancouver)
Minority Floor Leader: Representative Jacquelin Maycumber (R-Republic)
Minority Assistant Floor Leader: Representative Drew MacEwen (R-Union)
Minority Assistant Floor Leader: Representative Chris Corry (R-Yakima)
Minority Whip: Representative Dan Griffey (R-Allyn)

As part of its process to select committee chairs, ranking members and committee assignments, each caucus conducts a “Committee on Committees”. This process is underway, and committee assignments are likely to be announced in the next week or two.

Committee Days: Each year, the Legislature meets in advance of the legislative session and conducts “Committee Days”. These meetings help prepare legislators for the coming session by providing background briefings, issue updates and potential legislative proposals. This year, the Legislature is holding **virtual** committee days November 30 to December 2.

Virtual Legislative Session: Both chambers have announced that the 2021 legislative session will be conducted virtually, with some minor exceptions. The Senate released written protocols calling for all committee meetings to be held in a virtual format, and a process for partial virtual voting on the Senate floor. The House has not yet released written protocols but has indicated that it intends to conduct business in a nearly all-virtual environment.

Given the challenges that come with a virtual format, legislators are being encouraged by leadership to significantly limit the number of bills introduced in the 2021 session and are being discouraged from introducing “companion bills.” Typically, identical bills that are introduced in the House *and* the Senate and referred to as companion bills. This process is used to increase the likelihood that one of the two proposals will pass into law. This year, legislators are being encouraged to introduce a bill in only one chamber, rather than identical versions in both chambers.

Listed below are some of the work sessions already scheduled:

- The House Labor & Commerce Committee will hold a work session on recreational cannabis, medical cannabis, and social equity within the cannabis industry.
- The House Commerce & Gaming Committee will receive an update from the Social Equity in Cannabis Task Force on its work during the interim.
- The House Environment & Energy Committee will hold a work session on the Growth Management Act (GMA) update and is offering an opportunity for people to provide testimony remotely.
- The Senate Local Government Committee will also hold a work session on the GMA.
- The House Public Safety Committee will hold a work session to review legislative proposals on the topic of police reform.
- The Senate Transportation Committee will hold a work session to receive an overview of the 2021 state transportation budget, including an update on the potential for a new statewide transportation funding package in 2021.
- The House Appropriations Committee will hold a work session on the impacts of COVID-19 pandemic response on the state’s operating budget, and an update on appropriations in the 2020 supplemental budget for affordable housing/homelessness.
- The House Transportation Committee will hold a work session to receive an update on the removal of barriers to fish passage.
- The Senate Local Government Committee will hold a work session on the challenges of responding to the COVID-19 pandemic from a local perspective.
- The House Local Government Committee will hold a work session on the Open Public Meetings Act (OPMA), emergency orders and impacts on local government procurement.
- The Senate Behavioral Health Subcommittee will hold a work session on the Use of CARES and Safe Station models by fire departments to address substance use disorders.
- The Senate Housing Stability & Affordability Committee will hold a work session on the impact of COVID-19 pandemic moratoria on residential landlords and tenants, the Department of Commerce rental assistance programming and tenant/economic recovery data, rent stabilization policies, and the impact of COVID-19 on congregate- care shelters for people experiencing homelessness.

Committee agendas are likely to be modified as committee days near. All committee work sessions will be conducted virtually and will be available on TVW. Final schedules with dates and times will be out soon.

Governor Announces Additional Restrictions to Quell COVID-19 Surge: Governor Jay Inslee announced a new round of restrictions to encourage social distancing and reduce the spread of the virus in the wake of a significant increase in COVID-19 cases. Along with the additional restrictions, the Governor announced he was releasing \$50 million to assist small businesses.

The orders instituted by the Governor will be in effect through December 14, and include:

- prohibiting indoor social gatherings,
- closing restaurants and bars to indoor service,
- closing fitness facilities and gyms,
- closing bowling alleys, movie theaters, museums, zoos, and aquariums,
- limiting weddings and funerals to no more than 30 people,
- limiting in-store retail to 25 percent of indoor occupancy limits,
- limiting religious services to 25 percent of indoor occupancy limits or 200 people whichever is less,
- limiting professional and personal services to 25 percent of occupancy limits.

Budgets: While the number of bills the legislature is likely to consider may be limited in the 2021 session, one certainty is that the state's operating, capital and transportation budgets will that among the bills that *will* be worked on are the state's operating, capital and transportation budgets. The budget process begins with the Governor releasing his proposed budgets in mid- December. The current biennial budget, which began July 1, 2019 and ends on June 30, 2021 will be amended, and the legislature will develop the next biennial budget for the period beginning July 1, 2021 and ending June 30, 2023.

Operating Budget: The state operating budget funds state agency operations. Revenues that the state shares with local governments—liquor excise taxes, liquor profits, marijuana taxes, among others—come out of the state's general fund. The latest state economic and revenue forecast, released in September, estimated that the state is facing a \$4 billion revenue shortfall in the current biennium and next biennium. The budget has been severely impacted by the economic recession as a result of the COVID-19 pandemic. The next revenue forecast is scheduled for release on November 30. The state has approximately \$3 billion in the Budget Stabilization Account, referred to as the "Rainy Day Fund". Legislators are discussing various proposals that would increase revenues to help address the revenue shortfall. Some of these proposals include a capital gains tax, a statewide payroll tax and increasing liquor and marijuana taxes.

Capital Budget: The state capital budget funds bricks and mortar construction projects except for transportation projects. This is the budget that typically funds community projects requested by the local governments. Forecasts estimate that approximately \$3 billion will be allocated to construction projects throughout the state, which is slightly below existing budget. Legislators are indicating that they intend to fund projects in the capital budget that are focused on economic recovery.

Transportation Budget: In 2015, the legislature adopted “Connecting Washington”, a 16-year statewide transportation revenue package. In recent years, the legislature has focused on implementing this 16-year plan; however, there is not enough revenue to fund the projects that are part of the Connecting Washington plan. Since the package was enacted, the Washington State Supreme Court issued a decision directing the Washington State Department of Transportation(WSDOT) to replace all state-owned fish culverts that are blocking fish passage. This is a billion-dollar endeavor at a time when the state has lost significant revenue due to the severe impacts of the COVID-19 pandemic.

Another issue impacting the transportation budget is the decision last month by the State Supreme Court that overturned Initiative 976—referred to as the \$30 car tab initiative. While this decision means the state will not have to cut the transportation budget as had been anticipated if the initiative had been validated by the courts. However, even with the impact of the initiative eliminated, there is a significant estimated shortfall in the transportation budget.

To address the shortfall, the House and Senate Transportation Committee Chairs are developing a new statewide transportation revenue package. It is unclear whether this effort will result in the legislature approving a revenue package in the 2021 session. However, the work done to develop a proposed revenue package in 2021 will create the framework of a plan for consideration in 2022. If a revenue package is not approved, projects scheduled to receive funding in Connecting Washington may be at risk of being delayed. This is an important issue for the City of Bellevue. The Connection Washington revenue package included projects to continue progress on the I-405 Master Plan that are essential to relieving congestion on this critical corridor.

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