

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**Executive Summary**

- 2021 Legislative Session: The legislative success of the City would not have been possible without an active and supportive legislative delegation. We encourage you to express great thanks to the 41st and 48th Legislative Delegation: Senator Lisa Wellman, Senator Patty Kuderer, Representative My-Linh Thai, Representative Tana Senn, Representative Vandana Slatter, and Representative Amy Walen.
- Budget Investments in Bellevue: The City received the \$2 million requested in the Final 2021-2023 Capital Budget for Eastgate Supportive Housing and Services. Additional investments in Bellevue include:
 - Building for the Arts Grant - Bellevue Arts Museum: \$243,000
 - Bellevue High School – Automotive Dynamometer Install: \$277,000
 - Youth Recreational Facilities – Bellevue Boys and Girls Club: \$156,000
 - Washington Wildlife Recreation Grant – Lake Sammamish Property Acquisition: \$1.85 million
 - Bellevue College Center for Transdisciplinary Learning and Innovation: \$39.9 million
 - International Community Health Services (Dental): \$106,000
- Transportation – North End Improvements I-405: Representative Davina Duerr and Representative Vandana Slatter led the effort to identify a solution to complete projects along I-405 on-schedule despite a significant decline in toll revenue collections through the pandemic. The Legislature allocated \$33 million in federal funds to backfill the decline in toll revenues and directed the Washington State Department of Transportation (WSDOT) to explore solutions over the interim. WSDOT's I-405/SR 167 Executive Advisory Group will be meeting throughout the interim to identify potential solutions. It's likely that additional action will need to occur in the 2022 Legislative Session.

- *Transportation – Revenue Package:* The City encouraged the Legislature to adopt a transportation revenue package and requested that any revenue package adopted allocate funds to six projects in Bellevue. While there was a great deal of discussion, the Legislature failed to adopt a transportation revenue package. Three of the City’s requested projects were proposed to receive funds in the various package proposals discussed. The City is well positioned to receive funding should a package pass the legislature later this year if a special session is convened or in the following sessions.
- *2021 Redistricting and Local Redistricting Deadlines:* Redistricting occurs every 10 years and is the process of adjusting the boundary lines of each legislative district to ensure that an equal number of people are in each district. The Redistricting Commission will meet throughout 2021 with recommendations due to the legislature in early 2022.

Other Upcoming Events:

- Legislature meets for pre-session committee days: September and December 2021
- Potential Special Session for Transportation Revenue Package: Fall 2021
- Governor’s proposed supplemental budgets: December 2021
- Regular Legislative Session: January 10, 2022

OVERVIEW OF THE 2021 LEGISLATIVE SESSION

The 2021 Legislature convened for a 105-day session that was conducted almost entirely virtually. Due to the virtual format, legislators were encouraged to limit the number of bills introduced. Legislators considered 1,075 bills this session and approved 334. By comparison, this is about half as many bills introduced, and about 100 fewer to get approved, than would occur in an average year.

As the first year of the two-year legislative biennium, the Legislature was tasked with developing biennial operating, capital, and transportation budgets. This task became even more monumental when the federal government approved the American Rescue Plan Act, providing the state with \$4.25 billion in federal assistance that must be spent by December 31, 2024.

As the majority party, Democrats set the policy agenda for the 2021 session, indicating that they were focused on four main areas: 1) respond to the COVID-19 pandemic; 2) address economic recovery; 3) address racial equity; and 4) address climate change. Significant legislation passed in all four areas. Significant policy changes included approving a capital gains tax, a working family tax credit, a low carbon fuel standard, a cap-and-trade system, a slate of a dozen police reform bills, a new approach to prosecuting and treating controlled substance addiction, modification of the “three strikes you’re out” sentencing policy, and a new 9-8-8 mental health system.

2021- 2023 Operating Budget: The state’s operating budget funds all state agency operations, including K-12, higher education, human service programs, and more. Leading up to the beginning of

the legislative session, there were concerns that the operating budget would face a significant revenue shortfall. However, the March economic revenue forecast reflected a rebound from the pandemic. This, combined with revenue from the federal government, provided the state with revenue to have one of the largest increases in state budgeting in recent history. The 2021-23 operating budget appropriates \$59.2 billion – a \$3.2 billion increase over last biennium. The budget also assumes \$415 million in capital gains revenue (Senate Bill 5096). \$1 billion in federal funds are transferred to the Washington Rescue Plan Transition Account to be later appropriated to respond to COVID-19 impacts, and \$1.8 billion is transferred from the Budget Stabilization Account to the state general fund. The four-year budget outlook projects that the state will end the 2023-2025 biennium with over \$1 billion in reserves.

2021-2023 Capital Budget: The biennial capital budget funds bricks and mortar construction, excluding transportation. The Legislature allocated \$6.3 billion for the 2021-23 biennial capital budget, in which \$3.9 billion is from general obligation funds, making it the largest capital budget in recent history. The remaining \$2.4 billion consists of \$589 million in federal stimulus funds, \$275 million in Model Toxics Control Accounts, \$255 million in alternative financing, and \$1.2 billion in other funds. Due to the passage of the federal American Rescue Plan Act, the budget appropriates \$189 million from the Coronavirus Capital Projects Fund for projects that support work, education, and health monitoring, including remote options in response to the pandemic. Additionally, \$400 million is allocated to the Coronavirus State Fiscal Recovery Fund to make necessary investments in water, sewer, and broadband infrastructure.

2021-2023 Transportation Budget: Transportation revenues were hit hardest throughout the COVID-19 pandemic and have been slow to rebound. Prior to the beginning of the legislative session, the Washington State Supreme Court overturned I-976, which would have limited car tabs to \$30. This meant that the state could budget car tab revenues that it had otherwise not planned to receive. Even with this additional revenue, a revenue shortfall remained due to the impacts of the pandemic and a need to invest significant funding in replacing state-owned culverts. This shortfall combined with significant statewide demand for transportation investments in preservation and maintenance and new projects prompted a great deal of discussion about a transportation revenue package.

During the 2021 legislative session, there was discussion of a “grand bargain” where legislators would approve a transportation revenue package, a low carbon fuel standard, and a cap and invest system. While the Legislature reached agreement on a low carbon fuel standard and cap and invest system, they did not reach agreement on a transportation revenue package.

There were several transportation revenue package proposals released; however, the two with the most momentum came from the House Transportation Committee Chair, Representative Jake Fey (D-Tacoma) who released a framework for the *Miles Ahead* proposal, and the Senate Transportation Committee Chair, Senator Steve Hobbs, who introduced bills proposing the *Forward Washington* plan. The notable differences between these two proposals that prevented an agreement on a single proposal included: 1) how much the gas tax should be increased; 2) whether cap-and-invest revenues should be spent only on projects that reduce carbon in the transportation sector, or all transportation projects; 3) the level of investment in preservation and maintenance.

Without a revenue package, the Legislature adopted a 2021-23 Transportation Budget that used federal funds to continue projects that have already been allocated funds and to fund the replacement of state-owned culverts. The total 2021-23 Transportation Budget was \$11.7 billion, with \$1.126 billion allocated to fish barrier correction using a watershed approach.

Notably, the two bills authorizing a low carbon fuel standard and the cap-and-invest systems included language delaying the effective date of enforcing compliance with the programs until the Legislature enacts a state gas tax increase of at least five cents. These provisions were included to provide motivation for legislators to reach an agreement on a transportation revenue package in a special session, or in the 2022 session. Governor Inslee vetoed these provisions. This makes the prospects of a future transportation revenue package uncertain. That said, since the veto, legislators have been indicating that they still intend to continue discussions of a transportation revenue package.

BELLEVUE LEGISLATIVE PRIORITIES

Transportation: Bellevue has identified the need for transportation investments as a top priority for the City. In addition to the state honoring its commitment for past projects, Bellevue encouraged the state to adopt a transportation revenue package to fund new projects and maintenance and preservation of state and local systems.

I-405 North End Improvements: Over the course of the 2021 Legislative Session, a top discussion item was the decline of transportation revenues experienced through the pandemic, including and especially toll revenues. As a result of a decline in revenues, bonds relying on toll revenues could not be issued, and improvements on the north-end of I-405, which were scheduled to start construction this year, were delayed in the Governor's proposed budget.

Furthermore, [Senate Bill 5232](#) was introduced, which as originally drafted would have removed the authority for the state to bond toll revenues on the I-405/SR 167 Corridor. Due to strong stakeholder opposition, this bill did not advance.

The 2021-2023 Transportation Budget continues to invest in I-405 improvements; however, it ultimately aligns with the Governor's proposal to delay the completion of I-405 North End Improvements to 2027, rather than 2025. The Legislature provides some backfill funding and directs some work over the legislative interim that may lead to a timely completion of the project:

- \$33 million in federal funds were allocated to backfill the I-405 and SR 167 Toll Account – this backfill of funding does not allow toll revenues to be bonded but may help ensure that the project continues to proceed forward.
- Proviso language states that the department may construct the project earlier than is scheduled if additional funding is identified and submitted through the existing unanticipated receipts process by September 1;
- Proviso language that directs:

- WSDOT and the state treasurer to pursue alternatives to toll revenue funding including but not limited to federal loan and grant programs;
- WSDOT to explore phasing and modifying the project to attempt to align project completion with the anticipated deployment of bus rapid transit on the corridor in the 2023-25 biennium;
- WSDOT to report back to the transportation committees of the Legislature on this work by September 15;
- Proviso language is included that says WSDOT shall submit a plan to the Legislature for the I-405 and SR 167 express toll lanes account detailing how bond proceeds can cover the proposed construction plan on the I-405 and SR 167 express toll lane corridor by 2027. The plan is due January 1, 2022.

All the proviso language above is subject to approval by the Governor's Office within the next 20 days. A great deal of work needs to occur over the legislative interim on this project.

New Investments: The City of Bellevue, jointly with the Bellevue Chamber of Commerce, prioritized six projects that will continue to support the growth of the region. The six priority projects include:

- SR 520/124th Ave NE Interchange
- I-405 Access to Downtown Bellevue
- Mountains to Sound Greenway Trail
- Eastrail
- I-405/SR 520 Interchange Improvements
- I-405/I-90 Interchange Improvements

As described in above, there were two primary transportation revenue package proposals introduced for discussion: the *Miles Ahead* proposal in the House; and the *Forward Washington* proposal in the Senate. Both of the proposals included the following funding for Bellevue projects:

- \$175 million for SR 520/124th Avenue NE interchange (requested \$175 million)
- \$18 million for Eastrail (requested \$18 million)
- \$6.9 million for Mountains to Sound Greenway Trail (requested \$6.9 million)

While the Legislature did not reach an agreement on a transportation revenue package during the 2021 Legislative Session, it is anticipated that the legislature will continue to work on a transportation revenue package with potential action either in a special session or during the 2022 Legislative Session. Given this, the City is well-positioned to receive funding if/when a state transportation revenue package is adopted.

Capital Budget Investments: The City requested \$2 million for the *Eastgate Supportive Housing and Services Project* which is in partnership with the Low Income Housing Institute (LIHI) for the acquisition of an existing 101-unit hotel to be used as a single room model shelter to house individuals and families

in the near term, with conversion to permanent supportive housing. Due to strong legislative leadership and city advocacy efforts, this project was appropriated \$2 million in the final 2021-2023 Capital Budget.

Additional Capital Budget Investments in Bellevue: The 2021-23 Capital Budget also allocated funding to the following projects in the Bellevue community:

- \$2 million for Eastgate Supportive Housing and Services
- \$243,000 for Building for the Arts Grant - Bellevue Arts Museum
- \$277,000 for Bellevue High School – Automotive Dynamometer Install
- \$156,000 for Youth Recreational Facilities – Bellevue Boys and Girls Club
- \$1.85 million for Washington Wildlife Recreation Grant – Lake Sammamish Property Acquisition
- 39.9 million for Bellevue College Center for Transdisciplinary Learning and Innovation: \$39.9 million
- \$106,000 for International Community Health Services (Dental)

Fish Barrier Removal: The 2021 Legislature made significant investments in fish barrier removal, appropriating \$1.1 billion using a watershed approach which should support removal of state, but also local culverts. Additionally, \$26.8 million was appropriated to the Fish Barrier Removal Board to continue to identify projects and \$400,000 was provided to the Department of Fish and Wildlife to contract with the Association of Washington Cities (AWC) to inventory and assess city owned culverts.

Social and Criminal Justice: The following are notable budget appropriations and bills that passed the legislature pertaining to social and criminal justice:

Notable Budget Appropriations:

Funding to Cities for Implementation: Cities are allocated \$20 million on a one-time basis, distributed based on population for costs to cities related to police reform bills passed in 2020-21. Cities will be allocated \$4 per person so Bellevue will receive approximately \$600,000.

Basic Law Enforcement Academy (BLEA) Funding: BLEA is Washington's mandated training academy for all city and county entry-level peace officers in the state. Currently, BLEA has enough funding to provide 10 classes per year, serving 300 students. \$3 million is appropriated to the Criminal Justice Training Commission (CJCT) for five additional BLEA classes in 2022 and 2023. A total of 15 classes per year will be held which will provide training to an additional 150 students annually.

Notable Bills:

Office of Independent Investigations: [House Bill 1267](#) establishes the Office of Independent Investigations within the Office of the Governor for conducting fair and competent investigations of police use of force incidents. The Office has jurisdiction to investigate any incident involving a use of deadly force by an involved officer occurring after July 1, 2022, including any incident involving use of deadly force by an involved officer against or upon a person who is in-custody or out-of-custody. The

Office may investigate prior incidents if new evidence is brought forth that was not included in the initial investigation. An involved law enforcement agency must notify the Office immediately upon rendering the scene safe and providing aid to those with life-threatening injuries of any incident involving a use of deadly force resulting in death, substantial bodily harm, or great bodily harm. The Office may investigate any incident it selects for investigation and must complete its investigation within 120 days. An 11-member Advisory Board will oversee the Office. \$22.1 million is included in the budget to implement the bill. The final bill can be found [here](#) and a summary can be found [here](#).

Audits of Use of Force Investigations: [House Bill 1089](#), sponsored by Representative Bill Ramos (D-Issaquah), will establish compliance audits of law enforcement agencies through the State Auditor's Office (SAO). The SAO is required to conduct a process compliance audit of any completed deadly force investigation to determine whether the involved law enforcement agency, investigative body, and prosecutor's office acted in compliance with specific statutory and administrative rules for conducting deadly force investigations. Upon the request of the Commission, the SAO may audit any law enforcement agency to ensure the agency is in compliance with all rules and procedures governing the training and certification of the agency's peace officers. A copy of the audit must be sent to the Commission, law enforcement agency, city or county council, county prosecutor, and relevant committees of the Legislature. Law enforcement agencies do not pay any costs or fees for either type of audit. The final bill can be found [here](#) and a summary can be found [here](#).

Impeachment Disclosures: [House Bill 1088](#), sponsored by Representative John Lovick (D-Mill Creek), updates policies and procedures for addressing potential impeachment disclosures in law enforcement pursuant to *Brady v. Maryland*. Each county prosecutor must develop and adopt written protocols to address potential impeachment disclosures. The CJTC must provide online training for potential impeachment disclosures. Law enforcement agencies shall report to prosecuting authorities within 10 days of discovery, any act that could potentially be exculpatory to a criminal defendant. Prior to hiring an officer, an agency must inquire whether the office has previous impeachment disclosures (prosecuting authorities have 10 days to response to a request from any agency regarding hiring an officer). Additionally, it establishes limited immunity from civil liability for a public agency, official, or employee who shares impeachment information about an officer with a prosecuting authority, the officer's employer, or potential employer. The final version of the bill can be found [here](#) and a summary can be found [here](#). The budget allocates \$62,000 to the CJTC to implement the bill.

Data Collection: [Senate Bill 5259](#), sponsored by Senator T'wina Nobles (D-Fircrest), directs the Office of Attorney General to establish an advisory group to assist with the design, development, and implementation of a statewide use of force data program. The Advisory Group should submit recommendation by April 1, 2022. In the meantime, law enforcement agencies are required to report on a delineated list of use of force instances. The 2021-23 Operating Budget allocates \$5.8 million to implement the bill. The final bill can be found [here](#) and a summary can be found [here](#).

Law Enforcement Recruitment: [House Bill 1001](#), sponsored by Representative Jacquelin Maycumber (R-Republic), will create a law enforcement professional development outreach grant program through the CJTC to encourage a broader diversity of candidates from underrepresented groups and

communities to see careers in law enforcement. Law enforcement agencies are eligible to compete for funds no later than December 1; no single grant may exceed \$60,000. There must be one grant recipient from each side of the state. CJTC is required to produce a report by December 1, 2022 on the grant recipients, use of funds, and potential impact on recruitment. The final 2021-23 Operating Budget (p.235) allocates \$530,000 to CJTC for this grant program (\$269,000 in 2022, and \$261,000 in 2023). The final bill can be found [here](#), and a summary can be found [here](#).

Arbiter Selection: [Senate Bill 5055](#), sponsored by Senator Joe Nguyen (D-Seattle), establishes an arbiter selection procedure for grievance arbitrations involving law enforcement personnel regarding disciplinary actions, discharges, and terminations on or after January 1, 2022. The Public Employment Relations Commission (PERC) will manage a roster of 9-18 specialized law enforcement grievance arbitrators with training in resolving police discipline disputes. PERC's executive director assigns an arbiter, or a panel of arbiters, to grievance arbitrations in alphabetical order on a rotating basis. The parties to the arbitration may not participate in, negotiate for, or agree to the selection of a particular arbiter. PERC is required to publish the final decisions on its website. The final bill can be found [here](#), and a summary can be found [here](#).

Reforming the "Felony Bar" Statute: [Senate Bill 5263](#), sponsored by Senator David Frockt (D-Seattle), amends the "felony bar" statute that bans a person who sustains injury or death while committing a felony from being able to bring a civil action. The bill states that in actions arising out of law enforcement activities resulting in personal injury or death, the law enforcement officer has a complete defense to the action if a finder of fact (a jury rather than a judge) determines beyond a reasonable doubt that the person injured or killed was engaged in the commission of a felony at the time of the occurrence causing the injury or death, the commission of which was a proximate cause of the injury or death. If this defense is brought forward, it cannot be done on summary judgment. However, this defense does not affect the right to bring a lawsuit under the federal Civil Rights Act of 1983. The final bill can be found [here](#), and a summary can be found [here](#).

Changes in Police Tactics: [House Bill 1054](#), sponsored by Representative Jesse Johnson (D- Federal Way) makes changes to the various police tactics that peace officers may utilize. The final bill can be found [here](#) and a summary can be found [here](#).

Neck Restraints and Chokeholds: A peace officer may not use a chokehold or neck restraint on another person.

Military Equipment and Military Surplus Program: A law enforcement agency may not acquire or use any military equipment, including firearms and ammunition of .50 caliber or greater, machine guns, armed helicopters, armed or armored drones, armed vessels, armed vehicles, armed aircraft, tanks, long range acoustic hailing devices, rockets, rocket launchers, bayonets, explosive grenades, incendiary grenades, missiles, directed energy systems, and electromagnetic spectrum weapons. Each law enforcement agency must compile an inventory of military equipment possessed by the agency, including the proposed use of the equipment, estimated number of times the equipment has been used in the prior year, and whether such use is necessary for the operating

and safety of the agency or some other public safety purpose. The agency must provide the inventory to the Washington Association of Sheriffs and Police Chiefs by November 1. The Washington Association of Sheriffs and Police Chiefs must summarize the inventory information from each law enforcement agency and provide a report to the Governor and the Legislature by December 31. Any law enforcement agency in possession of military equipment must return the equipment to the federal agency from which it was acquired, if applicable, or destroy the equipment by December 31, 2022. However, the restrictions on military equipment do not prohibit a law enforcement agency from participating in a federal military equipment surplus program, provided that any equipment acquired through the program does not constitute military equipment.

Tear gas: A law enforcement agency may not use or authorize its peace officers or other employees to use tear gas unless necessary to alleviate a present risk of serious harm posed by a riot, barricaded subject, or hostage situation. Prior to deploying tear gas, the officer or employee must: exhaust alternatives to the use of tear gas that are available and appropriate under the circumstances; obtain authorization to use tear gas from a supervising officer; announce the intent to use tear gas; and allow sufficient time and space for the subject or subjects to comply. In addition, if the riot is occurring outside of a correctional, jail, or detention facility, the officer or employee may use tear gas only after receiving authorization from the highest elected official in the jurisdiction.

Vehicular Pursuits: A peace officer may not engage in a vehicular pursuit, unless: there is probable cause to believe that a person in the vehicle has committed or is committing a violent offense, sex offense or an escape offense, or there is reasonable suspicion that a person in the vehicle has committed or is committing a driving under the influence offense; the pursuit is necessary for the purpose of identifying or apprehending the person; and the person poses an imminent threat to the safety of others and the safety risks of failing to apprehend or identify the person are considered to be greater than the safety risks associated with the vehicular pursuit under the circumstances. An officer must receive authorization to engage in any vehicular pursuit from a supervising officer.

Firing upon Vehicles: A peace officer may not fire a weapon upon a moving vehicle unless necessary to protect against an imminent threat of serious physical harm resulting from the operator's or a passenger's use of a deadly weapon.

No-Knock Warrants: An officer may not seek, and a court may not issue, a search or arrest warrant granting an express exception to the "knock and announce" rule.

Identification: Law enforcement agencies must adopt policies and procedures to ensure that uniformed peace officers while on duty and in the performance of their official duties are reasonably identifiable.

Canine Teams: The CJTC must convene a work group to develop a model policy for the training and use of canine teams. The CJTC must publish the model policy on its website by January 1,

2022.

Civil Use of Force Standard: [House Bill 1310](#), sponsored by Representative Jesse Johnson (D–Federal Way), establishes civil standards for use of force by a peace officer. When using physical force, peace officers must use the least amount of physical force necessary and use the least amount of force possible to affect a lawful purpose. Additionally, it requires the attorney general to develop model policies on law enforcement's use of force and de-escalation tactics and requires individual law enforcement agencies to adopt policies consistent with the model policies. The final bill can be found [here](#) and a summary can be found [here](#). The budget allocates \$605,000 to develop a use of force model policy as described in the bill.

Duty to Intervene: [Senate Bill 5066](#), sponsored by Senator Manka Dhingra (D-Redmond), creates a duty for all peace officers to intervene if another officer is engaging in excessive use of force against another person. The CJCT is the primary entity responsible for developing model policy on duty to intervene. The bill also contains provisions to prohibit retaliation. The final bill can be found [here](#) and a summary can be found [here](#). \$920,000 in the budget is appropriated to the CJTC to implement the bill.

Decertification of Officers for Misconduct: [Senate Bill 5051](#), sponsored by Senator Jamie Pederson (D-Seattle), expands background investigations for of law enforcement applicants and creates a new process to decertify peace and corrections officers through the CJTC. Notable provisions include: requiring employing agencies to complete—rather than only conduct—an investigation when there is an indication that an officer was laid off pending a disciplinary investigation or resigned or retired in anticipation of discipline that would likely lead to suspension or discharge; requires the CJTC, in collaboration with interested parties, to develop a set of policies, procedures, and rules by June 30, 2022, to ensure that the goals of the act are fully implemented, and to provide clarity as to how the CJTC will process complaints, investigations, and hearings, and impose sanctions; and modifies background check requirements to include a review of social media accounts and membership in extremist organizations as defined by the CJTC. The final bill can be found [here](#) and a summary can be found [here](#).

Affordable Housing, Homelessness and Human Services: The following are notable budget appropriations and bills that passed the legislature pertaining to affordable housing, preventing homelessness, and human services:

Notable Budget Appropriations:

- \$1 billion for rental and utility assistance, including funding generated by House Bill 1277 (more information is included below)
- \$187 million for foreclosure prevention assistance (to implement House Bill 1108, more information is included below)
- \$130.7 million for the Housing Essential Needs program
- \$58 million for grants to support the operations and maintenance of permanent supportive housing
- \$35 million for grants to local governments to increase shelter capacity

- \$31.3 million in eviction prevention services to implement Senate Bill 5160 (more information is included below)
- \$23 million to expand the HOME Investment Partnership Program to house homeless or those at-risk of becoming homeless
- \$15 million to support unhoused youth and young adults
- \$10 million for housing needs of those with intellectual and developmental disabilities
- \$7.5 million for consolidated homeless grant program
- \$6 million for grants to local government for costs in providing emergency non-congregate sheltering through September 2021
- \$6 million for homeless families and youth services
- \$4 million for community beds, permanent and temporary, for those with mental illness
- \$2 million for transitional housing pilot for homeless youth
- \$175 million allocated to the Housing Trust Fund
 - \$20 million for competitive preservation grants or loans
 - \$10 million for community housing and cottage communities for shelters
 - \$5 million for housing for those with developmental disabilities
 - \$15 million for specified projects
- \$10.9 million for contaminated property redevelopment grants for affordable housing
- \$93.8 million for rapid housing acquisition grants to purchase or rent real property for shelters, permanent supportive housing, or low-income housing
- \$25.7 million for rapid capital housing and homelessness projects
- \$42 million in utility improvement or connection grants to local government and PUDs to new affordable housing projects

Notable Bills:

Local Tax Revenues Authorized to be Spent on Acquisition: [House Bill 1070](#), sponsored by Representative Cindy Ryu (D-Shoreline), modifies legislation passed during the 2020 Legislative Session ([House Bill 1590](#)) that authorized a county or city, by councilmanic action, to impose a local sales and use tax for affordable housing. Under this bill, the portion of the funds raised from HB 1590 dedicated to housing can be used for the acquisition of affordable housing, facilities providing housing-related services, behavioral health-related facilities, or land for these purposes. Affordable housing includes emergency, transitional, and supportive housing. Prior to acquiring a facility, a county must consult with the city in which the facility is located. A county must provide an opportunity for 15 percent of the units in an acquired facility to be provided to individuals living in or near the city in which the facility is located or otherwise have ties to that community. Such prioritization must not jeopardize the United States Department of Housing and Urban Development funding for the Continuum of Care Program. King County state-shared lodging tax revenues may be used for housing or facilities for homeless youth. Additionally, the definition for affordable workforce housing is modified to include housing for a single person, family, or unrelated persons living together whose income is at or below 80 percent of the median income, adjusted for household size, for the county where the housing is located. The bill became effective on April 14 when the Governor signed the bill into law. The final bill can be found [here](#) and a summary can be found [here](#).

Foreclosure Support: [House Bill 1108](#), sponsored by Representative Tina Orwall (D-Des Moines), will provide additional funding to the Foreclosure Fairness Program to provide mediation services to those homeowners facing foreclosure. The 2021-23 Operating Budget allocates \$187 million to the program. Additionally, this bill expands eligibility for the program by removing the requirement that residential real property of up to four units be owner-occupied for purposes of the program. The final bill can be found [here](#) and a summary can be found [here](#).

Tenant Protections and Landlord Assistance: [Senate Bill 5160](#), sponsored by Senator Patty Kuderer (D-Bellevue), establishes a plan, including mediation, for when the eviction moratoria ends. On March 18, 2020, Governor Inslee issued Proclamation 20-19 to prohibit a number of activities related to evictions by all residential landlords operating residential rental property in the state. Since then, the Governor has issued multiple extensions of the eviction moratorium with the current variation, Proclamation 20-19.6, set to expire June 30. The bill requires landlords to offer a repayment plan to tenants six months following the end of the moratoria, and payments may not be more than 1/3 of the tenant's monthly rent; allows landlords to claim up to \$15,000 in reimbursement from the Landlord Mitigation Program for unpaid rent if a tenant defaults on a repayment plan; dispute resolution centers are authorized to establish a two-year, statewide eviction resolution program. A landlord may be liable for violations of the tenant protections up to 2.5 times the monthly rent. At the request of legislative leadership, Governor Inslee vetoed sections 12 and 13 of the bill, which directed the Department of Commerce to provide financial relief to landlords through various grant programs. The reasoning for the removal of previous funding requirements within the bill were due to insufficient funding within the final operating budget and duplicative grant opportunities provided within House Bill 1368, which stemmed from federal funding and went into effect on February 19. The partially vetoed bill was signed on April 22 and went into effect on the same day. The final bill can be found [here](#) and a summary can be found [here](#).

Eviction Prevention Assistance: [House Bill 1277](#), sponsored by Representative Timm Ormsby (D-Spokane), increases the document recording fee by \$100. The funds collected must be fully remitted to the state to be distributed as follows: 20 percent of funds must be deposited into the Affordable Housing for All Account for the operations, maintenance, and service costs for permanent supportive housing. From July 1, 2021, through June 30, 2023, 4 percent of funds must be deposited into the Landlord Mitigation Program Account (LMPA). After June 30, 2023, 2 percent of funds must be deposited into the LMPA. The remainder of funds must be distributed to the Home Security Fund Account, with 60 percent of the funds to be used for project-based voucher for nonprofit housing providers or public housing authorities, housing services, rapid rehousing, emergency housing, or acquisition. Priority for use must be given to project-based vouchers and related services, housing acquisition, or emergency housing for individuals who are chronically homeless, including families with children, and at least 50 percent of clients served must be living unsheltered at the time of initial engagement. In addition, funds may be used for the Eviction Prevention Rental Assistance Program (EPRAP), foreclosure prevention services, rental assistance for people experiencing homelessness, and tenant education and legal assistance. The final bill can be found [here](#) and a summary can be found [here](#).

Climate and the Environment: The following are notable budget appropriations and bills that passed the legislature pertaining to climate and the environment:

Low Carbon Fuel Standard: [House Bill 1091](#), sponsored by Representative Joe Fitzgibbon (D-Buren), will enact a statewide low carbon fuel standard that aims to decrease the carbon intensity of transportation related fuels by 20 percent below 2017 levels by 2038. Traditional fuel producers will need to either decrease the carbon intensity of their fuels or purchase clean fuel credits which may increase the cost of gasoline. Clean Fuel producers will generate credits that can be monetized to further support decarbonization efforts such as electric vehicle infrastructure like public and fleet charging. The final bill can be found [here](#) and a summary can be found [here](#). The Governor [vetoed](#) provisions of the bill linking the implementation of the low carbon fuel standard to the development of a transportation revenue package. This controversial veto is likely to be challenged legally.

Cap-and-Invest: [Senate Bill 5126](#), sponsored by Senator Reuven Carlyle (D-Seattle), establishes a cap-and-invest program in Washington state which places an economy wide charge on carbon emissions in an effort to reduce carbon over time. Those who are regulated entities either need to reduce carbon emissions or pay a fee. Unlike a Low Carbon Fuel Standard, this policy raises direct revenue for projects in the state's transportation budget (that must be tied to decarbonization). Examples of projects that could be funded from this pot of money include electric ferries, transit, and various multimodal projects. The Governor [vetoed](#) provisions of the bill linking the implementation of the low carbon fuel standard to the development of a transportation revenue package. This controversial veto is likely to be challenged legally. The final bill can be found [here](#) and a summary can be found [here](#).

Phase-out of Hydrofluorocarbons (HFCs): [House Bill 1050](#), sponsored by Representative Joe Fitzgibbon (D-West Seattle), authorizes the Department of Ecology to strengthen standards to phase out hydrofluorocarbons (HFCs), which are industrial chemicals primarily used for cooling and refrigeration. Ecology is tasked with providing recommendations to the Legislature by December 1, regarding the design of the program and to address end-of-life management and disposal of refrigerants. The final bill can be found [here](#), and a summary can be found [here](#).

Electric Vehicle Forecasting: [House Bill 1287](#), sponsored by Representative Alex Ramel (D - Bellingham), will require the Department of Transportation to develop and maintain a publicly available mapping and forecasting tool to support electric vehicle adoption and requires the state building code council to adopt rules to require electric vehicle charging capability in certain, new, residential buildings. Notably, the bill also contains provisions that tie electric vehicle goals to a road usage charge. The Governor [vetoed](#) provisions of the bill that would require that all publicly and privately owned passenger vehicles of a model year 2030 or later that are sold, purchased, or registered in Washington be electric if 75 percent of the registered vehicles in the state are participating in a road usage charge. The final bill can be found [here](#), and a summary can be found [here](#).

Environmental Justice Task Force Recommendations: [Senate Bill 5141](#), sponsored by Senator Rebecca Saldaña (D- Seattle), implements several of the state's Environmental Justice Task Force's

recommendations including codifying the definition of environmental justice and requiring state agencies to incorporate environmental justice principles when implementing policies and programs. The final bill can be found [here](#) and a summary can be found [here](#).

Minimum Recycled Content and Expanded Polystyrene Ban: [Senate Bill 5022](#), sponsored by Senator Mona Das (D-Kent), will establish a minimum recycled content for certain plastic containers (beverage, household cleaning, and personal care products) and plastic trash bags, bans certain expanded polystyrene products, and requires certain foodservice items (utensils, straws, condiments, and beverage cup lids) to be made available only by request. The final bill can be found [here](#) and a summary can be found [here](#).

Preserve Fiscal Sustainability and Local Control: The following are notable budget appropriations and bills that passed the legislature pertaining to fiscal sustainability and local control:

Notable Budget Appropriations:

State-shared Revenues: All traditional state-shared revenue accounts were funded (liquor profits, liquor taxes, cannabis revenue, municipal criminal justice assistance, city-county assistance, fire insurance premium tax, etc.). Additionally, there was an increase in state-shared revenues in two accounts:

- Cannabis revenue sharing was increased by \$10 million, bringing the amount cities and counties share up to \$40 million. This additional \$10 million will be distributed by the same criteria as existing revenues.
- New city assistance funds of \$20 million are appropriated to be distributed on a per capita basis to cover the costs of police reform legislation.

Notable Bills:

Fiscal Flexibility: [House Bill 1069](#), sponsored by Representative Gerry Pollet (D-Seattle), provides cities with the option to temporarily have more flexibility in the use of existing revenues. This bill allows criminal justice sales tax dollars to be used toward reducing homelessness or improving behavioral health; allows REET 2 to be used toward the provision of services to residents of affordable housing or shelters, allows up to \$100,000 or 35 percent of REET 2 funds to be used for operations and maintenance of existing capital projects; removes supplanting limitations on voter-approved levies that are adopted in 2019; provides flexibility for use of lien authority for collection on city-owned utilities, and allows mental health and chemical dependency sales tax revenues collected by cities to be spent on minor improvements to protect health and safety. Most of these provisions will end on December 31, 2023. The final bill can be found [here](#) and a summary can be found [here](#). The Governor [vetoed](#) a section that was requested by Department of Revenue clarifying how lodging taxes are applied to vacation rentals because the same statute was amended in another bill.

One Percent Property Tax Cap: The City has long supported efforts lifting the 1% cap on property tax increases and other actions to create a sustainable fiscal structure for cities. While legislation ([House Bill 1362](#)), was introduced by Representative Davina Duerr (D-Bothell), the bill had a hearing in the House Finance Committee and did not otherwise advance.

Capital Gains Tax: Similarly, the state has explored more sustainable revenue streams. This session, the Legislature enacted [Senate Bill 5096](#), sponsored by Senator June Robinson (D-Everett), which establishes a 7 percent tax on capital gains that exceed \$250,000 in a given year (earnings from retirement accounts and home sales will be exempt). Under the legislation, \$350 million per year of capital gains tax revenue will be reserved for investments in early education programs, and the remainder of the revenue, an estimated \$200 million, will go into a new taxpayer relief fund. The bill contains language that prevents a referendum on the bill. It will likely be challenged and determined by the court whether it is constitutional. The final bill can be found [here](#) and a summary can be found [here](#).

Working Families Tax Credit: In an effort to create a more equitable tax system, the Legislature also enacted the Working Families Tax Credit. [House Bill 1297](#) sponsored by Representative My-Linh Thai (D-Bellevue) will implement the Working Families Tax Credit which was established several years ago but never funded. The Department of Revenue will administer the program, which is set to begin in 2023, and will provide a cash benefits to approximately 400,000 Washington residents. The amount will be based on household and income level and ranges from a onetime amount of \$300-\$1200. The final bill can be found [here](#) and a summary can be found [here](#).

Regulation of Number of Unrelated Persons per Home: [Senate Bill 5235](#), sponsored by Senator Marko Liias (D-Lynnwood), will change cities' authority to limit the number of unrelated persons living in a home. Cities may now only limit the number of unrelated persons living in a home based on occupant load per square foot and health and safety provisions established by building code or city ordinances. Many cities, including Bellevue, will need to update local codes to comply with this section of the bill.

The Governor [vetoed](#) sections of the bill that would have limited cities' ability to impose an owner-occupancy requirement on any housing or dwelling unit on a lot containing an accessory dwelling unit (ADU). As the bill passed the Legislature, cities will only be able to require that a dwelling on the property be owner-occupied if 1) the ADU is used as a short-term rental; 2) for one year after an ADU is constructed; 3) if the city adopts an ordinance responding to community feedback requesting an owner-occupancy requirement; and that requirement cannot be the entirety of the city. If a city has an owner-occupancy requirement, they must continue to offer a hardship exemption when the owner no longer occupies the primary residence due to age, illness, financial hardship due to the death of a spouse, domestic partner, or co-owner of the property, disability status, the deployment, activation, mobilization, or temporary duty, as those terms are defined in RCW 26.09.004, of a service member of the armed forces, or other such reason that would make the owner-occupancy requirement an undue hardship on the owner. The Governor vetoed these sections of the bill, finding them problematic to jurisdictions that want to expand the use of accessory dwelling units. The effect of the vetoed sections means there is currently no limitation on owner-occupancy requirements on housing or dwelling units on a lot containing an ADU. Sightline, the Master Builders Association, and AARP requested that these sections be vetoed.

Development Regulations for Shelters and Housing: [House Bill 1220](#), sponsored by Representative Strom Peterson (D-Edmonds), updates the GMA to include planning for and accommodating affordable

housing and also includes language preempting local control on the siting of certain types of housing. The bill also requires jurisdictions to amend the housing element of their comprehensive plans. However, the bill maintains language that states that any new requirements to incorporate any such new or amended elements shall be null and void until funds sufficient to cover applicable local government costs are appropriated and distributed by the state at least two years before local government must update comprehensive plans as required in RCW 36.70A.130. The Legislature did not appropriate funds within the 2021-23 Operating Budget for local governments to perform this work. The Legislature is likely to consider funding this work during the 2022 legislative session as part of its supplemental budget.

The bill also includes language preempting local control on the siting of certain types of housing. Cities must allow transitional housing and permanent supportive housing in any zone where residential units or hotels are allowed. Indoor emergency shelter and emergency housing must be allowed in any zones where hotels are allowed, except in cities that have adopted an ordinance that allows indoor emergency shelter and emergency housing in a majority of zones within a one-mile proximity to transit. Cities retain the authority to require reasonable occupancy, spacing, and intensity of use requirements to protect health and safety. The Governor vetoed sections of the bill that would have encouraged jurisdictions to allow accessory dwelling units both within and outside urban growth areas.

OTHER ITEMS OF INTEREST

Human Resources

Juneteenth Holiday: [House Bill 1016](#), sponsored by Representative Melanie Morgan (D-Tacoma), designates June 19 as a state legal holiday. Under RCW 1.16.050(6), local governments may choose to adopt more or fewer holidays by ordinance. The final bill can be found [here](#) and a summary can be found [here](#).

Paid Family Medical Leave Coverage: [Senate Bill 5097](#), sponsored by Representative June Robinson (D-Everett), expands the definition of “family member” under the Paid Family Medical Leave Act to include any individual who regularly resides in the employee’s home or where the relationship creates an expectation that he employee care for the person, and that individual depends on the employee for care. “Family member” does not include an individual who simply resides in the same house with no expectation that the employee care for the individual. The final bill can be found [here](#) and a summary can be found [here](#).

Paid Family Medical Leave Rights: [House Bill 1087](#), sponsored by Representative Liz Berry (D-Seattle), states that the provisions of the Family Leave Act (the predecessor program to the Paid Family Medical Leave Act), as it existed prior to January 1, 2020, apply to employee and employer conduct on or before December 31, 2019. The provisions of the Paid Family Medical Leave program apply to conduct occurring on or after January 1, 2020. The bill is effective immediately. This closes a loophole that was allowing claims under the Family Leave Act for activities prior to January 1, 2020 to be dismissed. The final bill can be found [here](#) and a summary can be found [here](#).

Long Term Care Act Opt-Out: [House Bill 1323](#), sponsored by Representative Steve Tharinger (D-Dungeness), modifies the Long Term Care Insurance Program which was enacted in 2019. Beginning January 1, 2022, a premium of 0.58 percent will be assessed on the wages of all employees in Washington who have worked at least 500 hours during the year to support assistance benefits for those in need of long-term care. Employed individuals who wish to opt out and acquire private insurance must do so by November 1. This bill changes the date in which self-employed individuals need to opt out to January 1, 2025 or within three years of becoming self-employed. The final bill can be found [here](#) and a summary can be found [here](#).

Health Emergency Labor Standards: [Senate Bill 5115](#), sponsored by Senator Karen Keiser (D-Des Moines), creates a presumption that any infectious or contagious diseases that are transmitted through respiratory droplets, aerosols, or through contact with contaminated surfaces and are the subject of a public health emergency are considered occupational diseases during a public health emergency for the purposes of workers' compensation. The presumption can be rebutted by the agency. Frontline employees include first responders, including law enforcement officers, firefighters, EMS providers, and others. The final bill can be found [here](#) and a summary can be found [here](#).

Impacts to Retirement Benefits: [Senate Bill 5021](#), sponsored by Senator Sam Hunt (D-Olympia) was introduced at the request of the Department of Retirement Services to ensure that public employees' retirement benefits are not impacted by furloughs and other work reductions brought about by the COVID-19 pandemic. During the 2019-2021 and 2021-2023 fiscal biennia, the average final salary and earned service credit for members of PERS, PSERS, SERS, TRS, LEOFF, and WSPRS must include any compensation that was forgone as a result of reduced work hours, mandatory leave without pay, temporary layoffs, furloughs, reductions to the current pay, or other similar measures resulting from the COVID-19 budgetary crisis, if the reduced compensation is an integral part of the employers' expenditure reduction efforts, as certified by the employer. This does not include the elimination of a previously agreed-upon future salary increase. The final bill can be found [here](#) and a summary can be found [here](#).

Mental Health/Chemical Dependency

Notable Budget Provisions:

Moving to Community-Based Behavioral Health: Several years ago, the state made the decision to move to a community-based behavioral health treatment system that integrates related health care services in treating patients. The state continues to fund this approach, making several operating and capital investments:

- \$138.6 million to continue to implement the community-based behavioral health treatment system.
- \$71.4 million for community-based behavioral health services facilities competitive grant program, including:
 - \$11.6 million for six enhanced, long-term placement facilities

- \$10 million for enhanced, long-term placement residential care facilities for adults with dementia
- \$2 million for one withdrawal management and stabilization facility
- \$2 million for one crisis triage and stabilization facility
- \$12 million for two 16-bed crisis triage and stabilization facilities in King county
- \$2 million for two mental health peer respite centers
- \$18 million for developing bed capacity for 90-day or 180-day civil commitments
- \$2.4 million for behavioral grants to address regional needs
- \$9.4 million for three intensive, long-term placement behavioral health treatment centers

Notable Bills:

Response to Blake Decision: [Senate Bill 5476](#), sponsored by Senator Manka Dhingra (D-Redmond), is in response to the Washington State Supreme Court ruling in *Blake*, which asserted that the statute stating that the possession of controlled substances is illegal, is unconstitutional. Senate Bill 5476 re-criminalizes the possession of controlled substances, making it a misdemeanor rather than a felony until July 1, 2023. Notably, misdemeanors are handled through municipal/district court, rather than superior court. It is possible, if not likely, that there will be a shift in costs from superior court to municipal/district court. [Click here](#) to view AWC's summary of this issue.

For such violations, law enforcement officers can confiscate the controlled substances but must offer a referral to available assessment and services in lieu of jail booking and referral to the prosecutor. If law enforcement records indicate that a person has previously been diverted to referral for assessment and services at least twice, the officer may then arrest. Prosecutors are not precluded from exercising discretion to divert or decline to file charges when referred drug possession cases, and are encouraged to divert such cases for assessment, treatment, or other services. Unlike previous drafts, there are no provisions that contain legalized personal use amounts, nor a reduction from a misdemeanor to a civil infraction at a later date.

The Washington State Health Care Authority (HCA) is charged with establishing a recovery services advisory committee to create a substance use recovery services plan. The purpose of the plan is to implement measures to assist those with a substance use disorder in accessing outreach, treatment, and recovery support services that are low-barrier, person-centered, informed by people with lived experience, and culturally and linguistically appropriate. Additionally, the committee must make recommendations regarding the appropriate criminal legal system response, if any, to possession of controlled substances. It must also make recommendations regarding the collection and reporting of data that identifies the number of people law enforcement officers and prosecutors engage with regarding drug possession, and the design of a mechanism for referring people with a substance use disorder, or who display problematic behaviors resulting from substance use, to supportive services. A final plan is due to the Legislature by December 1, 2022.

The HCA will also establish several other plans and programs, including:

- A comprehensive statewide substance misuse prevention plan. As a part of this plan, the HCA must administer a competitive grant process for existing local community efforts to prevent substance misuse. The plan must be completed by January 1, 2024.
- A grant program to provide treatment for low-income individuals with substance use disorder who are not eligible for Medicaid. Grant distribution must begin by March 1, 2022.
- A grant-based homeless outreach stabilization transition program. Grant distribution must begin by March 1, 2022.
- Funding for behavioral health administration services organizations to establish recovery navigator programs. These programs will provide community-based outreach, intake, assessment, connection to services, and, as needed, long-term intensive case management and recovery coaching services to individuals with substance use disorders.
- An expanded recovery support services program that increases regional access to recovery services for substance use disorder such as housing, employment training, recovery coaching, and legal support.

By July 1, 2022, the CJTC must develop new training for law enforcement officers on how to manage interactions with people they encounter with substance use disorders, including referral to treatment and recovery services. The training will be incorporated into the curriculum at the Basic Law Enforcement Academy.

In addition to the \$83.5 million in the state's budget to help the state and counties manage the legal impacts of the BLAKE decision, **an additional \$88.4 million** is provided to help establish the new programs outlined above. Of that \$88.4 million, \$4.5 million will go to the Administrative Office of the Courts to help enhance municipal and district therapeutic courts. There are no direct appropriations to cities to offset the costs of diversion and prosecution. The final bill can be found [here](#) and a summary can be found [here](#).

9-8-8 Hotline: [House Bill 1477](#), sponsored by Representative Tina Orwall (D-Des Moines), directs the Department of Health to designate crisis hotline centers that meet standards related to technology and the ability to identify and deploy community crisis resources for persons experiencing a behavioral health crisis. The budget appropriates \$39.4 million to the Health Care Authority, the Office of Financial Management, and the Department of Revenue to implement the bill. The final bill can be found [here](#) and a summary can be found [here](#).

Incarceration/Sentencing Changes

Modification of Three Strikes Law: [Senate Bill 5164](#), sponsored by Senator Jeannie Darneille (D-Tacoma), grants a resentencing hearing to people who have already been convicted of second-degree robbery and were sentenced to life in prison without the possibility of parole under the three strikes law because of that conviction. Currently, there are more than 100 people in Washington who will be able to have their cases reviewed for clemency, with the possibility of reducing or eliminating their sentences once the legislation becomes active on July 25. The final bill can be found [here](#) and a summary can be

found [here](#).

Mental Health Sentencing Alternative: [Senate Bill 5293](#), sponsored by Senator T'wina Nobles (D-Fircrest), creates a mental health sentencing alternative (MHSA) allowing for imposition of a term of community custody and treatment in place of confinement for certain defendants diagnosed with serious mental illness. Eligible defendants include those who are willing to participate in the sentencing alternative and those who have been diagnosed with a serious mental illness and have not been convicted of a serious violent offense or a sex offense. The court will consider whether the defendant and the community would benefit from imposition of the MHSA and consider the victim's opinion. If the court determines that a MHSA is appropriate, the court must impose 12-24 months of community custody if the midpoint of the standard range sentence is less than or equal to 36 months, and 12-36 months of community custody for longer sentencing ranges. The Department of Corrections must assign a community corrections officer to supervise the defendant and provide the community corrections officer with appropriate mental health training to be determined by the Department. The final bill can be found [here](#) and a summary can be found [here](#). The Governor [vetoed](#) a section of the bill making the bill effective immediately upon signature. Instead, the bill will be effective on July 25.

Involuntary Commitment: [Senate Bill 5071](#), sponsored by Senator Manka Dhingra (D-Redmond), creates transition teams to support moving certain individuals out of state hospitals and into a community stepped down treatment models. Individuals affected by this bill include those under civil commitment at state hospitals who after being found not guilty by reason of insanity as well as individuals who were charged with a felony and not restored after going through the restoration process. The final bill can be found [here](#) and a summary can be found [here](#).

Unexpected Fatality Review: [Senate Bill 5119](#), sponsored by Senator Jeannie Darneille (D-Tacoma), will require prisons and local jails across Washington to conduct a fatality review any time an individual who is incarcerated dies unexpectedly or when the Office of Corrections Ombud flags a case for review. Additionally, the bill establishes a process for convening a fatality review, including a requirement that the team carrying out the review be made up of people with specific expertise and no involvement in the case. The final bill can be found [here](#) and a summary can be found [here](#).

Suspended Licenses: [Senate Bill 5226](#), sponsored by Senator Jesse Salomon (D-Shoreline), eliminates drivers' license suspension for the failure to pay, respond, or appear at a requested hearing for a traffic infraction for a moving violation. The bill creates a way for an individual to attest that they do not have the current ability to pay the penalty in full and allows the individual to request a payment plan at any time for the payment of any penalty, fee, cost, assessment, or other monetary obligation associated with a traffic infraction. Additionally, the time period for a person to respond to a traffic infraction is increased from 15 days to 30 days from the date of the infraction. The legislative assessment on traffic infractions is increased from \$20 to \$24 and maintains cities share of the fee at \$11.50. The final bill can be found [here](#) and a summary can be found [here](#).

Ban of Private Detention Facilities: [House Bill 1090](#), sponsored by Representative Ortiz-Self (D-Mukilteo), will prohibit private detention facilities in Washington State. A private detention facility

operating under a valid contract with a governmental entity in effect before January 1, 2021 may remain in operation for the duration of the contract, excluding any extensions or modification made to or authorized by the contract. GEO's contract with U.S. Immigrations and Customs Enforcement for the operation of the Northwest Detention Center expires in 2025. The final bill can be found [here](#) and a summary can be found [here](#).

Felony Voter Eligibility: [House Bill 1078](#), sponsored by Representative Tarra Simmons (D-Bremerton), will automatically restore voting rights for persons convicted of a felony when they are not serving a sentence in total confinement under the jurisdiction of the Department of Corrections. A person must reregister to vote after automatic restoration of rights to be placed on the voter rolls. At least once a month, the Secretary of State must compare the list of registered voters to a list of persons not eligible to vote due to serving a sentence of total confinement under the jurisdiction of Department of Corrections. The bill was signed into law on April 7th and is effective on January 1, 2022. The final bill can be found [here](#) and a summary can be found [here](#).

Prison to Postsecondary Pathways: [House Bill 1044](#), sponsored by Representative Mari Leavitt (D-University Place), authorizes the Department of Corrections to implement a postsecondary education certificate and degree program at state correctional institutions. The Department of Corrections may contract and partner with any accredited educational program sponsored by a nonprofit entity, community-based postsecondary education program, or individual with historical evidence of providing education programs to people of color. The Washington State Institute for Public Policy is directed to study recidivism, enrollment, and completion rates of incarcerated persons in the postsecondary education system post-release. The involved state agencies – Department of Corrections, Washington Student Achievement Council, and the Washington State Reentry Council, are directed to develop a report by December 1 and annually thereafter. The report shall include a review of partnerships with nonprofit and community-based postsecondary education programs and reentry services, including a list of program and services offered and recommendations to improve program delivery and access. The final bill can be found [here](#) and a summary can be found [here](#).

Medicaid for Incarcerated Individuals: [House Bill 1348](#), sponsored by Representative Lauren Davis (D-Shoreline), allows the state to petition the federal government to allow individuals to keep Medicaid coverage active unless the individual has been incarcerated for 30 days or more. Currently, Medicaid coverage is suspended upon incarceration, though most inmates stay in jail less than 30 days. Local governments are responsible for any medical expenses during this period. The bill requires coordination between the Department of Corrections, local jails, and Medicaid managed care organizations. The final bill can be found [here](#) and a summary can be found [here](#).

COVID-19 Response

Public Health Governance Structure and Funding: Representative Marcus Riccelli (D-Spokane) and Senator June Robinson (D-Everett) introduced Governor-request legislation limiting local elected officials' control over public health oversight and administration: [House Bill 1152/Senate Bill 5173](#), eliminating Local Health Jurisdictions (LHJs) and forming regionalized Comprehensive Public Health Service Districts under the jurisdiction of the Department of Health; and [House Bill 1110](#), restructuring

local boards of health to include majority non-elected official membership representing health care or public health professionals, marginalized populations, and community stakeholders. House Bill 1152 ultimately became the vehicle for both proposals. As introduced, the bill also required cities to contribute to foundational public health services funding.

As passed the Legislature, House Bill 1152 makes only two changes: establishing the Public Health Advisory Board and requiring changes to local board of health composition. The Public Health Advisory Board must monitor, develop goals and recommendations for, and evaluate the state's public health system. AWC, two WSAC member counties, and two WSALPHO member health jurisdictions are provided Advisory Board membership. The bill also requires all counties, except those with pre-existing advisory boards, to change the composition of their local boards of health to be comprised of at least half non-elected officials. New members are in addition to existing elected official membership. Non-elected members must come from the following categories: public health or medical professionals, consumers of public health who have faced significant health inequities, and other community stakeholders. The operating budget provides an unprecedented level of investment in foundational public health services funding: \$147 million in the 2021-23 biennium and an ongoing \$148 million/year beginning in FY 2023. This is in addition to the \$28 million/biennium the Legislature approved in the 2019 legislative session. The final bill can be found [here](#) and a summary can be found [here](#).

Liquor License Changes: [House Bill 1480](#) was introduced by Representative Drew MacEwan (R-Union) at the request of the Liquor and Cannabis Board (LCB). The bill temporarily authorizes changes in liquor licenses through July 1, 2023. Licensees must get a no-cost endorsement to utilize the expanded authority under a liquor license. The license changes include the ability to sell alcohol products, including premixed cocktails and cocktail kits, for curbside, takeout service, or delivery. The bill does require the LCB to conduct a study of the impacts of new privileges granted to businesses. This study is required to be completed by December 1, 2022. The bill contained what is commonly referred to as an "emergency clause," making it effective immediately upon signature. The final bill can be found [here](#) and a summary can be found [here](#).

Tax Exemption for Assistance Programs: [House Bill 1095](#), sponsored by Representative Amy Walen (D-Kirkland), will provide business and occupation tax, public utility tax, and retail sales tax exemptions for grants received on or after February 29, 2020 from government-authorized COVID-19 assistance programs. Qualifying grants include those received directly from a government entity, through a nongovernmental third-party entity authorized to distribute the program funds, or when a private entity provides relief from debt or legal obligation to a person and as a result receives from form of direct financial benefit from a government entity. The final bill can be found [here](#) and a summary can be found [here](#).

Property Tax Deferral: [House Bill 1332](#), sponsored by Representative Pat Sullivan (D-Kent), addresses property tax payments during the COVID-19 state of emergency. The bill requires county treasurers to grant a deferral of property tax due in 2021 through a payment plan. To be eligible, a taxpayer must demonstrate a loss of at least 25 percent of its revenue attributable to that real property for calendar year 2020, compared to calendar year 2019. Requests for an exemption were due April 31. If a taxing

jurisdiction is unable to make a scheduled bond payment because of property tax deferrals, the deferrals shall not be granted. The bill is effective upon signature and expires on January 1, 2022. The final bill can be found [here](#) and a summary can be found [here](#).

Assistance Programs: [House Bill 1151](#), sponsored by Representative Mari Leavitt (D-University Place), will expand cash assistance programs for families, allows for five additional months of food assistance and requires the Washington State Department of Social and Health Services to update the standards of need for cash assistance programs. The final bill can be found [here](#) and a summary can be found [here](#).

Allocating CARES Act Funding: [House Bill 1368](#), sponsored by Appropriations Chair Representative Timm Ormsby (D-Spokane), allocates appropriated federal funding intended for COVID-19 relief for the remainder of the current fiscal year, until June 30. Distributions were provided for childcare, rent relief, food assistance, developmental disability and senior programs, medical and health care assistance, education, and public health activities, including testing and vaccine distribution. Altogether, the Legislature allocated almost \$2.2 billion. The bill became effective February 19. The final bill can be found [here](#) and a summary can be found [here](#).

Land Use:

Growth Management Act (GMA) Interim Work: While the Legislature considered half a dozen bills reforming the GMA, those bills did not pass into law. Instead, the Operating Budget directs three interim actions to occur this next interim:

- In lieu of the passage of [House Bill 1117](#), the Office of Financial Management is directed to report to the Legislature on how to incorporate a net ecological grain standard into state land use, development, and environmental laws. A report is due by December 1, 2022 (page 81 of the 2021-23 Operating Budget).
- In lieu of the passage of [House Bill 1099](#), the Department of Commerce is directed to create optional model climate elements for cities to consider.
- The Department of Commerce is directed to convene a task force to make recommendations regarding needed reforms to the state growth policy framework, including the GMA, state environmental policy act, and other statutes related to growth, change, economic development, housing, social equity, and environmental conservation (page 64 of the 2021-23 Operating Budget).

Multifamily Property Tax Exemption: [Senate Bill 5287](#), sponsored by Senator Mona Das (D-Kent), makes changes to state law regarding the multifamily property tax exemption program, and sunsets the entire program on December 31, 2026 – at which time, no new exemptions may be issued.

Under current law, jurisdictions may offer the multifamily property tax exemption for either eight years for market-rate housing, or 12 years for low-income housing. The bill as approved by the Legislature allows local governments to extend existing eight-year and 12-year exemptions that are set to expire. If a project is in the final 18 months of expiration may apply to the local government that granted the initial

exemption for an extension. The local government may grant an extension for 12-years, if locally adopted requirements affordability are met, and if the taxpayer commits to rent or sell 20 percent of the housing units to low-income households.

Once the extension is granted, an MFTE applicant must provide notice to tenants of rent-restricted units at the end of the 10th and 11th year of the 12-year exemption and must provide tenant relocation assistance equal to one month's rent at the time of the expiration. If a local ordinance requires affordability requirements to remain in place after the expiration of the exemption, relocation assistance must be provided at the time that any additional affordability requirements no longer apply.

To calculate median family income, city and metropolitan statistical area family median income may be used in addition to county family median income. References to high-cost areas are removed from the program. This will change how some jurisdictions calculate what qualifies as low-income in the program.

An owner of a property receiving an exemption must file additional information with the city or county including unit size, annual income, and household size. All cities and counties that issue certificates of tax exemption must report annually by April 1 of each year. Reporting requirements expire January 1, 2058.

A local jurisdiction may adopt a prevailing wage requirement or other additional contractual requirements.

The Department of Commerce must establish a program to audit or review that the owner or operator of each property receiving a tax exemption under the MFTE program is offering the number of units at rents as committed to in the approved application and that tenants are being properly screened to be qualified for income-restricted units. If a property is found to be out of compliance with program requirements, Commerce must notify the city or county and the city or county must impose a sliding scale penalty not to exceed an amount calculated by subtracting the amount of rents that would have been collected had the owner or operator complied with their commitments from the amount of rents that the owner or operator actually collected. A finding of continued noncompliance in a subsequent audit must result in cancellation of the exemption. Properties owned or operated by a nonprofit and properties receiving an exemption from a city or county that operates an independent audit or review program are not subject to the audit or review program administered by Commerce.

The bill also creates a new 20-year tax exemption is created for properties that sell or rent 25 percent of the units to non-profit organizations or local government partners that assure permanently affordable homeownership. Permanently affordable homeownership units must be sold to households earning no more than 80 percent of the average median income for the city or local jurisdiction in which the unit is located. The final bill can be found [here](#) and a summary can be found [here](#).

Early Learning Impact Fees: [House Bill 1331](#), sponsored by Representative Kirsten Harris-Talley (D-Seattle), allows a jurisdiction to exempt early learning facilities from impact fees without backfilling them

with public funds in certain situations. A local government can exempt an early learning facility from up to 80 percent of impact fees without the local government being required to pay the impact fees from public funds other than impact fees. A local government can also exempt an early learning facility from 100 percent of impact fees without being required to pay the fee from public funds other than the impact fee account if the local government requires a developer to record a covenant requiring 25 percent of the children and families using the early learning facility qualify for state subsidized childcare. The bill also limits a local government from imposing an impact fee on an early learning facility that is greater than that imposed on a commercial retail or office development that generates a similar number, volume, type, and duration of vehicle trips. The final bill can be found [here](#) and a summary can be found [here](#).

Land Use Appeals: [Senate Bill 5225](#), sponsored by Senator Sam Hunt (D-Olympia) authorizes superior courts to transfer appeals of land use cases, brought under the administrative procedure act and the land use petition act, and administrative agency decisions to the Court of Appeals. This more direct transfer of cases to the Court of Appeals was driven by the extreme backlog of existing cases within superior courts due to the implications of COVID-19 and in response to the fact that most of these cases end up transferring to the Court of Appeals anyway. Additionally, the Court of Appeals has indicated that this would not substantially or adversely impact operations. The transfer of a land use decision may take place after all parties involved consent to the transfer and agree judicial review can occur based upon an existing record. The bill includes a five-year sunset date, expiring the above provisions on July 1, 2026. The final bill can be found [here](#) and a summary can be found [here](#).

Economic Development

Tax Increment Financing: [House Bill 1189](#), sponsored by Representative Davina Duerr (D-Bothell), authorizes increment financing in the state of Washington, which is an economic development tool that allows growth to pay for the infrastructure needed to spur that growth. This financing tool is already available in 49 other states and Washington, D.C. The final bill can be found [here](#) and a summary can be found [here](#).

Miscellaneous

Unlawful Covenant Review and Removal: [House Bill 1335](#), sponsored by Representative Javier Valdez (D-Seattle), will create a grant program to review racial and unlawful covenants recorded on deeds and to instruct property owners in how to remove the restrictions. The University of Washington and Eastern Washington University are provided \$125,000 per year for the next two years to search covenants and to notify property owners. Additionally, the seller disclosure statement, which is provided during real estate transactions, will be updated to include notice to the buyer that covenants or deed restrictions based on race, creed, sexual orientation, or other protected class are void and unenforceable, and provides information on how such illegal restrictions can be struck. Funding was provided to the Universities in the final operating budget. The final bill can be found [here](#) and a summary can be found [here](#).

Open Carry Ban for Public Demonstrations/WA Capitol Campus: [Senate Bill 5038](#), sponsored by Senator Patty Kuderer (D-Bellevue), will prohibit the open carry of a firearm or other weapons at or near

public demonstrations, at the Washington State Capitol Campus and at other legislative locations. An exemption is provided for federal, state, and local law enforcement officers. The bill was amended in the House Civil Rights and Judiciary Committee to clarify the definitions of the bill and revised the law enforcement and armed forces exemption language in the provision governing open carry on the capitol campus or legislative facilities for consistency with similar exemption language applicable to permitted demonstrations. The final bill can be found [here](#) and a summary can be found [here](#).

Local Redistricting Deadlines: [Senate Bill 5013](#), sponsored by Senator Sam Hunt (D-Olympia), aims to ensure that redistricting requirements in statute align with the requirements outlined in the state constitution. As originally drafted, the bill would have required counties, cities, and special purpose districts that elect their governing bodies with district-based systems to prepare redistricting plans by the earlier of eight months after the receipt of census data, or November 15 of the year ending in one. Given that census data will not arrive until October this year, this timeline was problematic. As amended, the new deadlines are as follows: Until January 1, 2023, local jurisdictions that are scheduled to elect members to its governing body in 2022 must submit redistricting plans by December 1. Local jurisdictions not electing members in 2022 must submit a redistricting plan by November 15, 2022. Beginning on January 1, 2023, the statutory deadline for preparing a redistricting plan for all local jurisdictions that elect all or part of its governing body using the district-based method is November 15 of each year ending in one. The final bill can be found [here](#) and a summary can be found [here](#).

Emergency Communication Sales and Use Tax: [House Bill 1155](#), sponsored by Representative Marcus Riccelli (D-Spokane), will require any county imposing the emergency communications sales and use tax, and any city in that county that operates emergency communications systems and facilities must enter into an interlocal agreement within 12 months of meeting the relevant population thresholds (50,000) or within 12 months of the effective date of the bill, whichever is later, but that the deadline may be extended for three months with mutual agreement. If the city and county fail to enter into an interlocal agreement within the allotted time frame, then the city or county may seek equitable apportionment of the tax in the county's superior court, and that apportionment must be retroactive to when the city and county met the relevant population thresholds or the effective date of the bill, whichever is later. Additionally, the bill contains provisions that a county with a population over 1.5 million must enter into an interlocal agreement with a city either independently or as a member of a regional emergency communications agency to determine the distribution of revenues from the local sales and use tax. The final bill can be found [here](#) and a summary can be found [here](#).

Urban and Community Forestry: [House Bill 1216](#), sponsored by Representative Bill Ramos, directs the Department of Natural Resources (DNR) to conduct analyses of the needs and opportunities related to urban forestry in Washington, and to provide technical assistance and capacity building resources and opportunities in order to promote urban and community forestry. DNR is directed to assist communities in developing urban forestry ordinances. The final bill can be found [here](#) and a summary can be found [here](#).

Non-profit Corporations: [Senate Bill 5034](#), sponsored by Senator Jamie Pederson (D-Seattle), repeals the Washington Nonprofit Corporation Act (WNCA), which was enacted in 1967 and replaces it with an

updated law that is loosely based on the American Bar Association's Model Nonprofit Corporation Act. Several provisions were modernized to account for current practices for non-profits, new provisions were included with the intention of protecting non-profit assets and includes a comprehensive set of rules governing the relationship between membership nonprofits and their members. The final bill can be found [here](#) and a summary can be found [here](#).

Education/Childcare

Childcare Affordability: [Senate Bill 5237](#), "[The Fair Start for Kids Act](#)," aims to make child care more affordable for families, stabilize and expand the diverse child care workforce, support the expansion of child care, and strengthen prevention and intervention services. The final bill can be found [here](#) and a summary can be found [here](#). \$298 million in state and federal funds were allocated to fund this account.

Expanding Computer Science Degrees: [Senate Bill 5401](#), sponsored by Senator Joe Nguyen (D-Seattle), expands the number of community and technical colleges eligible to provide computer science-related degrees in the state of Washington. The final bill can be found [here](#), and a summary can be found [here](#).

Public Works

Public Works Assistance Account: The Public Works Assistance Account was appropriated \$129 million, which is the largest amount appropriated to the Account in recent history.

Stormwater Financial Assistance: \$75 million in stormwater assistance funds were appropriated. This is \$25 million more than was appropriated last biennium.

Utility Assistance: \$1 billion is allocated to rental and utility assistance; however, the bulk of this funding is intended to be for rental assistance. An additional \$100 million is provided for Low Income Utility Assistance utilizing federal funding - \$80 million is provided for energy assistance, and \$20 million provided for water and wastewater assistance.

Alternative Public Works Contracting: [Senate Bill 5032](#), sponsored by Senator Bob Hasegawa (D-Seattle), reauthorizes alternative public works contracting procedures for another ten years. Additionally, the Capital Projects Advisory Review Board (CPARB)'s member is modified to add members. CPARB is tasked with developing and recommending to the Legislature policies to encourage competition and further enhance equitable participation in disadvantaged business enterprises in capital construction. Design-build is authorized for parking garages and pre-engineered metal buildings. Changes are made to general contractor/construction manager (GM/CM) contracting and job order contracting. Once signed, the bill will become effective immediately. The final bill can be found [here](#) and a summary can be found [here](#).

Other Transportation Items of Interest:

Transportation Maintenance and Preservation: [House Bill 1137](#), sponsored by Representative Bob McCaslin (R-Spokane), reorders the state's six transportation policy goals which specifically apply to the Washington State Department of Transportation (WSDOT) and state agencies with transportation

related responsibilities. Under this bill, preservation and safety are now a top priority. The final bill can be found [here](#) and a summary can be found [here](#).

American Steel Requirement: The Washington State Institute for Public Policy is directed to conduct a cost-benefit analysis for an exclusive or partial American steel requirement for future transportation contracts and subcontracts authorized in the transportation budget. Input will be solicited from cities, among others. Final report is due by December 1. (p. 6, Final 2021-2023 Transportation Budget)

Payment Plans for Vehicle Registration Fees: The Joint Transportation Committee will convene a vehicle registration payment workgroup to study and recommend new options for payment of vehicle fees or taxes due at the time of application for vehicle registration. This would include exploring payment plans, rebates, and other option. The report is due by September 30, 2022. (p. 12, Final 2021-2023 Transportation Budget)

Parking for Commercial Vehicles: The Joint Transportation Committee is tasked with developing a truck parking action plan with recommendations on the availability of truck parking for short-haul and long-distance commercial vehicle drivers that require reasonable accommodations for parking commercial motor vehicles, obtaining adequate services, and complying with federal rest requirements. AWC has a position on the working group. Report is due January 1, 2022. (p. 16, Final 2021-2023 Transportation Budget)

Road Usage Charge Steering Committee: The Washington State Transportation Commission is tasked with reconvening the road usage charge steering committee. Status reports are due at the end of each year. (p. 17, Final 2021-2023 Transportation Budget)

Homeless Encampment Cleanup: \$3 million is provided to WSDOT to address risks to safety and public health associated with homeless encampments on department owned rights of way. The department may use the funds to reimburse local law enforcement costs if they are participating as part of a state or local government agreement to provide enhanced safety related activities along the state highway rights-of-way. A report to the Legislature on this work is due October 1. (p. 39, Final 2021-2023 Transportation Budget)

Vehicle Miles Traveled Targets: WSDOT and the Department of Commerce are directed to develop vehicle miles traveled targets for counties with (a) a population density of at least 100 people per square mile and a population of at least 200,000; or (b) a population density of at least 75 people per square mile and an annual growth rate of at least 1.75 percent as determined by OFM. The Departments are tasked with working with local governments to inventory existing law and rules that promote transportation land use, identify gaps, and make recommendation for changes in laws, rules, and agency guidance. Initial report due December 3, and final report due June 30, 2023. The final report should include a process for establishing vehicle miles traveled reduction targets, a recommended suite of options for local jurisdictions to achieve the targets, and funding requirements for state and local jurisdictions. (p. 44, Final 2021-2023 Transportation Budget)

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