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To: City Council
CC: Briahna Murray
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Attachments: August 11, 2021 Interim Report - Blaine.docx

Good Morning -

I hope you are all doing well and enjoying the sun. Please see the attached interim legislative report for August. If you have any question, please feel free to reach out to me.

Thank you!

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August Interim Report

While many legislators have returned to their day jobs and are enjoying the summer legislative interim, an undercurrent of legislative discussions continue as stakeholders and lawmakers prepare for the 2022 legislative session. Below is the latest:

New Law Implementation: Police Reform

Most of the police reform bills enacted by the 2021 Legislature became effective on July 25, 2021. Law enforcement agencies throughout the state are interpreting the statutory changes differently, resulting in the new laws being applied inconsistently throughout the state.

In response, some legislators have indicated that they may revisit some of the bills during the 2022 legislative session to clarify what was intended. Other legislators and the Washington Coalition for Police Accountability have [indicated](#) that some agencies are intentionally misinterpreting the new laws.

To provide clarity in advance of the 2022 session, the Attorney General's Office provided a [memo](#) with analysis on how they would encourage local agencies to interpret the law. This is not legally binding. Rep. Jesse Johnson (D-Federal Way) has also indicated an intention request a formal Attorney General Opinion, which will be posted [here](#) once it is submitted. What legislation may or may not be introduced or advanced during the 2022 session is likely to rely on how much can be clarified through any formal Attorney General Opinion.

Transportation Revenue Package Discussions

While the federal government is making progress on adopting an infrastructure investment package, discussions on a state-level transportation revenue package are slow-moving. At the end of the 2021 session, there appeared to be significant momentum for a special session later this year to adopt a transportation revenue package. While legislators continue to discuss the issue, the momentum appears to be waning. Based on the information available today, a special session seems highly unlikely.

House Transportation Committee Chair Jake Fey has invited a small group of legislators to work with him to update last session's [Miles Ahead](#) transportation investment package proposal. This group has indicated they will meet with each member of the House Democratic Caucus in the coming months to get feedback. Chair Fey has indicated that the state's increased state and property tax revenues are, in part, a result of transportation investments. As such, he argues that the state operating budget should transfer some funds to the transportation budget. Additionally, environmental stakeholders and some legislators have indicated a desire to move away from developing a transportation revenue package based on a project list, and to instead

fund projects through grant programs where projects are evaluated on the merits. It's unclear where these policy discussions will lead.

Similarly, a small group of legislators in the Senate Democratic Caucus are developing a new transportation revenue package proposal and are meeting with members of their caucus to get feedback. Generally, the proposal would increase the gas tax by 5 cents, and then tie future increases in the gas tax to inflation. It's unclear what other details of the package include, and whether there is support for this proposal. During session, the Senate had advanced the [Forward Washington](#) revenue package proposal.

While these intra-caucus discussions are important, there are limited cross-party and cross-chamber communications occurring, making it unlikely that legislators will reach an agreement on a proposal that can garner the necessary votes this year. There is a broad recognition that the state's transportation needs outweigh any revenues that would be provided in a federal package and that state action will still be necessary even if a federal package is adopted.

State Revenue Forecast Update

The most recent state revenue forecast from the Economic and Revenue Forecast Council indicates economic recovery remains strong: the state is projected to receive \$2.2 billion more than originally anticipated between now and June 30, 2023.

For the current biennium (2019-21), the state is estimated to receive \$807.7 million more than projected at the last quarterly update in March. For the 2021-23 biennium, the state is forecasted to receive \$1.239 billion more than previously projected. Revenues are expected to grow 15.4% between the 2017-19 and 2019-21 biennia and 9.9% between the 2019-21 and 2021-23 biennia. You can access the Economic and Revenue Forecast Council [meeting materials here](#); the meeting may be [viewed here](#).

During the 2022 legislative session, the state will adopt supplemental budgets making amendments to the 2021-23 budgets adopted earlier this year. The revenue forecast, as well as the American Rescue Plan Act funds.

No Initiatives or Referendums Advance to Voters in 2021

While Tim Eyman filed two referenda - one repealing portions of the bill establishing the low carbon fuel standard (R-94), and the other, repealing portions of the bill establishing the cap and invest program (R-95), neither garnered the necessary signatures to advance to the November ballot. Rulemaking for both the cap and invest program and the low carbon fuel standard will proceed forward this year.

Redistricting Commission Launches New Tool and Continues Public Outreach

The Redistricting Commission continues to meet monthly and is currently in the second round of public outreach meetings to develop new state and congressional district boundaries. Drafts of the state Legislative maps are tentatively set to be released on September 21, with Congressional maps following on September 28. These dates were discussed by the Commission during the [July 19 meeting](#).

On July 8, the Washington State Redistricting Commission launched a new tool that allows for the public to draw congressional and legislative districts. The tool, which currently uses the most accurate population estimates available, will be updated in late August once the official 2020 Census Bureau population data is available. To access the tool, learn more about the process, or find a public meeting, [click here](#).

AWC Legislative Agenda Development

The Association of Washington Cities is in the middle of its process to develop its 2022 Legislative Agenda. The Association's Legislative Priorities Committee has one final meeting in September to narrow down their list of priorities before recommending them to the AWC Board of Directors. Although only a handful of the issues will be selected as top priorities, several will be emphasized to actively support, oppose, or monitor depending on the level of involvement requested by the Board. Below are the issues that the Committee continues to evaluate:

- *Transportation Revenue Package:* AWC is considering continuing support for a comprehensive transportation package that dedicates maintenance and preservation funding to cities, including additional local option revenue tools; and increased funding to state and locals to repair fish-blocking culverts.
- *Law Enforcement:* AWC is discussing how it will respond to the recent confusion around the implementation of many of the police reform bills approved by the 2021 Legislature (see above).

AWC is discussing supporting state assistance to locals in implementing body worn cameras and dash cameras and opposing any mandates that do not include local input and state funding.

AWC is discussing pursuing funding for the Criminal Justice Training Commission to allow law enforcement to receive training via an app on their personal devices.

There are also multiple police reform proposals that did not pass in 2021 that are likely to be revisited in 2022. Three bills are under consideration for the Committee to recommend as a priority for AWC to monitor:

- House Bill 1202, creating a state civil cause of action for police misconduct.
 - House Bill 1203, requiring community oversight boards of law enforcement agencies.
 - House Bill 1507, authorizing independent prosecutions.
- *Blake Decision:* Since the passage of [Senate Bill 5476](#), AWC is discussing requesting funding needed for cities to administer diversions related to misdemeanor drug possession in municipal courts, MAT services, therapeutic courts, and a diversion tracking database.

- *Open Public Meetings Act:* AWC is discussing continuing to support [House Bill 1056](#), which would permanently allow local governments to hold virtual meetings during an emergency
- *Infrastructure Funding:* The Legislature has reserved a portion of the state's ARPA funding for the 2022 biennial budget. Given this, AWC is considering requesting funding for programs to help cities build and maintain basic non-transportation infrastructure such as water, sewer, and stormwater.
- *Construction Workforce:* Several committee members shared interest in supporting construction workforce through apprenticeships and other mechanisms to address the lack of available construction workers throughout the state.
- *State Infrastructure Bank:* AWC is considering supporting a state-sponsored financing cooperative that focuses on low interest (less than market rate) public infrastructure financing and provides for optional participation by cities and other local governments.
- *Growth Management Act:* The Legislature proposed several bills amending the GMA relating to salmon recovery ([House Bill 1117](#)), climate change ([House Bill 1099](#)) and housing equity ([House Bill 1220](#)). The only bill that passed into law was House Bill 1220, which the Legislature has not yet funded. AWC continues to consider how best to engage in GMA reform conversations and will continue to support dedicated planning funds to perform GMA-related work.
- *Broadband:* AWC is discussing continuing to support broadband efforts, while emphasizing the necessity for new funding rather than repurposing Public Works Assistance Account funding.

During the meeting, there were several other issues proposed such as funding for rapid acquisition of housing, further requirements for cities regarding tribal consent, increased flexibility for transportation benefit districts, Liquor and Cannabis Board regulations on restaurants, investments through Department of Transportation for homeless encampments and more. We will keep you apprised as the Association evolves these discussions into legislative priorities.