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**CC:** Briahna Murray

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All -

We are about a month away from the start of the 2022 legislative session, which is when you will begin receiving weekly legislative updates from me as activity picks up. The attached interim report provides detailed context on the forthcoming session and some of the issues we anticipate will be discussed. I've also attached the City's final legislative agenda, which serves as a guide as we advocate for Blaine's priorities this session. As always, please let me know if you have any questions!

Thank you!

Holly

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## ***2022 Legislative Session is on the Horizon***

The 2022 Legislative Session will begin on Monday, January 10<sup>th</sup> for a 60-day session. It is the second year of the legislative biennium, and a “short” legislative session. Legislators will meet in a “hybrid” format, conducting some activities virtually, and some in-person.

While legislators attempted to lower expectations for the forthcoming short session, the lengthy list of emerging legislative proposals suggests the 2022 session will once again be fast, furious, and filled with robust policy discussions. Developing discussion topics include changes to the Long-Term Care Act, transportation funding, policing and public safety, substance abuse and behavioral health treatment options, eliminating single-family zoning, climate and decarbonizing efforts, salmon recovery and culvert replacement, amendments to the Growth Management Act (GMA) and State Environmental Policy Act (SEPA), COVID-19 restrictions, and more. All bills introduced in 2021 will continue to be under consideration in 2022. Additional bills began being [pre-filed](#) December 1<sup>st</sup> and will continue to roll in as the legislative session begins.

In addition to policy discussions, the Legislature will make amendments to the 2021-23 operating, capital, and transportation budgets that were adopted during the 2021 session by adopting supplemental budgets. The Washington economy is [reported to](#) be outperforming the national economy, resulting \$898 million in additional forecasted revenue for the current ('21-'23) biennium. This is a significant increase from the March 2021 forecast, which was the baseline for the current biennial operating budget. Revenues in the capital and transportation budgets continue to be more limited. The state received \$14 billion in CARES and ARPA funds. The CARES funds have been fully allocated and spent. Of the \$4.4 billion in ARPA funds that the state received, \$1.3 billion left to allocate. ARPA funds expire at the end of 2024.

To kick off the budget development process this session, the Governor will release his proposed 2022 Supplemental budget proposals in mid-December. The Legislature will hold public hearings on the Governor's budget proposals during the early weeks of the legislative session. House and Senate budget writers will then each begin the process of developing their respective budget proposals for public release in late February/early March. The two chambers will then need to reach agreement on a final budget proposal by the final day of the legislative session on March 11<sup>th</sup>, or risk entering a special session.

Politically, Democrats will continue to hold the majority in both the state House of Representatives and the Senate. Given the hybrid format of the session, Legislators are once again being encouraged to limit the number of bills introduced. The House released formal guidelines that limit legislators to introducing no more than seven bills, and to focus on four priority themes: Serving Washingtonians Better, Strengthening Economic Well-Being, Advancing Racial Equity and Justice, and Addressing the Climate Crisis.

It is unlikely that controversial issues will advance during the 2022 session as the session is immediately followed by the November 2022 election, where all members of the House of Representatives and half the members of the Senate will seek re-election utilizing the new boundaries established through redistricting. The Washington State Supreme Court recently issued an [order](#) indicating that the [Redistricting Commission's proposed maps](#) met the necessary constitutional and statutory deadlines. Absent any subsequent legal challenge that could derail the finalizing of these maps, the Legislature will have the first 30 days of the legislative session to make minor amendments to the maps with approval from 2/3 of each chamber before they become effective on February 10<sup>th</sup>, 2022.

Many legislators have already announced their retirement from legislative service – **Sen. Jeannie Darneille** (D-Tacoma 27<sup>th</sup> Legislative District) left the Legislature to accept a position at the Department of Corrections

and Sen. Yasmin Trudeau (D-Tacoma) was appointed to fill her seat. **Sen. Ann Rivers** (R-Vancouver 18<sup>th</sup> Legislative District) left the Legislature to accept a position at the City of Longview and Rep. Brandon Vick (R-Vancouver) is likely to be appointed to fill her Senate seat, with a subsequent appointment occurring for the House seat Rep. Vick currently holds. **Sen. Steve Hobbs** (D-Lake Stevens 44<sup>th</sup> Legislative District) left the Legislature to accept a gubernatorial appointment to serve as Washington Secretary of State, Rep. John Lovick (D-Mill Creek) is likely to be appointed to the Senate seat with an additional appointment occurring to fill the House position Rep. Lovick currently holds.

In addition to the changes above which impact the 2022 Legislature, legislators are beginning to announce their intentions for the November 2022 election cycle. **Sen. David Frockt** (D-Seattle-46<sup>th</sup> Legislative District) has announced he will not seek re-election, and Rep. Javier Valdez (D-Seattle) has announced that he will run for the Senate seat. **Sen. Tim Sheldon** (D-Potlatch-35<sup>th</sup> Legislative District) will not seek re-election, and Rep. Drew MacEwen (R-Union) has announced that he will run for the Senate seat. **Sen. Sharon Brown** (R-Kennewick-8<sup>th</sup> Legislative District) has announced that she will not seek re-election in 2022. **Rep. Sharon Shewmake** (D-Bellingham-42<sup>nd</sup> Legislative District) has announced she will run for the Senate seat in November 2022, challenging sitting **Senator Doug Ericksen** (R-Ferndale). **Rep. Pat Sullivan** (D-Covington 47<sup>th</sup> Legislative District) has announced he will not seek re-election.

**What does a hybrid session format look like?**

The House and Senate Operations Committees approved session plans utilizing a hybrid in-person/virtual format for the 2022 legislative session. The House and Senate have taken different approaches to public access, in-person member participation requirements, and vaccine and testing verification. The Senate [session plan](#) and the House [session plan](#) were adopted 4-3 among party lines. A group of House Republicans has initiated a legal challenge to the House plan. Below is a chart summarizing the differences between the two plans. In all cases, masks are required indoors.

	<b>Committee Hearings</b>	<b>Legislators on campus</b>	<b>Meetings w/ Constituents on campus</b>	<b>Floor Action</b>	<b>Galleries Above Floor Action</b>
<b>Senate</b>	Virtual; no in-person	Vaccination or negative test required	Senator discretion. In persons mtgs capped at 3 attendees with COVID screening questions	Daily on-site testing required for in-person regardless of vaccination status	Open to public, limited to 12 individuals per gallery
<b>House</b>	Virtual; no in-person	Vaccination or onsite testing 3 times/ week	Virtual, no in-person meetings allowed on campus	Vaccination required for in-person. Undetermined overall capacity	Open to public; vaccination or negative test required, limited to 17 individuals per gallery

**Transportation Funding Discussions Continue**

The 2021 Legislature adjourned without enacting new revenue for transportation – a disappointment to many stakeholders. Throughout the interim, Legislators teased a potential special session to enact new revenue; however, in recent months legislators dismissed this possibility and have shifted focus to potential action during the 2022 session. Action could be a large 10+ year investment in projects funded by a gas tax increase, or it could be smaller short-term investment of funding.

Democrats have established a bi-cameral (House and Senate) negotiating team to attempt to reach an agreement on a revenue package. From the House Democrat Caucus, negotiators include Transportation Committee Chair Rep. Jake Fey (D-Tacoma), Vice Chair Rep. Sharon Wylie (D-Vancouver), 2<sup>nd</sup> Vice Chair Rep. Bill Ramos (D-Issaquah), and Rep. Marcus Riccelli (D-Spokane). From the Senate Democrat Caucus,

negotiators include Sen. Steve Hobbs (D- Lake Stevens),\* Sen. Rebecca Saldana (D-Seattle), Sen. Mark Mullet (D-Issaquah), and Sen. Emily Randall (D-Bremerton). This partisan (Democrats only) group of legislators continues to meet regularly to negotiate the structure of a state transportation revenue package. Generally, the Senate has proposed developing a revenue package that is similar in structure to the previous 2015 Connecting Washington Package with funding allocated to a set list of projects over ~ 15 years. This process often allocates funding to projects represented by legislators who are willing to take a tax vote – i.e. a political process. On the other hand, House negotiators have argued that it is time to revisit how projects are selected to receive funding – that it should be based on values, rather than politics. Also, the House has advocated for a package that would allocate a large amount of funding to investments in transit, bike/ped, electric vehicle infrastructure, etc. and would allocate less funding to expanding highway capacity.

Meanwhile, Republican Ranking Members, Rep. Andrew Barkis (R-Olympia) and Sen. Curtis King (R-Yakima) have not been included in negotiations. Rep. Andrew Barkis recently released a [proposal](#) called the “REAL Act” (reprioritizing existing appropriations for longevity) to change how transportation funding is allocated, including proposing to transfer sales tax revenues from the sale of vehicles from the operating budget to the transportation budget.

A transfer from the operating budget appears to be one concept that all transportation budget writers agree on. However, it is unclear whether operating budget writers are in agreement with transferring funds from one budget to the other. As a reminder, the operating budget funds K-12 education, human services, ecology, commerce, agriculture and other state agencies.

If an agreement on a large transportation revenue package funded through a gas tax increase cannot be reached during the 2022 legislative session, it is likely an agreement can be reached on a smaller effort to temporarily shift operating budget funds into the transportation budget to fund culverts, maintenance and preservation, and ferries. It’s unclear where that would leave funding requests for specific projects.

*\*On November 10<sup>th</sup>, the Governor announced the appointment of sitting Senator Steve Hobbs (D- Lake Stevens) to Secretary of State, effective Monday, November 22<sup>nd</sup>. Meanwhile, the Senate Democrats have not yet selected a new Senate Transportation Committee Chair – front runners for the job appear to be Sen. Marko Liias (D-Edmonds) and Sen. Rebecca Saldana (D-Seattle).*

### **Long Term Care Act**

The Legislature enacted the nation’s only Long-Term Care Act policy in 2019. The long-term care benefits provided in the Act are funded through a .58 percent payroll tax that is scheduled to go into effect on January 1<sup>st</sup>, 2022. Significant public outcry regarding several provisions of the Act prompted the [filing of I-436](#), an initiative to the Legislature allowing people to opt-out of the Act at any time – current law required people to opt out by November 1<sup>st</sup>, 2021. If nearly 400,000 signatures are gathered by December 31<sup>st</sup>, the Legislature will have three options: place the initiative on the November 2022 ballot, adopt the initiative as drafted, or place the original initiative proposal as well as an alternative on the November 2022 ballot. [Click here](#) to read recent media coverage on this topic.

Additionally, Senate Democrat Leadership recently sent a letter to the Governor asking that he explore options to pause enacting the Act as scheduled on January 1<sup>st</sup>, 2022 to allow the Legislature to consider [potential changes to the Act](#) in 2023. Interestingly, this letter came only from Senate Democrat Leadership, and not from House Democrat Leadership, i.e., Speaker Laurie Jenkins who was the original sponsor of the Act in 2019.

Depending on what changes the Legislature makes, or does not make, during the 2022 session, there are rumors of an initiative to the people or referendum on the subject for inclusion on the November 2022 ballot. This adds to the pressure on the Legislature to enact changes during the 2022 session.

### **Police Reform/Public Safety**

Earlier this interim, Democrats insisted that they would not revisit the slate of police reform bills enacted during the 2021 legislative session, however, they are now committing to advancing clarifying proposals in 2022. Importantly, they have stated they will not advance proposals that roll back the reforms. The small group of democrat legislators that led the 2021 police reform effort (Rep. Roger Goodman, Rep. Jesse Johnson, Sen. Manka Dhingra) are leading the clarifying effort. It is anticipated they will introduce proposals clarifying 1) bean bag rounds may be used as a nonlethal alternative 2) law enforcement is authorized to respond to community caretaking (e.g. welfare check) calls; 3) law enforcement is authorized to use force in behavioral health scenarios involving the Involuntary Treatment Act; and 4) law enforcement is authorized to use force under the reasonable suspicion rather than probable cause standard in select situations. The last item on this list is the most challenging and it's unclear how broad/narrow this proposal will be. [AWC](#) and [WASPC](#) have each adopted agendas that speak to this clarifying effort.

Additionally, the Legislature is considering proposals to increase funding to alternative response models (co-responder programs), the basic law enforcement academy for training, treatment programs for those suffering from substance abuse, and more.

Senate Republicans have indicated they will be launching a "Fund the Police" effort that increases funding for law enforcement throughout Washington State. Within this proposal there may be funding available for local agencies, including funding for body worn cameras.

### **Environmental and Climate Policies**

Advancing proposals that aim to decarbonize the environment continue to be a priority for the Governor, Democrats, and environmental advocates.

Earlier this interim, Governor Inslee issued an executive order to fully electrify Washington state's public fleets and transition to a 100% zero-emission light duty fleet by 2035, as well as 100% zero-emission medium and heavy-duty state fleets by 2040. Building on that effort, the Governor is anticipated to release a salmon recovery package in mid-December as part of his supplemental budget proposals. The package is anticipated to propose three years of investments focused on habitat and riparian restoration and protection, water quality and quantity, fish passage and reintroduction, and climate resiliency.

In 2022, Rep. Alex Ramel (D-Bellingham) is expected to release a series of bills to decarbonize buildings that build upon policy discussions from the 2021 session on [House Bill 1084](#). Additionally, Sen. Mona Das plans to introduce the RENEW Act at the request of Zero Waste Washington to establish an extended producer responsibility program in Washington State to cover plastic, paper, aluminum, steel, and glass.

House Republicans have [announced](#) a counter climate policy called the Outdoor Recreation and Climate Adaptation (ORCA) Act which proposes to spend Climate Commitment Act funds on recreational parks, forest health, drought resiliency, flood mitigation, and sustainable water supply instead of non-highway transportation spending. This proposal is not likely to advance in a majority Democrat Legislature.

### **Land Use/Density**

The Governor's Office and some legislators have indicated a desire to have a robust policy discussion during the 2022 session on land use policy, including eliminating single-family zoning similar to Oregon and California, zoning near transit corridors, regulation of accessory dwelling units, and more. It is anticipated that several competing proposals will be introduced, many of them preempting local control in this area. In anticipation of this discussion, the Senate Housing and Local Government Committee held a [work session](#) on the topic last month. In the work session, committee members heard from staff from the City of Minneapolis that recently eliminated single-family zoning, and the City of Houston that has not had zoning since the 1940's.

In addition to these proposals, legislators are also discussing several proposals making changes to the Growth Management Act (GMA) that will carry over from the 2021 legislative session, including adding a climate element to the GMA ([House Bill 1099](#)), and adding salmon recovery to the GMA ([House Bill 1117](#)). Additionally, in 2021 the Legislature approved but did not fund [House Bill 1220](#) which included an update to the housing element to the GMA. Budget writers are likely to consider allocating funding local jurisdictions to update the housing element in their comprehensive plans in the next update cycle consistent with House Bill 1220.

In recent legislative sessions, cities and counties have indicated a strong need for increased funding for planning activities. In response, the Department of Commerce is recommending that the Governor include \$10 million for a grant program for local governments to complete statutory planning requirements in his 2022 supplemental operating budget.

### **Tax Policy**

The Legislature is not likely to advance significant tax policy changes during the 2022 session. During the 2021 session, the Legislature enacted a capital gains tax that is currently being litigated and not likely to be resolved before the Legislature adjourns in March. There are several legislative proposals from 2021 authorizing local governments to enact taxes as a local option that are likely to continue to be discussed in 2022, including [House Bill 1058](#), authorizing a local sales tax increase to fund arts programs and [House Bill 1025](#), authorizing a local sales tax increase to fund parks.

While not likely to advance in 2022, the House Finance Committee recently heard an [update](#) on the progress of the Tax Structure Work Group (TSWG) which has been working since 2017 to “identify options to make the Washington State tax code more fair, adequate, stable, and transparent.” The TSWG recently held virtual town halls and will make recommendations to the Legislature prior to the 2023 session.



## City of Blaine

### 2022 Legislative Priorities

#### **Local Transportation Revenue**

Gas Tax Authorization: Cities throughout the state lack financial resources to adequately maintain and operate the city-owned transportation system. The City of Blaine asks that the state provide increased local funding tools to meet city transportation needs. As a border community, the City of Blaine is unique from other communities. Visitors from Canada frequently travel into the City of Blaine and utilize Blaine's infrastructure without contributing to the tax base. To address this, the state previously authorized border communities to impose a "border gas tax" with voter approval. The City of Blaine, Sumas and Nooksack have utilized this authority. One option to increase local funding tools to meet city transportation needs would be to authorize these communities to increase the border gas tax by another cent.

Sales Tax Transportation Benefit District: The City of Blaine is supportive of legislation that would authorize voters to approve a percentage of sales tax as a transportation benefit district (TBD) revenue stream every 10 years. Current statute limits the voter approved 10-year sales tax TBD to two times. The Blaine community approved the first of these 10-year sales tax measures in 2017. The city dedicates this revenue to eligible transportation and trail projects. Moving forward, the city would like greater flexibility on the 10-year renewal requirement.

#### **North Harvey Road Booster Pump Facility**

The City of Blaine requests \$500,000 in capital funding to help construct a water booster pump station and related infrastructure to serve the current community and prepare for the residential growth that is occurring in East Blaine. The city intends to contribute \$500,000 of city's ARPA funding to the project. As development continues in the service area, developers will add pumps to expand pumping capacity and develop additional service lines to distribute potable water to new homes.

An investment by the city and state in the development of the water booster pump facility will mitigate increases in utility costs for families and businesses within the service area. Additionally, developing the pump station will help reduce costs for new housing units and increase fire flow capacity in a large section of the city.

#### **Marine Drive Reconstruction Project**

The City of Blaine and the Port of Bellingham request \$4 million in transportation funding to reconstruct Marine Drive. The easternmost section of Marine Drive has been closed to vehicle traffic since 2015. This segment of road serves as access to Jorgensen Public Pier and is a component of the breakwater for Blaine Harbor. Access to adjacent fish processing industries has been compromised due to the road closure. The city and the Port of Bellingham are coordinating on an effort to reconstruct the roadway to ensure access to the pier and protection of the harbor. Under the proposed project, a new truck-compatible roadway will serve the industrial shipyard. A single vehicle lane, a bike/ped lane, and a bulkhead will continue for the final 300 feet to provide access to the public pier

***The City of Blaine supports the legislative priorities of the Association of Washington Cities.***