



## Skagit County - Government Relations Report February 27, 2021

The House of Representatives and Senate are convening to vote on bills that have advanced through the committee process. During this part of the legislative process, legislators work long days, sometimes late into the night, caucusing, debating, and voting on bills. Once a bill passes out of one chamber, it then moves to the second chamber for further consideration. Bills must be approved by the chamber-of-origin (the House must approve house bills; the Senate must approve senate bills) by the next legislative cutoff deadline: Tuesday, March 9, 2021.

Once bills advance out of policy and fiscal committees, they are referred to the rules committee in their respective chambers. Bills remain in the Rules Committee until they are selected to be brought up for a vote of the entire chamber of the House of Representatives or Senate. Additionally, there are several bills that are *Necessary to Implement the Budget (NTIB)* and are not subject to cutoff deadlines. Of the approximately 1,100 bills introduced, roughly 500 are currently considered alive.

With budget request deadlines passed, legislators have shifted their focus to budget negotiations and legislation, limiting opportunities to connect on legislative priorities. GTHGA is reaching out to delegation members to schedule meetings regarding the County's legislative priorities before budget proposals are released; we have confirmed a meeting with the 40<sup>th</sup> legislative delegation on March 19, from 12 – 12:30pm. We will keep you informed of meetings with the 10<sup>th</sup> and 39<sup>th</sup> legislative delegations as they are confirmed.

Below is an outline of the deadlines for this year's legislative process:

<b>Session Cutoff Calendar</b>	
February 15, 2021	Policy Committee Deadline
February 22, 2021	Fiscal Committee Deadline
March 9, 2021	Chamber-of-Origin Deadline
March 26, 2021	Opposite Chamber Policy Committee Deadline
April 2, 2021	Opposite Chamber Fiscal Committee Deadline
April 11, 2021	Opposite Chamber Deadline
April 25, 2021	Session adjourns - Sine Die

## Legislative Priorities

### Skagit County Morgue

Skagit County is requesting \$135,000 in the capital budget for the construction of a new county morgue. This project would greatly increase caseload capacity for the County and provides regional benefit, including increased capacity for soft-tissue donation. Sen. Keith Wagoner (R- Sedro-Woolley)



is sponsoring this request in the Senate and Rep. Dave Paul (D- Oak Harbor) is sponsoring the bill in the House. Capital budget forms have been approved and submitted by the project sponsors to capital budget leadership in both chambers. The Legislature is not expected to release their budgets until after March 17<sup>th</sup>, the next revenue forecast.

#### Didgwálic Wellness Center

Skagit County is a strong advocate for statewide and regional investments in behavioral health. The County supports the Swinomish Tribe's request for \$9 million in capital budget funding to expanding the existing didgwálic Wellness Center. The request is part of Phase III of the Wellness Center, which includes the addition of detox, emergency housing, transitional and workforce housing components. The Swinomish Tribe has submitted request forms for this project. We anticipate hearing more on this request as budgets are released.

#### Re-Appropriate Funds for Sedro-Woolley E&T

Skagit County received \$1.5 million in the 2017-19 biennium and \$6.6 million in the 2019-2021 biennium in funding for the Skagit County Evaluation and Treatment Center. Sen. Keith Wagoner (R- Sedro-Woolley) and Rep. Carolyn Eslick (R- Sultan) relayed that they will ensure these funding amounts are reappropriated; both legislators sit on their respective chamber's appropriations committee.

#### Levy Certification Timing

Skagit County is putting forward [House Bill 1309](#), which would better align the dates by which the County must certify property tax levies and budget adoption. Currently, the County must certify property tax levies for all taxing districts before adopting the budget, making compliance impossible. Rep. Carolyn Eslick (R- Sultan) is sponsoring the proposal with Rep. Ramel (D- Bellingham) cosponsoring. The Association of County Assessors have adopted this bill as one of their top priorities for the session and will be strongly supporting the bill. Rep. Greg Gilday (R- Camano) agreed to pull the bill to the floor from the House Rules Committee on behalf of the County. In anticipation of floor debate, we reminded the delegation in advance to support this bill on the floor. The bill unanimously passed out of the House on Wednesday, February 24<sup>th</sup>, thanks to the proactive and bipartisan support from the County's delegation! The bill has been referred to the Senate Housing and Local Government Committee, though we do not anticipate hearings until floor cutoff on March 9<sup>th</sup>.

#### ***Other Items***

##### REET 2 Flexibility

Skagit County requests that the Legislature allows temporary authority for jurisdictions to use REET 2 revenue for affordable housing operations and maintenance. This provision is included in [House Bill 1069](#), sponsored by House Local Government Chair Rep. Gerry Pollet (D- Seattle). The bill was heard in the Finance Committee on Monday, January 25<sup>th</sup>. The bill has been amended to include limitations on the REET 2 flexibility provisions, only allowing either \$100,000 or 35% percent of REET 2 funds, whatever is greater, to be used for operations and maintenance on existing capital projects. To keep the delegation aware of the County's bill positions, GTHGA distributes "support" and "oppose" bill lists to assist members in their floor votes. Once the bill was pulled from the Rules Committee to the floor, we also followed up with the delegation about this bill specifically to encourage a "yes" vote on the bill, reminding them that it is one of the County's priorities. The bill passed off the House floor on Thursday, February 25<sup>th</sup>, largely along party lines. The bill received a split vote from our delegation.



### House Bill 1333 - .09 Rural County Sales Tax Credit Extension

Jefferson County has brought forward [House Bill 1333](#), sponsored by Rep. Steve Tharinger (D-Dungeness), which renews the .09 rural county tax credit for economic development until 2054. A broader renewal effort for this program was led by the Washington Economic Development Association (WEDA) last session; however, the bill, which added border counties to the program, died due to its significant fiscal note. Since this bill extends the program before the current program expires, the state assumes there is no fiscal impact, whereas future attempts to renew the program would show significant impact on the state budget. The bill is currently in the House Rules Committee to be pulled to the floor for debate. **We recommend that the County support this bill and ask the delegation to weigh in.**

Revenue Forecast and Capital Budget Capacity: Four times a year, the Washington State Economic and Revenue Forecast Council adopts a bipartisan revenue forecast that is then used to build and adjust the state operating budget. The next revenue forecast is expected on March 17, and it is anticipated that the Legislature will release proposed operating and capital budgets shortly thereafter. Capital budget writers are currently working to determine the overall size of the capital budget. As a reminder, the Governor's proposed budget borrowed future bond capacity to develop a \$4.7 billion proposed capital budget. Legislators seem hesitant to borrow future bond capacity; if they choose not to, the capital budget would be \$3.5-4 billion.

### COVID Relief and Recovery

The COVID-19 pandemic has significantly impacted local governments and the communities they serve. Funding provided to counties for COVID-19 response is used for essential programs, including local public health, emergency rental assistance, emergency homelessness assistance, and small business economic relief. Skagit County requests that the Legislature continue to provide sufficient funding to maintain COVID-19 response and other essential county functions.

### *Public Health Restructure Proposal*

Democrats are advancing the Governor-request public health restructuring bill: legislative vehicle [House Bill 1152](#), sponsored by Rep. Marcus Riccelli (D- Spokane) and its Senate companion, [Senate Bill 5173](#), sponsored by Sen. June Robinson (D- Everett). [House Bill 1152](#) was introduced as Governor-request legislation establishing regionalized, state-administrated comprehensive public health districts. Bill proponents and public health stakeholders have been meeting weekly to determine an amenable path forward for both parties. The bill has been amended once to accommodate stakeholder concerns and another amendment is being crafted for passage on the floor, though language has not yet been distributed. The current iteration continues to be problematic for many counties, requiring the formation of a new regionalized administrative layer of public health, Comprehensive Health Services Districts, and restructuring of local boards of health so that elected officials no longer constitute the majority of board membership.

Bill proponents have released a draft outline of the proposed floor amendment. Many problematic provisions remain, including Local Board of Health composition changes, non-elected majority requirements, and the creation of a regionalized health administration layer. We anticipate the new draft to make the following changes to the existing language:

- Replaces workgroup with Public Health Advisory Board, based on the preexisting FPHS Policy Committee.



- Requires Advisory Board to make recommendations regarding the creation of Comprehensive Public Health Services Districts (CPHSDs). Recommendations include county make up of Comprehensive Districts (with a minimum of three counties), analysis of COVID-19 public health response, establishing shared service parameters and “menu” of CPHSD services, applying performance measures to the public health system, and recommendations to leverage previously completed FPHS work.
- Relationship between CHSDs and LHJs will be defined, though specifics are not laid out in the bill outline.
- Four Regional Medical Directors will replace Regional Health Officers. Regional Medical Directors will be DOH employees and begin June 1, 2022. Responsibilities include facilitating coordination between LHJs, DOH, and tribes across counties, providing support to LHOs, serving as back-ups for LHOs, and sitting on the CPHSD board.
- 65% of funding is preserved for shared services, with a portion of this funding going to CPHSDs.

We will be working in the next few weeks to set up meetings with members of the delegation and Commissioner Browning to discuss the County’s concerns with the proposal. GTHGA has convened a group of County lobbyists to identify possibly coordination on this bill going forward, including potentially introducing amendments on the floor. We will keep the County looped in as these conversations progress.

#### *Funding Proposals*

Though funding proposals technically “died” at the first fiscal committee cutoff on Monday, February 22<sup>nd</sup>, we anticipate FPHS funding bills will be “necessary to implement the budget” (NTIB) and will not be subject to legislative cutoff dates. The funding proposal introduced in conjunction with House Bill 1152, [Senate Bill 5149](#), sponsored by Sen. June Robinson (D- Everett) remains in the Ways and Means Committee and has not been heard. The proposal imposes a covered lives assessment on health carriers, Medicaid managed care organizations, and third-party administrators to be deposited in the Foundational Public Health Services Account. The assessment gradually increases up to \$3.07 per member per month by FY 2026 to generate up to \$200 million/fiscal year, about half of revenue generated in the underlying bill. This week, we heard that Speaker of the House Laurie Jinkins (D-Tacoma) will not move House Bill 1152 until there is action on FPHS funding.

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GTHGA is monitoring the following priority items on your behalf. We will provide updates on these items as legislative action occurs. We will continue to be in contact with you on legislative proposals relevant to these items.

#### Support Capital Budget Funding for:

- Heritage Grant Program
- Washington State Housing Trust Fund
- Washington State Recreation and Conservation Office Grants
- Brian Abbot Fish Barrier Removal Board



## Upcoming Events

None this week as floor action continues.

### Bill Summaries

Outlined below are relevant bills GTHGA is tracking for the County. Bills that are in the “lobbying” category are those that GTHGA is taking action to either advance or stall; bills that are marked as “monitoring” are those that GTHGA is keeping track of but not actively lobbying. Bills included on this list are currently considered “alive.”

#### Lobbying

<u>Bill Details</u>	<u>Status</u>	<u>Sponsor</u>	<u>Position</u>
<a href="#"><u>E2SHB 1069</u></a> <b>Local gov fiscal flexibility</b> Concerning local government fiscal flexibility.	H Passed 3rd	Pollet	Support
<a href="#"><u>2SHB 1152 (SB 5173)</u></a> <b>Comp health districts</b> Supporting measures to create comprehensive public health districts.	H Rules R	Riccelli	Oppose
<a href="#"><u>SHB 1309</u></a> <b>Levy certification dates</b> Concerning the dates of certification of levies.	S Housing & Local	Eslick	Support
<a href="#"><u>SHB 1502</u></a> <b>Electric ferries/counties</b> Concerning the procurement and design of electric ferries by counties.	H Passed 3rd	Pollet	Support

#### Monitoring

<u>Bill Details</u>	<u>Status</u>	<u>Sponsor</u>	<u>Position</u>
<a href="#"><u>ESHB 1056</u></a> <b>Public meetings/emergencies</b> Concerning open public meeting notice requirements and declared emergencies.	S State Govt & EI	Pollet	
<a href="#"><u>ESHB 1070</u></a> <b>Housing/local tax revenue</b> Modifying allowed uses of local tax revenue for affordable housing and related services to include the acquisition and construction of affordable housing and facilities.	H Passed 3rd	Ryu	
<a href="#"><u>2SHB 1099</u></a> <b>Comprehensive planning</b> Improving the state's climate response through updates to the state's comprehensive planning framework.	H 2nd Reading	Duerr	



<a href="#"><u>2SHB</u></a> <a href="#"><u>1117</u></a>	<b>Comp. planning/salmon</b> Promoting salmon recovery through revisions to the state's comprehensive planning framework.	H 2nd Reading	Lekanoff
<a href="#"><u>2SHB</u></a> <a href="#"><u>1202</u></a>	<b>Police misconduct/civil rem.</b> Addressing meaningful civil remedies for persons injured as a result of police misconduct, including by allowing for an award of attorney fees in addition to damages and injunctive and declaratory relief.	H 2nd Reading	Thai
<a href="#"><u>SHB</u></a> <a href="#"><u>1225</u></a>	<b>School-based health centers</b> Concerning school-based health centers.	H Passed 3rd	Stonier
<a href="#"><u>SHB</u></a> <a href="#"><u>1232</u></a>	<b>GMA/affordable housing plans</b> Planning for affordable housing under the growth management act.	H 2nd Reading	Barkis
<a href="#"><u>SHB</u></a> <a href="#"><u>1241</u></a>	<b>Growth management act plans</b> Planning under the growth management act.	H Rules R	Duerr
<a href="#"><u>SHB</u></a> <a href="#"><u>1298</u></a> (SB 5221)	<b>Accessory dwelling units</b> Concerning regulation of accessory dwelling units located outside of urban growth areas.	H Rules R	Vick
<a href="#"><u>SHB</u></a> <a href="#"><u>1332</u></a> (SB 5402)	<b>Property tax deferral/COVID</b> Concerning property tax deferral during the COVID-19 pandemic.	H 2nd Reading	Sullivan
<a href="#"><u>SHB</u></a> <a href="#"><u>1333</u></a>	<b>Rural public facilities/tax</b> Providing an extension to the local sales and use tax for public facilities in rural counties.	H 2nd Reading	Tharinger
<a href="#"><u>ESHB</u></a> <a href="#"><u>1368</u></a> (SB 5344)	<b>Federal funding/COVID-19</b> Responding to the COVID-19 pandemic through state actions supported by federal funding.	C 3 L 21	Ormsby
<a href="#"><u>SHB</u></a> <a href="#"><u>1410</u></a>	<b>Home foreclosure/taxes</b> Protecting taxpayers from home foreclosure.	H Rules R	Volz
<a href="#"><u>2SHB</u></a> <a href="#"><u>1412</u></a>	<b>Legal financial obligations</b> Concerning legal financial obligations.	H Rules R	Simmons



**[HB 1494](#)**      **Antidisplacement/prop. tax**      H Finance      Harris-Talley  
Providing housing safety, security, and protection for Washington families by creating the antidisplacement property tax exemption.

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**[SB 5042](#)**      **GMA actions effective date**      S 2nd Reading      Salomon  
Concerning the effective date of certain actions taken under the growth management act.

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**[SSB 5149](#)** (HB 1201)      **Found. public health funding**      S Ways & Means      Robinson  
Funding foundational public health services.

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**[SSB 5275](#)**      **Intense rural dev. areas**      S 2nd Reading      Short  
Enhancing opportunity in limited areas of more intense rural development.

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**[2SSB 5368](#)**      **Rural economic development**      S Rules 2      Short  
Encouraging rural economic development.

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