



## Skagit County - Government Relations Report March 6, 2021

Sunday, March 7<sup>th</sup> is the 56<sup>th</sup> day of the 2021 Legislative Session. Until March 9<sup>th</sup>, the House of Representatives and Senate are convening to vote on bills that have advanced through the committee process. Unless considered *Necessary to Implement the Budget*, all bills must be passed out of their 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 a bill passes out of one chamber, it then moves to the second chamber, and the process repeats.

After the 9<sup>th</sup>, the House of Representatives and the Senate will shift back to meeting in committees to hold public hearings on bills that the opposite chamber approved. 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

At this point in session, legislators have shifted their focus to budget negotiations and passing legislation, providing limited opportunities – especially in a virtual environment – to connect on legislative priorities. GTHGA has been working to schedule meetings with members of the delegation for the County to connect on legislative priorities before budget proposals are released. Meetings have been scheduled with all three legislative delegations during the week of March 15<sup>th</sup>.

### 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.



### Didg<sup>w</sup>álič 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 didg<sup>w</sup>álič 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. The County received a letter this week from Commerce stating that the Department will be requesting reappropriations for 2017-19 biennium capital budget projects. This is excellent news for the County's 2017-19 allocation.

### 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. Members of the Skagit County delegation have shown bi-partisan support for this bill, and last week, the bill passed off the House floor unanimously. This week, we distributed a hearing request letter to Rep. Eslick and Rep. Ramel to send to the Ranking Member of the Senate Housing and Local Government Committee; however, the Committee Chair affirmed her Commitment to hearing the bill. The bill has now been scheduled to be heard on Wednesday, March 10<sup>th</sup>. Trisha Logue, County Administrator, will be testifying. We have also requested to meet with members of the committee to discuss the proposal, beginning with Sen. Liz Lovelett (D- Anacortes), to discuss the proposal and secure their votes.

### ***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. The bill passed out of the House with a split vote along party lines. It is scheduled to be heard in the Senate Housing and Local Government Committee on March 10<sup>th</sup>; we will sign the County in support at the hearing.

### Capital Budget Outlook:

We have heard from House Republican members that the capital budget will be extremely tight this year due to an overabundance of member requests. Members have speculated that previous projections of significantly reduced state revenues pushed many requests typically made in the



operating budget to the capital budget, resulting in a more competitive request pool. Though state revenues are rumored to surpass even the November forecast, capital budget leadership across all chambers have indicated they are not willing to take the Governor's approach of borrowing future bonding capacity to increase budget size. As a reminder, the Governor's proposed capital budget was \$4.7 billion; if Legislators choose not to borrow against future capacity, 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, and this week, draft language was distributed for a third, substantially different iteration of the bill. Though bill proponents have moved significantly on this bill, elements of the draft language continue to be problematic for many individual counties and many have begun directly conveying concerns to the bill sponsors. We spoke with Rep. Alex Ramel (D- Bellingham) regarding the County's concerns with previous drafts of the bill early this week; however, the newest draft addresses many of the County's issues with the bill and we are now neutral on this proposal. GTHGA will relay this to Rep. Ramel before the bill is debated, rumored to occur on Monday.

Bill proponents previously released a draft outline of the proposed floor amendment, and late this week, draft language was distributed. Problematic provisions remain, including Local Board of Health composition changes, requiring equal representation of non-elected board members, and non-elected voting authority for budgetary decisions; however, the bill is significantly improved. Though delayed and significantly stripped back, the intent remains to establish a regionalized health administration layer, now called "Comprehensive Public Health District Centers" or "Regional Shared Service Centers." Under this format, Regional Service Centers would support and coordinate shared services between counties while oversight and decision-making authority is retained locally. The Regional Service Centers are authorized to provide services when helpful; for example, the Center could employ an epidemiologist to service the entire region. Funding is no longer allocated directly to Regional Service Centers; instead, 65 percent of state FPHS funding, over \$30 million, is required to go to shared services. WSAC will be pushing against codification of that number to retain funding flexibility. Bill sponsors have been clear that this bill will not advance without significantly increased funding, though public health funding proposals remain stalled in the Senate.

Other significant changes are detailed below:

- Large counties may no longer establish their own regional coordinating entity.



- Creates Public Health Advisory Board, which includes both local elected and local public health membership. Advisory Board will evaluate and monitor FPHS work, recommending public health system policies and direction and evaluating the system post-pandemic. Advisory Board will develop goals and evaluate metrics on FPHS performance and funding.
- Creates Foundational Public Health Service Steering Committee, which implements policy and funding recommendations set by the Advisory Board. Steering Committee will submit FPHS reports to the Advisory Board. Steering Committee will define purpose, roles, and services of Regional Shared Service Centers.

This week, WSAC LSC approved direction to staff affirming continued concerns with the bill. The issue paper, including the approved staff recommendation, is attached to the report, along with materials illustrating changes between different versions of the bill. Notably, WSAC will now be advocating for changes to Local Board of Health composition requirements in the bill. WSALPHO was previously neutral on this component of the bill as an “exchange” for movement on comprehensive district components.

#### *Funding Proposals*

Foundational Public Health Funding proposals have still not moved, including the proposal introduced in conjunction with House Bill 1152, [Senate Bill 5149](#), sponsored by Sen. June Robinson (D- Everett). The bill 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. Bill proponents and Speaker Laurie Jenkins (D- Tacoma) have continually reaffirmed commitment to securing stable FPHS funding this session; however, existing proposals remain contentious. These conversations will continue as legislators craft the budget, and at this point, House Bill 1152 will advance regardless of movement on funding.

#### House Bill 1410 – Eliminating Delinquent Property Tax Penalties

WSAC opposes House Bill 1410, this year’s iteration of sponsor Rep Mike Volz’s (R- Spokane) annual bill removing delinquent property tax penalties. Counties have historically strongly opposed the bill due to significant impacts on county revenues. The bill passed off the House floor this week with an amendment mitigating impacts on counties: the bill maintains interest on delinquent property taxes for non-residential properties and for residential property with greater than 4 units per taxable parcel. Interest is reduced to 9% for residential property with 4 or fewer units. WSAC is neutral with this amendment.

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

### Housing & Local Government (Senate) - Virtual, - 3/10 @ 10:30am

E2SHB 1069 - Public Hearing - Concerning local government fiscal flexibility. (Remote testimony.) (Support)

ESHB 1070 - Public Hearing - Modifying allowed uses of local tax revenue for affordable housing and related services to include the acquisition and construction of affordable housing and facilities. (Remote testimony.)

SHB 1309 - Public Hearing - Concerning the dates of certification of levies. (Remote testimony.) (Support)

### State Government & Elections (Senate) - Virtual, - 3/12 @ 10:30am

ESHB 1056 - Exec Session - Concerning open public meeting notice requirements and declared emergencies.

## 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.	S Housing & Local	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 2nd Reading	Riccelli	Concerns
<a href="#"><u>SHB 1225</u></a> <b>School-based health centers</b> Concerning school-based health centers.	S Health & Long T	Stonier	Support
<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.	S Transportation	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>	S State Govt & EI	Pollet
	Concerning open public meeting notice requirements and declared emergencies.		
<a href="#"><u>ESHB 1070</u></a>	<b>Housing/local tax revenue</b>	S Housing & Local	Ryu
	Modifying allowed uses of local tax revenue for affordable housing and related services to include the acquisition and construction of affordable housing and facilities.		
<a href="#"><u>E2SHB 1099</u></a>	<b>Comprehensive planning</b>	H Passed 3rd	Duerr
	Improving the state's climate response through updates to the state's comprehensive planning framework.		
<a href="#"><u>E2SHB 1117</u></a>	<b>Comp. planning/salmon</b>	S Housing & Local	Lekanoff
	Promoting salmon recovery through revisions to the state's comprehensive planning framework.		
<a href="#"><u>2SHB 1202</u></a>	<b>Police misconduct/civil rem.</b>	H 2nd Reading	Thai
	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.		
<a href="#"><u>SHB 1232</u></a>	<b>GMA/affordable housing plans</b>	H 2nd Reading	Barkis
	Planning for affordable housing under the growth management act.		
<a href="#"><u>SHB 1241</u></a>	<b>Growth management act plans</b>	H 2nd Reading	Duerr
	Planning under the growth management act.		
<a href="#"><u>SHB 1298</u></a> (SB 5221)	<b>Accessory dwelling units</b>	H 2nd Reading	Vick
	Concerning regulation of accessory dwelling units located outside of urban growth areas.		
<a href="#"><u>ESHB 1332</u></a> (SB 5402)	<b>Property tax deferral/COVID</b>	H Passed 3rd	Sullivan
	Concerning property tax deferral during the COVID-19 pandemic.		
<a href="#"><u>SHB 1333</u></a>	<b>Rural public facilities/tax</b>	S Ways & Means	Tharinger
	Providing an extension to the local sales and use tax for public facilities in rural counties.		



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<a href="#"><u>ESHB 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>ESHB 1410</u></a>	<b>Home foreclosure/taxes</b> Protecting taxpayers from home foreclosure.	H Passed 3rd	Volz
<a href="#"><u>2SHB 1412</u></a>	<b>Legal financial obligations</b> Concerning legal financial obligations.	H Rules R	Simmons
<a href="#"><u>HB 1494</u></a>	<b>Antidisplacement/prop. tax</b> Providing housing safety, security, and protection for Washington families by creating the antidisplacement property tax exemption.	H Finance	Harris-Talley
<a href="#"><u>SB 5042</u></a>	<b>GMA actions effective date</b> Concerning the effective date of certain actions taken under the growth management act.	S 2nd Reading	Salomon
<a href="#"><u>SSB 5149</u></a> (HB 1201)	<b>Found. public health funding</b> Funding foundational public health services.	S Ways & Means	Robinson
<a href="#"><u>SSB 5275</u></a>	<b>Intense rural dev. areas</b> Enhancing opportunity in limited areas of more intense rural development.	S 2nd Reading	Short
<a href="#"><u>2SSB 5368</u></a>	<b>Rural economic development</b> Encouraging rural economic development.	S Passed 3rd	Short
<a href="#"><u>SB 5471</u></a>	<b>Controlled subst. possession</b> Concerning knowing possession of a controlled substance.	S Law & Justice	Padden

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