

Skagit County Interim Report December 17th, 2020

To access the documents referenced in this report, [please visit this link](#).

Virtual Legislative Session: The 2021 legislative session will begin on Monday, January 11th, and is scheduled to last 105 days. Both the state Senate and state House of Representatives have indicated that the 2021 legislative session will be conducted virtually, with some minor exceptions. Given the challenges that come with a virtual format, legislators are being encouraged to significantly limit the number of bills introduced and are being encouraged to not introduce “companion bills.” The net effect of this virtual format is that legislators are likely to consider and pass fewer bills this next session.

Themes for the Upcoming Session: Legislators have indicated that they will focus efforts on four different themes this upcoming legislative session: 1) responding to COVID-19; 2) addressing racial inequities, including police reform; 3) investing in economic recovery; 4) responding to climate change.

Leadership and Committee Reorganization: Each caucus has selected their leadership for the next session. Within leadership, the most notable change was that Sen. Mark Schoesler (R- Ritzville) stepped down from leading the Senate Republican caucus and Sen. John Braun (R- Centralia) was selected to take his place as the caucus leader. Click on the links below to see the leadership for each caucus:

- [House Democratic Caucus](#)
- [House Republican Caucus](#)
- [Senate Democratic Caucus](#)
- [Senate Republican Caucus](#)

Additionally, the Senate and the House Democrats have released committee assignments; the House Republicans are anticipated to release committee assignments late this week. You may find committee assignments [here](#); we will distribute House Republican committee assignments once they are released.

Governor Developing Proposed Budgets: The budget process begins with the Governor releasing his proposed budgets by December 20, 2020. The current biennial budget (July 1, 2019 - June 30, 2021) will be amended through a supplemental budget, and the Legislature will develop the next biennial budget which begins on July 1, 2021 and ends on June 30, 2023. Below is a summary of the revenue status of each budget:

Operating Budget: The State Operating Budget funds all state agency operations, including the K-12 education system. The latest state economic and revenue forecast shows state revenues coming in higher than forecasted. The \$8 billion revenue shortfall predicted in June, is now closer to \$2.5 billion (\$158 million in 2019-21 and \$2.3 billion in 2021-23). The state has approximately \$3 billion in the Budget Stabilization Account (i.e. the “Rainy Day Fund”). Legislators



are discussing revenue proposals, such as a capital gains tax, a statewide payroll tax, increases in liquor and marijuana taxes, and other concepts to address the revenue shortfall.

Capital Budget: The State Capital Budget funds bricks and mortar construction, except for transportation projects. The budget is anticipated to be approximately \$3.3 billion. Legislators are indicating that they intend to fund projects in the capital budget that are focused on economic recovery and will use an equity lens to prioritize projects.

Transportation Budget: In 2015, the Legislature adopted a 16-year transportation package referred to as “Connecting Washington.” In recent years, the Legislature has focused on implementing this 16-year plan; however, there is now not enough revenue to fund the projects listed in Connecting Washington. The transportation budget is facing reduced revenues as a result of fewer drivers commuting during the COVID-19 pandemic. However, the Washington State Supreme Court upheld I-976, allowing the state to continue to collect car tab revenues; this helps but does not fully address the revenue shortfall from COVID-19. Additionally, the Legislature will need to identify \$726 million in added funding in the upcoming biennium to replace fish culverts as required by a court order.

The House and Senate Transportation Committee Chairs have begun developing a new transportation revenue package. It’s unclear whether these efforts to develop and finalize a revenue package will culminate in approval by the Legislature in 2021. Republicans are arguing that now is not the time for revenue package, and that sales tax revenue from auto sales should be directed to the transportation budget, rather than the operating budget.

Local Public Health Restructure: As discussed by the WSAC Legislative Steering Committee this week, counties expect to see several proposals relating to the governance or function of local public health. First and foremost is Governor Inslee’s proposal to create “comprehensive public health districts” with boundaries to include at least 250,000 people. State funding would flow through these new districts. In addition, the Governor is proposing that local health district boards be broadened to include equal representation from non-elected tribal, medical and health care professionals, and customers. District Health Officers would become employees of the Department of Health, appointed by the State Secretary of Health. Text of the bill has not been released. In response WSAC and WSALPHO are forming a joint subcommittee to develop principles from which to respond to these proposals. It is anticipated that this topic will be negotiated throughout session.

Committee Days: The Legislature met for Committee Assembly Days November 30-December 2 to prepare for the forthcoming legislative session. Committees met in a virtual format to hold work sessions and begin discussing proposals that will be



considered in the upcoming 2021 legislative session. Bills began being pre-filed on December 7th. Please find updates from Committee Assembly work sessions below.

Update to the Growth Management Act: There are three different bills that will likely be introduced proposing changes to the Growth Management Act. Please find the latest drafts of these proposals [here](#).

Comprehensive Reform: Following the Ruckelshaus Roadmap to Washington's Future report, the University of Washington has led an effort to transition the recommendations from the report into legislation. The House Environment Committee and the House Local Government Committee heard an update on this proposal. While stakeholders have convened throughout the summer to develop consensus on recommendations, strong opposition to multiple components of the proposal remains.

Net Ecological Gain: A proposal is being circulated that would require a jurisdiction's comprehensive plan to plan for an ecological gain – rather than ensuring that planning and development does not just protect fish and wildlife habitat but takes steps to restore and enhance habitat.

Climate Goal Added: During the 2020 legislative session, a proposal nearly passed that would have added climate impacts as a goal under the Growth Management Act. The bill will be re-introduced in 2021.

Legislators and other stakeholders are currently accepting feedback on all three of the above proposals in anticipation of the 2021 legislative session.

Fish Passage: The House Transportation Committee heard an update from the Department of Fish and Wildlife (DFW) and the Washington State Department of Transportation on current efforts to correct fish barriers. DFW will be providing a report to the 2021 Legislature advising the state on how to strategically make investments in culverts to leverage fish barrier replacements that WSDOT is completing to open the maximum amount of habitat ([click here](#) to view the last update from 11/2020). [Click here](#) to view a list of proposed projects that DFW has proposed receive funding through the Fish Barrier Removal Board. Likewise, WSDOT is delivering \$275 million in culvert projects that were funded in the 2019-21 biennium; and will be requesting \$726 million to replace additional culvert projects in the 2021-23 biennium. This \$726 million is not scheduled in the 2021-23 biennium. Additional revenue is needed either through a revenue package or re-allocating funds currently allocated to projects in order to appropriate the necessary funding for culvert projects. Long term, \$730 million/biennium is needed until 2029-30 when this decreases to \$405 million/biennium, for a total of \$3.8 billion. Only \$1.4 billion is currently budgeted.

	Past Bienna 2013-2019	Current Biennium 2019-2021	2021- 2023	2023- 2025	2025- 2027	2027- 2029	2029- 2030	Total
Current funding	\$185M	\$275M	\$726M	\$100M	\$21M	\$53M	\$33M	\$1.4B
Total funding needed to comply with the Injunction	\$185M	\$275M	\$726M	\$730M	\$735M	\$740M	\$405M	\$3.8B
Additional funding required				\$630M	\$714M	\$687M	\$372M	\$2.4B
# Barriers (Corrected)	66	24	90-110	115-130	115-130	115-130	30-40	580-600

M=Millions B=Billions

- Opens 90% of blocked habitat by 2030 as required by the injunction.
- Includes funds to correct culverts that structurally fail as required by the injunction.
- Includes a small amount of funding for high value corrections outside the case area.
- Continued funding needed after 2030 to correct culverts that structurally fail and those deferred.

Office of Equity Update: The House State Government and Tribal Relations Committee received an update on the development on the statewide Office of Equity. The previous Legislature directed a Task Force to provide a blueprint for the creation of an Office of Equity to evaluate and assist agencies in promote equity. To implement the Office of Equity as recommended by the Task Force, the 2021 Legislature needs to do the following: 1) \$25 million in state funding is needed to support 25 FTEs and complete community engagement; 2) establish the Office of Equity community Advisory Board in statute; 3) Codify diversity, equity, and inclusion responsibilities for agencies; 4) Authorize the Office of Equity to conduct rulemaking; and 5) Declare and manifest Washington as an anti-racist state government.

Police Reform: The House Public Safety Committee provided an overview of the legislative proposals that the Legislature is likely to consider this upcoming legislative session pertaining to police reform. In the House, Rep. Roger Goodman (D- Kirkland), Rep. Debra Entenman (D- Kent), Rep. Jesse Johnson (D- Federal Way), Rep. Bill Ramos (D- Issaquah), Rep. John Lovick (D- Mill Creek), Rep. My-Linh Thai (D- Bellevue), and Rep. Debra Lekanoff (D- Bow) serve as the House Policing Policy Leadership Team. This team is coordinating with the Senate, which has a similar but informal group. Below is an outline of several proposals anticipated to come forward this session – note that this is an evolving list and that additional proposals or amendments to these proposals are occurring daily:

- **Independent Investigations and Prosecutions:** The Governor’s Task Force is making recommendations that independent investigations and prosecutions when police use of force results in death. The Task Force is anticipated to recommend an independent state agency be tasked with completing investigations; and that the state agency be staffed by non-law enforcement personnel. Significant resources will be needed to fund a new state agency to fulfill this role. (Rep. Entenman)

- **Decertification:** Proposal to broaden the grounds for the Criminal Justice Training Commission to decertify officers. (Sen. Pedersen/Rep. Goodman)
- **Duty to Intervene:** Proposal establishing a duty for an officer to intervene if they witness an officer engaging in excessive use of force, and to report any observed wrongdoing by another officer. (Sen. Dhingra)
- **Impeachment:** Brady material is evidence that is required to be disclosed by the prosecution that would discredit a witness (i.e. an officer's testimony may be discredited if they engage in misconduct) or exonerate the defendant. This proposal requires the Washington Prosecuting Attorneys to update its policy on such evidence, and for evidence of officer misconduct to be disclosed to the prosecution in a timely fashion. Additionally, an officer must disclose whether they have previously been impeached (i.e. discredited as a witness) when hired by an agency. (Sen. Dhingra)
- **Data Collection:** Proposal to collect use of force data from police agencies statewide. There are currently discussions around additional data collection elements that should be integrated into the bill. (Sen. Hasegawa/Rep. Lovick)
- **Tactics:** Proposal bans choke holds and neck restraints, no-knock warrants, police dogs off lead, use of military-style equipment, shooting at moving vehicles, chasing moving vehicles, and use of tear gas. (Rep. Johnson)
- **Use of Force Standard:** Proposal to revise the use of force standard; the current use of force standard is whether it would be reasonable; this proposal would change the use of force to whether it is necessary. (Rep. Johnson)
- **Civil Liability:** Proposal would allow civil rights claims to be brought against law enforcement officers; details forthcoming. (Rep. Thai)
- **Community Accountability Boards:** Proposal would authorize (but not mandate) the creation of Community Accountability Boards and outline the authorities of such boards. (Rep. Johnson)
- **Felony Bar Removal:** The felony bar prevents someone who died or is injured while conducting a felony is barred from bringing forward a wrongful death/personal injury lawsuit. This proposal would allow the judge or jury to determine whether an individual was conducting a felony when injured. (Rep. Lekanoff/Sen. Frockt)
- **Civil Service Diversity:** This proposal would change the civil service exam process to create greater diversity in the law enforcement profession; details forthcoming. (Sen. Kuderer)
- **Arbitration:** Proposal to change the qualifications and selection of arbiters to resolve officer disciplinary issues; rather than hiring private arbiters, arbiters would be assigned through a state process. (Sen. Nguyen)

Mental Health Response Funding: The Senate Behavioral Health Subcommittee heard a [work session](#) on the Use of CARES and Safe Station models by fire stations to



reduce 911 calls by using case management to better respond to those suffering from behavioral health and substance use disorders.

Firearm Regulation: The House Civil Rights and Judiciary Committee received an [update](#) from the Washington State Patrol regarding the implementation of House Bill 2467 that the 2020 Legislature approved establishing a state background check program for all firearm transfers and purchases. The Washington State Patrol was charged with providing an implementation plan to the Governor and Legislature by December 1, 2020. The implementation plan will cost \$5.6 million in 21-23 and \$16.99 million in 23-25. While the Legislature authorized an \$18 fee/background check, fee revenue will only generate \$10.6 million; and not until the 21-23 biennium. The Legislature will need to address funding the program in the 2021 Legislature.

Tax Structure Workgroup: The House Finance Committee heard an [update](#) on the Tax Structure Workgroup which has been evaluating changes to Washington State’s tax structure since it was created in 2019. The workgroup is modeling current taxes with alternative tax structures; the business and occupation tax is compared to a personal income tax; the sales tax is compared to a corporate income/net receipts tax; the property tax is compared with a value-added tax; and a real estate excise tax is compared to a capital gains tax. The model will allow individuals and businesses to compare how the different tax options impact them. It will be completed in early 2021.

Economic Development Tools: The Washington Economic Development Association (WEDA), the Washington Public Ports Association (WPPA), and the Association of Washington Cities (AWC) are developing a proposal to authorize tax increment financing in Washington State. Unfamiliar with tax increment financing? [Click here](#) to view a webinar developed by the Washington Public Ports Association. Rep. Davina Duerr (D- Bothell) intends to sponsor this proposal.

Broadband: The Senate Environment, Energy and Technology Committee heard a report from the State Broadband Office. The State Broadband Office is currently conducting a [survey](#) on access to broadband. The Broadband Office will request operations funds. The Public Works Board and CERB will be asking state funding for broadband infrastructure funds.

Climate Proposals: There are several proposals circulating that aim to decarbonize our state’s economy. Below is an outline/comparison of two competing proposals being discussed – it’s likely that additional proposals aimed at decarbonizing the state’s economy will emerge as we get closer to the legislative session:

Carbon Fee/Green Bond Sen. Lovelett/Rep. Shewmake/Rep. Lekanoff	Cap & Trade Rep. Joe Fitzgibbon
<ul style="list-style-type: none"> \$25 per ton carbon fee imposed on manufacturers of fossil fuels. 	<ul style="list-style-type: none"> Producers of fossil fuels (i.e. polluters) ask “permission” to discharge carbon

<p>Benchmarked to increase 5% each year. Unclear how much will be passed on the consumer, but proponents indicate it would be a 22-cent increase in fuel.</p> <ul style="list-style-type: none"> • Generates \$1 billion/year; \$15 billion over the first 10 years. Revenue would fund green bonds that can be approved by simple majority of the Legislature. • Revenue would fund forest health, green transportation, broadband, and a competitive grant program that would identify projects that reduce carbon in increase climate resiliency (structured similar to RCO WWRP program). • Offset to vulnerable populations by approving the Working Family Tax Credit*. Legislature previously approved tax credit but has not funded it. • Energy-Intensive Trade-Dependent industries (paper, steel, cement, etc.) do not pay carbon fee, but instead participate in a siloed cap & trade system. They are each given credits; 90% of their credits are free; they pay for 10% and work to reduce carbon over time. 	<p>via a permit (like a stormwater permit). Oil refineries would pay this fee. Impact would be passed along to the consumer; anticipated to be an 18-cent increase in fuel.</p> <ul style="list-style-type: none"> • A cap on emissions is imposed at existing levels, and permits are issued based on a polluters existing emissions. As polluters reduce emissions, they can trade away credits; other polluters can acquire those credits. The number of credits will decline for the state to reach net zero emissions by 2050. • Polluters would pay for the permits, which would generate approximately \$800 million/year. • Revenue would NOT be bonded. 50% (\$400 million) on multimodal 15% on Working Family Tax Credit.* 15% on greenhouse gas reduction projects (electrification, weatherization, local government planning). 15% on forest health 5% to administer the program. • Energy-Intensive Trade-Dependent industries are given a free permit; if they decarbonize, they can sell credits.
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In addition to these two proposals, legislators are also discussing the imposition of a low carbon fuel standard. A low carbon fuel standard regulates the carbon content in fossil fuels; thereby reducing greenhouse gas emissions when the fuel is utilized. The House of Representatives approved a low carbon fuel standard in previous sessions. Rep. Joe Fitzgibbon (D- Burien) has indicated that he plans to re-introduce the proposal that passed in previous years. Sen. Steve Hobbs (D- Lake Stevens), Chair of the Senate Transportation Committee, has vocally criticized a low carbon fuel standard, arguing that a low carbon fuel standard increases the price of gas without generating revenue to invest in infrastructure.

Affordable Housing and Homelessness:

Rental Assistance/Rent Policies: During Committee Days, [the Senate Housing Stability and Affordability Committee](#) heard an update on housing. The Governor's eviction moratorium is scheduled to end on December 31, 2020. The Department of Commerce shared with the Committee the growing need for rental assistance. At the end of October, 11% of Washington renters were behind on rent; using averages, this amounts to \$100 million/month needed in rental assistance. \$120 million in federal CARES Act funds (expires December 30, 2020) have been allocated to rental assistance; the Department was hopeful that the federal government would approve additional assistance.

The Committee also reviewed an Eviction Resolution Program that has been developed by the Superior Court Judges Unlawful Detainer Work group. The program will be launched in 6 pilot counties. In those counties, prior to a landlord filing an unlawful detainer (i.e. eviction) action, they must first attempt to mediate with the tenant. This program will reduce the demand on the court system once the eviction moratorium ends and is hoped to assist landlords and tenants in identifying payment plans and other solutions to allow tenancies to continue.

UW Washington Center for Real Estate Research presented on Rent Stabilization Policies, including various rent control policies. Rent control was described as a blunt instrument that limits tenant mobility. The presentation instead encouraged efforts to increase housing supply. Additionally, the Senate Financial Institutions, Economic Development & Trade heard a [presentation](#) from EcoNorthwest on private investment in residential housing, where it was reported that rent control is proven to negatively impact the housing market in jurisdiction where it has been enacted. Again, the presentation encouraged legislators to focus on increasing housing supply.

Homelessness: The House Appropriations Committee received an update from the Department of Commerce on emergency housing and homelessness appropriations provided to local governments and other entities to respond to emergent housing needs. The Legislature provided over \$880 million; local governments received \$457 million. The state provided \$30 million from the 2020 supplemental budget for counties to establish quarantine/isolation housing and to improve shelter distancing and sanitation; counties also received \$120 million from federal CARES Act funding for rental assistance. Through programs funded through these allocations, over 1,000 shelter beds were added, 2,445 permanent supportive housing units were funded, and over 2,000 additional people were serviced through the state's Housing and Essential Needs program (rental assistance for homeless or at imminent risk of homelessness). \$1 million was also provided to establish a new program providing transitional housing for homeless youth. These programs were largely funded under emergency housing assistance and require another infusion of federal funding to continue.



Additionally, the Senate Housing Stability and Affordability Committee heard a presentation from King County and UW on the use of hotels/motels or “non-congregate” emergency shelters. The presentation highlighted that in addition to reducing COVID-19 transmission rates among the homeless population, there were other positive health and well-being outcomes: increased feelings of stability through having a private room; improved health and well-being; reduced interpersonal conflict; increased focus on future including housing, employment, and education; and higher exits to permanent housing and more engagement with homeless and housing services.

OPMA Proposal: The House Local Government Committee heard a [presentation](#) from the Association of Washington Cities on OPMA and Emergencies. The Association of Washington Cities has worked with Rep. Gerry Pollet (D- Seattle) and Rep. Keith Goehner (R- Chelan) to draft legislation that would allow cities to convene virtual meetings during emergencies where it is reasonably unsafe to meet in person. This would include the current COVID-19 pandemic but could also include snow or other weather-related emergencies. Please find a draft of this bill [here](#). Additionally, Rep. Emily Wicks (D- Everett) is expected to introduce a proposal that would allow virtual participation in public meetings during non-emergency times to make it easier for constituents and residents to provide public comment.

Public Records Act (PRA): The Association of Washington Cities is developing legislation to address serial/vexatious litigants who only make requests to generate a legal challenge. Possible solutions that may be included in this proposal include the opportunity to provide missing documents if the agency can show that it in good faith tried to respond to the request but misunderstood the documents being requested, or requiring the plaintiff to certify that they are acting in good faith and not for an improper purpose.