



SKAGIT COUNTY

2021 LEGISLATIVE SESSION

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PURPOSE

- Overview of the 2021 Legislative Session
- Outcome of Skagit County's 2021 State Legislative Priorities
- Next steps

OVERVIEW OF 2021 LEGISLATIVE SESSION

- Democrats hold majority in both House of Representatives (57-41) and Senate (28-21)
- First year of the two-year legislative biennium - 105 days
- Focused on adopting operating, capital, and transportation budgets
- Legislation that did not pass will “carry over” to 2022 session for consideration
- Nearly 1,500 bills introduced, 341 passed the legislature
 - 23% passage rate, 80% of those passed were sponsored by D’s
 - In 2019, 2208 bills introduced; 481 passed (22% passage rate)
 - 32% less introduced, 29% less passed
- Consequential session: capital gains, cap and trade, low carbon fuel standard

OVERVIEW OF 2021 LEGISLATIVE SESSION

2021 OPERATING BUDGET SUMMARY

- The state operating budget funds all state agency operations
- State fiscal year runs July 1, 2021 - June 30, 2023
- March revenue forecast showed rebound from pandemic, combined with federal funding
 - \$59.2 billion total budget - \$3.2 billion increase in investment compared to last biennium
- Next revenue forecast: June 2021

OVERVIEW OF 2021 LEGISLATIVE SESSION

2021 CAPITAL BUDGET SUMMARY

- The state capital budget funds public and nonprofit construction projects (excluding transportation) throughout the state
- Total capital budget: \$6.3 billion
 - Includes federal stimulus funds: \$589 million
- 222 local community projects funded at an average of \$725,000 per project
- \$82 million in bond capacity left for the supplemental budget

OVERVIEW OF 2021 LEGISLATIVE SESSION

2021 TRANSPORTATION BUDGET SUMMARY

- Transportation revenues have been heavily impacted by the pandemic. Less gas purchased, and fewer tolls paid
- I-976 overturned – Allowed legislature to appropriate \$453 million back into the 2021-23 budget
- Shortfall continues – COVID-19 creates a significant gap, in addition to the overall need for fish culvert funding and new project funding
- Federal funds utilized to continue Connecting Washington projects and to replace state-owned culverts
 - This budget fully funds the state's culvert obligation

OVERVIEW OF 2021 LEGISLATIVE SESSION

DEVELOPMENT OF TRANSPORTATION REVENUE PACKAGE

- The revenue shortfall creates increased pressure to develop a package. A significant amount of progress was made this session:
 - Senate – “Forward Washington”: Draft transportation package/project list was shared in 2019 and 2020; it was revised and shared twice more this session
 - House – “Miles Ahead Washington”: Chair Fey held over 90 session with different stakeholder groups to identify the main priorities and needs for transportation. A package/project list was released this session.
 - Linkage to carbon policy - low carbon fuel standard, and cap and trade.

OUTCOME OF SKAGIT COUNTY'S 2021 STATE LEGISLATIVE PRIORITIES

- Skagit County Morgue – success
- Aligning Levy Certification Dates/House Bill 1309 – success
- REET 2 Flexibility - success
- Re-appropriate Sedro-Woolley E&T Funds – success
- didgwalic Wellness Center – success
- COVID-19 Relief and Recovery – mixed outcomes
- Capital Budget Programs – mixed outcomes
- Guemes Island Ferry & Best Value Contracting – success (Jeanne Cushman)

SKAGIT COUNTY MORGUE – CAPITAL BUDGET REQUEST

- County requested \$135,000 to construct a new morgue facility in the Coroner's Office
- Current facility lacks capacity and storage, resulting in delays and limiting Coroner's ability to provide good customer service to constituents
- Countywide project – secured sponsorship from Rep. Dave Paul (10th LD) and Sen. Keith Wagoner (39th LD)
- Held virtual tour with Coroner Thompson and sponsors midsession
- Ultimately received \$139,000 in the capital budget

ALIGNING LEVY CERTIFICATION DATES – HOUSE BILL 1309

- “Technical fix” legislation aligning statute with best practices
- County must currently certify property tax levies before adopting the budget, which makes compliance very difficult
- Changes date by which legislative authority must certify county and junior taxing district levies to the assessor
- Rep. Eslick sponsored with Rep. Ramel as a cosponsor, but entire delegation helped the bill advance in both chambers
- Worked with WACO and Dept. of Revenue to refine language, securing their support
- Passed the legislature unanimously and will go into effect July 25

REET 2 FLEXIBILITY – HOUSE BILL 1069

- WSAC and AWC put forward legislation providing local governments fiscal flexibility due to COVID-19, HB 1069
- Provides temporary flexibility (until 2023) for a variety of local government revenues, including REET 2
- Skagit County sought flexibility to use REET 2 revenues for operations and maintenance of existing capital facilities
- Commissioner Wesen testified in hearings in the House and Senate
- As passed, the bill allows the greater of \$100,000 or 25 percent of REET 2 funds for operations and maintenance
- Bill became effective May 13; REET 2 flexibility expires Dec. 31, 2023

DIDGWÁLIČ WELLNESS CENTER RE-APPROPRIATE FUNDS FOR THE SEDRO-WOOLEY E&T

- didgwálič Wellness Center
 - Swinomish Tribe put forward a capital budget request for \$9 million
 - Part of Phase III of the Wellness Center, funding a transitional housing unit
 - Funded at \$4.5 million
- Re-Appropriation for Sedro-Woolley E&T
 - 2017-19 capital budget provided \$1.5 million; 2019-21 provided \$6.6 million
 - Both amounts are re-appropriated in the 2021-2023 capital budget

CAPITAL BUDGET PROGRAMS

- Heritage Grant Program
 - Skagit County Courthouse fully funded
- Housing Trust Fund
 - Request for \$250 million
 - Funded at \$175 million
- RCO Grants
 - Funded at \$8.6 million
 - County's Centennial Trail project, ranked #17 on the list, not funded
- Brian Abbott Fish Barrier Removal Board
 - None of the County's four projects were funded
 - Funded at \$25 million

RESPONDING TO OTHER OPPORTUNITIES & RISKS

- Public Health – HB 1152 and \$148 million/year for FPHS
- HB 1333 - Renewing the .09 rural county tax credit
- HB 1410 – Eliminating property tax penalties and interest
- HB 1348 – Extending medicaid for incarcerated persons
- GMA
 - HB 1099 – adding climate change to the GMA
 - HB 1117 – adding salmon recovery to the GMA & net ecological gain
 - HB 1241 – changing the update cycle from 8 to 10 years
 - SB 5368 – annexation reform
 - Legislative task force

RESPONDING TO OTHER OPPORTUNITIES & RISKS

- Blake decision – SB 5476
 - Supreme Court threw out criminal possession statute – SB 5476 makes it a misdemeanor
 - Diversion is required; funding is provided:
 - \$45 million for grants to counties to assist with resentencing
 - \$23 million for grants to counties to assist with LFO refunds
 - Nearly \$80 million for additional treatment, outreach, housing, therapeutic courts
- Additional Budget Items
 - \$11 million to counties for enhanced 911
 - \$160,000 to WSAC to improve participation in DNR Adaptive Management Program
 - \$80,000 to Dept. of Ecology to continue work on Guemes Island aquifer recharge
 - \$600,000 for WDFW for elk fencing pilot – report due to leg. 2022
 - Legislative task force on jail standards

NEXT STEPS

- Special session to adopt a transportation revenue package?
- Redistricting Commission meeting through the year – recommendations to the Legislature in early 2022
- Legislature meets for pre-session committee days in September & December
- Governor's proposed supplemental budgets in early December
- 2022 legislative session begins January 10

QUESTIONS?

It is a privilege to represent Skagit County!

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