



Skagit County - Government Relations Report March 11, 2022

The legislature concluded its work on March 10th – sine die! Sine die is Latin meaning “to conclude a regular or special session without setting a day to reconvene.”

Once a bill passes the legislature, it is delivered to the Governor for him to sign it into law, veto, or partially veto (he has the authority to remove entire sections of a bill, but not specific sentences). After the legislature approves a bill, the Governor has five days, excluding Sundays, to take action on it, unless the legislature is within five days of adjournment when it approves the bill. In that case, the Governor has 20 days to take action. We will alert you to any vetoes or partial vetoes of interest, otherwise you can assume that a bill of interest has been signed into law.

Session Cutoff Calendar

February 3, 2022	Policy Committee Deadline
February 7, 2022	Fiscal Committee Deadline
February 15, 2022	Chamber of Origin Deadline
February 24, 2022	Opposite Chamber Policy Committee Deadline
February 28, 2022	Opposite Chamber Fiscal Committee Deadline
March 4, 2022	Opposite Chamber Deadline
March 10, 2022	Session Adjourns - Sine Die

Budget Summaries

2022 Supplemental Operating Budget

The final supplemental operating budget is based on level of state revenues that is unprecedented in a supplemental year: the final '21-'23 budget appropriates over \$63 billion. \$2 billion is shifted to the transportation budget, a foundational piece of the Move Ahead Washington package, and \$650 million to the capital budget.

In addition to state resources, the budget appropriates over \$1 billion in federal coronavirus relief funding. The legislature leaves \$812 million in reserves with another \$1 billion in the Washington Rescue Plan Transition Account. Over \$5 billion in expenditures are determined to be one-time in nature.

The legislature makes significant new investments in K-12 education, long term care and developmental disabilities programs, behavioral health, Paid Family Leave Insurance, higher education, and housing. General highlights are listed below; a detailed summary will be included in our 2022 End of Session Report.



- \$10 million for local government GMA plan updates, including implementation of HB 1220.
- \$250,000 to study and report on the cost of local governments to review and update GMA comprehensive plans.
- \$100,000 to establish a body camera grant program within WASPC.
- \$45 million for grants to local governments and nonprofits to transition persons residing on state-owned rights-of-way to safer housing opportunities.
- \$45 million for the eviction prevention rental assistance program and \$27 million for the landlord mitigation program.
- \$39 million through Apple Health and Homes (HB 1866) permanent supportive housing benefits and community support services.
- \$100 million for grants for public and private water, sewer, garbage, electric, and natural gas utilities to address low-income customer arrearages compounded by the COVID-19 pandemic.
- Funding is provided for 4.5 additional Basic Law Enforcement Academy classes in fiscal year 2022 and 8.5 classes in fiscal year 2023, increasing the total number of classes from 30 to 43 over the biennium.

2022 Supplemental Capital Budget

The legislature adopted a final 2022 supplemental capital budget that utilized \$81.9 million in bond authorization remaining from the 2021 session and made an additional \$25 million in bond adjustments for total of \$107 million. Additionally, the supplemental capital budget authorizes appropriations just over \$300 million from the federal infrastructure investment and jobs act, and \$25 million in federal ARPA funds. A total of \$1.5 billion is authorized through the supplemental budget. This supplemental budget makes amendments and additions to the \$3.97 billion 2021-23 budget approved during the 2021 session.

Housing & Homelessness: The largest area of expenditure within the capital budget was around housing and homelessness, augmented by revenues generated from House Bill 1866. Below are some of the highlights:

- \$300 million for Rapid Acquisition Housing
- \$114.5 million for the Housing Trust Fund
- \$72 million for the Crisis Stabilization Fund
- \$26 million for additional housing and shelters

Behavioral Health: \$98 million is allocated to community-based behaviors health beds and \$12.8 million to mental health state facilities.

Local Infrastructure Grant Funding: Grant programs for various types of local infrastructure are authorized within the budget: \$120 million through the Public Works Assistance Account, \$108 million for drinking water projects, \$100 million for broadband, \$40 million for economic development, \$236 million to address water pollution. A total of \$64 million is allocated to local and community projects (comparatively, \$250 million was allocated to local and community projects during the 2021 session).

Additional investments: The 2022 supplemental capital budget otherwise makes investments to address capital needs throughout state government, including \$54.3 million for higher education



facilities, \$100 million for seismic upgrades to public schools, \$48.5 million for early learning and childcare facilities, and more.

2022 Supplemental Transportation Budget/Move Ahead Washington Package

The 2022 supplemental transportation budget spends a total of \$11.64 billion. Among other adjustments, the legislature increased funding from \$3 million to \$8 million (\$5 million in new funding) in the supplemental transportation budget, to address homeless encampments on WSDOT right-of way, including debris removal.

In addition to adopting the supplemental transportation budget, the legislature reached agreement on a 16-year, \$17 billion transportation package – Move Ahead Washington. In the final weeks of session there was uncertainty about the \$2 billion funding gap that arose as transportation leaders chose not to proceed forward with imposing an export fuel tax. The House proposed a \$100 million per year transfer from the Public Works Assistance Account. The Senate proposed a \$1.82 billion transfer from the operating funds via the Model Toxics Control Account. Ultimately, the final package transfers \$57 million from the PWAA from per year until 2038. The remaining amount is addressed through an annual \$57 million transfer from the state's general fund. A summary of the revenue sources in the package can be accessed [here](#).

Roughly a third of the package is funded by Climate Commitment Act resources with \$1.2 billion dedicated to active transportation, \$3 billion for transit programs & projects, \$517 million on alternative fuel & electrification, \$335 million on electrification of ferries, and \$162 million on rail. Active transportation investments include \$290 million for the Safe Routes to Schools grant program, \$278 million for the WSDOT bike/ped grant program and \$146 million for the Complete Streets grant program. The complete breakdown of CCA spending can be viewed [here](#).

The remaining two thirds, or \$11.5 billion, invests in maintenance and preservation, new highway projects, fish barrier removal and backfilling funding gaps from existing projects. Of note, the Transportation Improvement Board and the Country Road Administration Board, both agencies that provide grants for local infrastructure projects, received no funding in the initial proposal. In the final package, each agency is allocated \$80 million over the next 16 years. The complete list of these investments can be viewed [here](#).

In addition to the spending on projects and programs, the package provides guidance and authority on a variety of issues. See below for more details.

Local Options: The Move Ahead package authorizes several new tools for local governments to increase revenues for transportation purposes. Transportation Benefit Districts are authorized to impose one-tenth of one percent sales tax councilmanically and two-tenths with voter approval. The tax must be renewed every ten years (SB 5510 language is included, no longer capping the number of ten-year renewals to two).

Speed Cameras: The Move Ahead package includes broad authorization for cities to use speed cameras in school walksheds, around public parks, around hospitals, and up to one camera for every 10,000 in population in areas prone to street racing, areas with a high rate of collisions, and areas identified in a local road safety plan. Revenue generated by these newly authorized cameras, minus



administration costs and the cost of processing infractions, is split between the state and the local jurisdiction implementing the camera.

Federal Funding State/Local Split: The Joint Transportation Committee is tasked with conducting a workgroup to make recommendations on the distribution of federal-aid highway formula program funding from the federal IIJA to state and local governments. Recommendations are due September 30, 2022.

Transition to Electric Vehicles: The state establishes a goal that all passenger and light duty vehicles of model year 2030 or later that are sold, purchased, or registered in Washington to be electric. Additionally, the state allocates significant funding to electric vehicle infrastructure, including electric vehicle infrastructure mapping.

Legislative Priorities

Address Fish Passage Barriers – Culvert Design Funding Capital Budget Request

Skagit County is working with Rep. Debra Lekanoff (D- Bow) to request \$1 million in the 2022 capital budget for culvert design funding. This funding will allow Skagit County to bring a package of 11 culverts to full design, making the County more competitive to receive state and federal grant funding. The House budget included \$1 million for Skagit County culverts, on page 150 of the budget bill, [found here](#). As anticipated, the Senate proposed budget did not include funding for the culvert request. Fortunately, the final capital budget provides \$1 million for Skagit County to complete culvert design! The appropriation may be found on page 138 of the [budget bill](#). The proviso language is the same as in the proposed House budget; it requires Skagit County to meet applicable state and federal grant program standards to ensure this funding is used specifically to gear up the culvert projects for grant awards.

House Bill 1333 - .09 Sales Tax Credit for Economic Development

Skagit County supports [House Bill 1333](#), sponsored by Rep. Steve Tharinger (D- Dungeness), renewing the .09 rural county sales tax credit program for economic development until 2054. As previously reported, the bill failed to advance out of the Senate by the opposite chamber cutoff, Friday, March 4. However, because the bill has a fiscal impact, it can technically be considered “necessary to implement the budget” and therefore not subject to legislative cutoff deadlines. Over the weekend, .09 coalition members coordinated with legislative advocates, who agreed to continue pushing the bill. In the last few days of session, we worked with Sen. Kevin Van De Wege (D- Sequim), Sen. Liz Lovelett (D- Anacortes), Sen. Sharon Brown (R- Kennewick), Rep. Alex Ramel (D- Bellingham), Rep. Tharinger, and others try and move the bill out of the Senate. Unfortunately, leadership remained opposed to moving the bill, and the bill did not advance before Sine Die.

As reported last week, the coalition supported a budget proviso directing the SAO to develop a searchable website for the .09 program, detailing expenditures and projects, to quell concerns about transparency and accountability raised by Majority Leader Sen. Andy Billig (D- Spokane) and operating budget lead Sen. Christine Rolfes (D- Bainbridge Island). The final operating budget includes this proviso, directing directs the SAO to publish this website by January 1, 2023. The language may be found on page 43-44 of the [operating budget bill](#).



Other Items

Invest in the Washington State Housing Trust Fund

Skagit County is a strong supporter of the Washington State Housing Trust Fund. Both the House and Senate capital budget proposals include significant additive funding for housing programs, including the Housing Trust Fund. Skagit County requested that the legislature shuffle around investments to focus funding on the Housing Trust Fund rather than the rapid acquisition fund. Ultimately, the legislature makes the following investments in housing:

	<i>Governor's Proposal</i>	<i>Senate Proposal</i>	<i>House Proposal</i>	<i>Final Budget</i>
Rapid Capital Fund	\$335 million	\$290 million	\$400 Million	\$300 million
Housing Trust Fund	\$100 million	\$71 million	\$101.5 million	\$114.5 million
Crisis Stabilization Fund	\$60 million	\$86 million	\$72 million	\$72 million
Total Investment	\$495 million	\$472 million	\$573.5 million	\$486.5 million

Clarifying Police Reform Proposals

As reported last week, most bills adjusting police reform legislation passed in 2021 moved through the legislature and was sent to the Governor's desk for signature: [House Bill 1719](#), clarifying that non-lethal weapons (i.e. beanbags and rubber bullets) may be utilized as a de-escalation tactic, [House Bill 1735](#), clarifying force may be used when fulfilling community caretaking functions, including the involuntary treatment act; and [House Bill 2037](#), providing a statewide definition of "use of force" and "deadly force." HB 1719 and HB 1735 have been signed by the Governor and are now enacted law. HB 2037 is awaiting the Governor's signature. The remaining bill, [Senate Bill 5919](#), addressing vehicular pursuits, was substantially amended in the House and returned to the Senate for concurrence. However, the bill was not brought forward for concurrence, and died at Sine Die. No legislation modifying vehicular pursuit standards passed this session.

Bill Summaries

Outlined below are the bills we were tracking for the County that made it through the entire legislative process. In our 2022 End of Session Report, we will include a comprehensive list of bills we tracked throughout the session, both passed and dead.

Bill #	Abbrev. Title	Short Description	Sponsor
E2SHB 1241	Growth management act plans	Planning under the growth management act.	Duerr
E4SHB 1412	Legal financial obligations	Concerning legal financial obligations.	Simmons
ESHB 1643 (SSB 5642)	Affordable housing/REET	Exempting a sale or transfer of real property for affordable housing to a nonprofit entity, housing authority, public corporation, county, or municipal corporation from the real estate excise tax.	Hackney



<u>E2SHB 1663</u>	Landfill methane emissions	Reducing methane emissions from landfills.	Duerr
<u>ESHB 1673</u> (SSB 5580)	Public works board/broadband	Concerning broadband infrastructure loans and grants made by the public works board.	Ryu
<u>E2SHB 1799</u> (SB 5731)	Organic materials management	Concerning organic materials management.	Fitzgibbon
<u>ESHB 1866</u>	Supportive housing	Assisting persons receiving community support services through medical assistance programs to receive supportive housing.	Chopp
<u>2SHB 1918</u>	Power equipment emissions	Reducing emissions from outdoor power equipment.	Macri
<u>ESHB 2037</u>	Peace officers/use of force	Modifying the standard for use of force by peace officers.	Goodman
<u>SB 5042</u>	GMA actions effective date	Concerning the effective date of certain actions taken under the growth management act.	Salomon
<u>2ESSB 5275</u>	Intense rural dev. areas	Enhancing opportunity in limited areas of more intense rural development.	Short
<u>SSB 5590</u>	Marine resources ad. council	Eliminating the 2022 expiration date of the marine resources advisory council.	Wagoner
<u>ESSB 5593</u>	Urban growth area boundaries	Concerning urban growth area boundaries.	Short
<u>SSB 5722</u> (HB 1774)	Greenhouse gases/buildings	Reducing greenhouse gas emissions in buildings.	Nguyen
<u>SB 5868</u>	Public fac. tax/housing	Expanding the use of the rural counties public facilities sales and use tax to include affordable workforce housing.	Hawkins
<u>SB 5895</u>	Remedial action grants	Concerning timing restrictions for remedial action grants to local government.	Frockt