

Snohomish County

Legislative Report

April 8, 2023

SESSION CUTOFF CALENDAR

April 4, 2023	Opposite Chamber Fiscal Committee Deadline
April 12, 2023	Opposite Chamber Deadline
April 23, 2023	Session adjourns - Sine Die

Weekly Overview

This past week marked another milestone in the legislative process where bills from the opposite chamber had to pass the fiscal committee to advance. Following that cutoff, both the House and Senate returned to floor action where they will spend the next several days working late into the night/early morning to pass bills from the opposite chamber. If a bill was amended in the second chamber, it will have to return to its chamber of origin for concurrence.

Simultaneous to the flurry of action on policy bills, both the House and Senate have passed their versions of the Operating, Capital and Transportation Budgets. Legislators who are in budget leadership roles will be meeting with their counterparts in the opposite chamber to negotiate the differences and hopefully agree on a final version prior to the final day of the legislative session – Sunday, April 23rd.

The final days of a legislative session are notorious for passage of bills that are considered necessary to implement the budget (NTIB). There are rumors that legislation to increase the 1% property tax cap to 3% will be considered. It remains unclear if the House proposal to fund affordable housing by increasing real estate excise tax, House Bill 1628, has the votes to pass both chambers.

Legislative Agenda Items

At this time, some topics included on the County Legislative Agenda are included in the topical sections below (such as behavioral health, public safety, housing, State v. Blake

response, economic and workforce development, urban planning, and infrastructure funding). Bills and budget items related to specific requests are summarized here.

Support Apprenticeship Programs for Youth

GTH has been working with Senator June Robinson (D- 38th LD) on Second Substitute House Bill 1013 to request that the Regional Apprenticeship Pathways Program is included in the bill. This would provide a direct funding source for the program and establish basis for ongoing funding. The bill was heard in the Senate Ways and Means Committee on March 31. Josh Weiss testified in support of the bill and asked for the Marysville RAP program to be included in the bill. After this testimony, Committee staff informed Senator Robinson that the existing language is written with specific sideboards that would make RAP one of the programs funded under the bill. This provides funding for the program through the 23-25 biennium, which is in alignment with the Senate budget. The bill moved out of committee with no amendments and has been placed on second reading to be debated on the floor.

Support a Healthy Manufacturing and Business Climate

We are tracking several bills relating to manufacturing, aerospace, and maintaining a healthy business climate:

- Retail sales tax exemption for certain aircraft maintenance and repair: SHB 1318 sponsored by Representative Timm Ormsby (D- 3rd LD) expands the definition of an eligible maintenance repair operator for the sales and use tax exemption for the construction of new buildings at an aircraft repair station certified by the Federal Aviation Administration. In its original form, the bill extended the tax exemption from King County to Spokane County. However, the substitute bill allows the tax exemption to be applied to an eligible maintenance repair operator located in an airport owned by any county. The exemption expires January 1, 2031. The House passed the bill unanimously in mid-March, and it was then referred to the Senate Ways and Means Committee. The Committee held a hearing on the bill last month and approved it this week. An amendment was adopted that removed the language that allowed an international airport in any county to qualify for the tax exemption. Instead, the bill now specifies that the tax exemption applies to either a commercial services airport owned by a county with a population of less than one million or a commercial services airport jointly owned by a city and county. As amended, Paine Field would still qualify for the tax exemption. The bill is currently in the Senate Rules Committee awaiting further action.
- Washington Clean Manufacturing Leadership Act: <u>2SSB 5269</u> sponsored by Senator Sharon Shewmake (D- 42nd LD), directs the Department of Commerce to perform an independent assessment of opportunities to capture new industries that align with statewide greenhouse gas reduction limits and strengthen the state's manufacturing base and develop an industrial strategy based on that assessment. Commerce is also directed to appoint an industrial policy advisor to guide implementation of the state's industrial strategy. The bill was passed by the Senate last month 28-20 on a party-line vote. It was then referred to the House

Innovation, Community and Economic Development, and Veterans Committee, which heard and passed the bill. It was next referred to the House Appropriations Committee, where it was heard, amended, and approved this week. As amended, the bill now requires Commerce to submit the independent assessment to the State Manufacturing Council and requires the Council to advise on the development of the state industrial strategy. On April 6, the House passed the bill by a vote of 95-2, with one excused

Incentivize Annexation of Unincorporated Urban Growth Areas

Incentivizing annexation of unincorporated urban growth areas: <u>2SHB 1425</u> sponsored by Representative April Berg (D- 44th LD) re-authorizes the credit against the state sales tax as an incentive for cities to annex unincorporated areas within their Urban Growth Areas. The start date is July 1, 2023, and the new expiration date would be January 1, 2029. The bill was passed unanimously by the House in early March and then referred to the Senate Local Government, Land Use, and Tribal Affairs Committee. The policy committee heard and approved the bill last month. It was next referred to the Senate Ways and Means Committee, where it was heard late last week and advanced out of committee on April 4. The legislation is currently in the Senate Rules Committee awaiting further action. We are working with the City of Vancouver lobbyist to pull the bill from the Rules Committee.

Transportation

GTH is working with the Executive's Office on a letter of support from Executive Somers for the House and Senate Transportation budget proposals. The letter will be circulated to Council for awareness and sent to budget writers early next week.

Additional Legislative Issues

Behavioral Health

Flexibility on affordable housing and mental health funding: <u>SSB 5604</u> sponsored by Senator June Robinson (D- 38th LD) allows all jurisdictions to use revenue from the affordable and supportive housing sales tax for rental assistance, and allows counties to use chemical dependency and mental health services tax revenue for modifications to existing facilities to address health and safety needs. The Senate passed the bill unanimously, and it was referred to the House Local Government Committee. The Committee heard and voted to advance the bill last week. It was then referred to the House Finance Committee, where it was heard and advanced out of committee last week. On April 5, the House passed the bill unanimously.

Trueblood settlement- Competency evaluations and restoration services to persons suffering from behavioral health disorders: <u>E2SSB 5440</u> sponsored by Senator Manka Dhingra (D- 45th LD), establishes diversion and behavioral health treatment pathways to attempt to reduce caseload for forensic cases needing restoration in a state-owned behavioral health hospital. The bill, as amended out of the Senate, has eliminated most concerning provisions of the bill for counties and WSAC is

currently neutral on the proposal. The bill has seen significant amendments through the legislative process in the Senate and now in the House. The legislation expands the duties of forensic navigators and requires appointment of a forensic navigator for certain defendants charged with a qualifying Class C felony or non-felony. It requires jails to allow clinical intervention specialists access to persons referred for competency evaluation or restoration services. Jails and juvenile detention facilities are prohibited from discontinuing a person's medication for a serious mental health disorder if the person is medically stable on the drug. The Health Care Authority is required to take steps to increase staff compensation in outpatient competency restoration programs, and the Department of Social and Health Services is required to collect data and identify locations that may be commissioned for use in treating individuals for competency evaluation, restoration of civil conversion, or following acquittal by reason of insanity. After passage in the Senate, the legislation was referred to the House Civil Rights and Judiciary Committee, which heard, amended, and approved the bill last month.

Most recently, the bill was heard, amended, and approved by the House Appropriations Committee. As amended, the bill requires a forensic navigator to meet with any person charged with a qualifying Class C felony who has had two or more competency evaluations in the past two years to determine the person's willingness to engage with diversion and to propose a diversion plan as appropriate. If a person's highest charge is a qualifying Class C felony, is found incompetent, and there is an available diversion program, the court must dismiss the charges and refer the individual to the program. Competency restoration for a defendant charged with a qualifying Class C felony is limited to a period of 45 days if ordered for inpatient services and 90 days if ordered for outpatient services. Defendants charged with felonies who are found incompetent following a period of restoration must have their charges dismissed with prejudice and be committed to DSHS for evaluation under the Involuntary Treatment Act. The bill limits the non-felony offenses that may be referred for competency evaluations to any gross misdemeanor with a domestic violence designation or sexual assault allegation, Driving Under the Influence, or Physical Control of a Vehicle. The bill is currently in the House Rules Committee awaiting further action.

Contracting and procurement requirements for behavioral health services in medical assistance programs: E2SHB 1515, sponsored by Representative Nicole Macri (D- 43rd LD), requires the Health Care Authority (HCA) to adopt network adequacy standards and an annual network adequacy review process for managed care organization (MCO) behavioral health provider networks within the Medicaid program. The HCA is further directed to seek approval to amend the State Medicaid Plan to support direct payments to agencies to support 24/7 crisis system capacity. The second substitute bill was passed unanimously in the House and then referred to the Senate Health and Long Term Care Committee. The Committee passed the bill last month, and it was next referred to the Senate Ways and Means Committee. The Committee held a hearing on the bill last week and voted to advance it on April 3. The passed the Senate on Friday, April 7 with no further amendments and unanimous support.

Public Safety & State v. Blake

State v. Blake decision/controlled substance possession: E2SSB 5536 sponsored by Senator June Robinson (D- 38th LD) establishes the penalty for knowing possession of controlled and counterfeit substances as a misdemeanor and establishes pretrial diversion pathways for individuals charged with possession. The bill has been through many iterations as it moves through the legislative process. After moving through the Senate 28-21, the bill was amended significantly in the House Community Safety, Justice, and Reentry Committee, and then again in the House Appropriations Committee. In its current form, simple possession and the use of a controlled substance in a public place would be charged as misdemeanors. Prosecutors are encouraged to divert cases for assessment, treatment, and other services through the recovery navigator program. The bill removes judicial discretion for sentencing and eliminates the mandatory minimum 21-day sentence for individuals refusing a substance use disorder assessment and recommended treatment. The recovery navigator or similar program must prepare a biopsychosocial assessment for the convicted individual. If treatment or services are not recommended by the biopsychosocial assessment, or, if the individual fails to meaningfully engage with treatment, the court may require community service up to 120 hours as a term of probation. Convictions are vacated if there are no subsequent arrests within a year of sentencing, if the individual meaningfully engages in treatment for at least six months, or if no treatment is recommended and the individual complies with community restitution. The bill also preempts local regulation of drug paraphernalia, allowing the sale of paraphernalia by certain outreach, shelter, and housing programs for harm reduction purposes. The Association of Washington Cities is working with the Association of Behavioral Health Administrative Services Organizations (BHASOs) to request several amendments to the bill; their requested changes are outlined in this chart. There is concern that the current version of the bill does not provide sufficient accountability and creates an overly complex legal pathway for individuals who are convicted of simple possession, in addition to overburdening the recovery navigator program, which is still building capacity.

The Senate Operating budget proposal includes \$54.5 million for implementation of the bill's provisions and the House Operating budget proposal includes \$41.54 million for these purposes. Additionally, both chambers' proposals allocate a portion of the opioid settlement funds to support the provisions of this bill as well as other efforts to respond to the opioid epidemic. The legislation is currently in the House Rules Committee awaiting further action.

Urban Planning/Land Use

Climate change in comprehensive planning: <u>E2SHB 1181</u> sponsored by Representative Davina Duerr (D-1st LD), requested by the Office of the Governor, amends the Growth Management Act to add a goal of climate change and resiliency, and adds a climate change element to the list of elements that must be included in comprehensive plans for all fully planning counties and cities. Fully planning counties and certain cities within them are required to address the adverse impacts of climate change on people, property, and ecological systems, and identify actions to reduce greenhouse gas emissions and vehicle miles traveled. The House passed the bill last

month by a vote of 57-41, mostly on party lines. It was then referred to the Senate Local Government, Land Use, and Tribal Affairs Committee, which heard and advanced the bill last month. Next, it went to the Senate Ways and Means Committee, where it received a hearing and was approved on April 3. The bill passed the Senate with a party-line vote of 29-20 on Friday, April 7. An amendment was adopted on the floor reflecting changes requested by local governments; most notably, allowing jurisdictions who must update their comprehensive plan in 2025 to use the 5-year "check-in" requirements at the first update.

Wildland urban interface: 2SHB 1578 sponsored by Representative Larry Springer (D-45th LD), at the request of the Department of Natural Resources (DNR), directs DNR to complete decadal assessments of areas at significant risk of wildfire, beginning with the decade between July 1, 2027 and July 1, 2037. DNR is required to provide support to local entities to develop public safety evacuation strategies and to expand its community resilience program within the wildland urban interface areas of Western Washington. The bill was passed unanimously in the House, then referred to the Senate Agriculture, Water, Natural Resources, and Parks Committee. The Committee heard and approved the bill last month. It was then referred to the Senate Ways and Means Committee, which heard, amended, and passed the bill. As amended, until July 1, 2025, wildfire risk assessments are intended to assist with improving community preparedness and response, and not for use in the development of any state or local regulations. The legislation is currently in the Senate Rules Committee awaiting further action.

Accessory dwelling units: EHB 1337 sponsored by Representative Mia Gregerson (D-33rd LD) requires cities and counties to comply with at least three of the policies in the bill pertaining to accessory dwelling units. These include restrictions on requiring offstreet parking for ADUs, assessing impact fees on ADU construction that are greater than 50 percent of the impact fees that would be imposed on the principal unit, requiring owner-occupancy on the lot, and only allowing a single ADU on lots within the urban growth area. The bill passed in the House by a vote of 81-15, with a bipartisan mix of votes on both sides of the tally. It was then referred to the Senate Local Government, Land Use, and Tribal Affairs Committee, which heard, amended, and approved the bill last month. As amended in committee, the provision prohibiting off-street parking requirements was removed as one of the options for compliance, thus making the remaining three policies mandatory. ADUs may be counted toward housing density for compliance with the Growth Management Act. It also allows cities and counties to impose limits of two ADUs on smaller lots. The Committee also adopted a change to allow for covenants or deed restrictions that prohibit or restrict ADUs if necessary to protect public health and safety or to protect ground and surface waters from on-site wastewater. On April 6, the Senate passed the bill by a vote of 39-7, with Republicans voting in opposition and three Senators excused. The Senate amended the bill on the floor to prohibit cities and counties from requiring off-street parking for ADUs unless the local government submits an empirical study to Commerce demonstrating that a lack of off-street parking would be significantly less safe for vehicle drivers or passengers, pedestrians, or bicyclists.

Climate Resiliency and Environment

Plastic pollution: SHB 1085 sponsored by Representative Sharlett Mena (D- 29th LD) prohibits the sale, distribution, and installation of certain plastic foam overwater structures, including foam blocks and floats. It further prohibits lodging establishments from providing personal health or beauty products in certain plastic containers or wrappers. It requires any construction in which a drinking fountain is required under the International Building Code to also require the provision of bottle filling stations. The House unanimously passed bill containing these provisions. It was then referred to the Senate Environment, Energy, and Technology Committee, which heard and approved the bill last month. It was next referred to the Senate Ways and Means Committee where it received a hearing and was approved on April 3. The bill has been placed on the second reading calendar in the Senate and may be voted on any day.

Creating a statewide resiliency program: <u>2SHB 1728</u> sponsored by Representative Brandy Donaghy (D- 44th LD) requires the Military Department to develop and administer a statewide disaster resilience program and requires the Department to provide a report to the Governor and appropriate committees of the Legislature on the progress of resilience efforts for hazards and issues where there is not another lead agency for coordinating resilience activities. The bill was passed by the House in early March by a vote of 68-28, with Republicans casting the "nay" votes. It was then referred to the Senate State Government and Elections Committee, which heard and passed the bill. Next, it was referred to the Senate Ways and Means Committee, where it was heard and approved in the past week. The legislation is currently in the Senate Rules Committee awaiting further action.

General Government

Public defense services for those not guilty by reason of insanity: <u>SSB 5415</u> sponsored by Senator Yasmin Trudeau (D- 27th LD), transfers responsibility and provides funding for the Office of Public Defense to provide representation for individuals found not guilty by reason of insanity. Snohomish County's Public Defender asked the County to support the proposal. WAPA is neutral on the bill. The Senate passed the bill unanimously on March 6. It was then referred to the House Civil Rights and Judiciary Committee, which heard and advanced the bill last month. This week, the bill was heard and approved by the House Appropriations Committee. The legislation is now on the Senate floor, awaiting a vote

Tribal extradition: House Bill 1555, sponsored by Representative Debra Lekanoff (D-40th LD), pertains to extradition of tribal members for a state or local government warrant. We are monitoring the bill by request of the Tulalip Tribe, who may request amendments to the bill. The bill was heard in the Senate Law and Justice Committee last week. On March 28, the Committee passed the bill with an amendment to provide a process for federally recognized tribes to request extradition of an individual from within the jurisdiction of Washington state or any political subdivision to the jurisdiction of the tribe. There is also a process for an individual subject to the extradition request of a tribe to test the legality of the extradition request. The bill did not advance out of the

Ways and Means Committee by April 4 and is no longer under consideration this session.