



## Snohomish County

### Legislative Report

April 24, 2023

#### SESSION CUTOFF CALENDAR

April 23, 2023

Session adjourned - Sine Die

### Weekly Overview

The Legislature adjourned on the 105<sup>th</sup> day of the legislative session on Sunday, April 23. In the final week of the legislative session, the Legislature adopted biennial operating, capital, and transportation budgets and sent policy bills to the Governor's desk for final signature.

With the failure of [E2SSB 5536](#) addressing the [State v. Blake](#) decision and controlled substance possession, there was considerable conversation on Sunday evening about a possible special session. The current law related to possession of controlled substances expires on July 1, meaning if the Legislature wants to avoid a gap in the law, a special session would need to conclude before June 30. Both [Governor Inslee](#) and [Senate Democratic](#) leaders held press conferences on Sunday evening after the Legislature adjourned sine die, and both talked about the possibility of special session.

Over the next 20 days, the Governor will continue to take final action on bills. Once a bill passes the legislature, it is delivered to the Governor to be signed into law, vetoed, or partially vetoed (he has the authority to remove entire sections of a bill, but not specific sentences). Unless indicated otherwise in the legislation, bills will be effective law beginning on July 23. We will provide an end-of-session report once the Governor has concluded final action.

### Budget Summaries

**Capital:** The 2023-25 biennial [Capital budget](#) authorizes total expenditures of \$9 billion. Of this amount, \$4.7 billion is financed with general obligation bonds. Additionally, \$95.4 million in bond capacity is reserved for a supplemental capital budget. The Capital

budget also reappropriates \$7.6 billion for projects that were previously authorized but not yet completed.

**Operating:** The [Operating budget](#) funds all state agency operations, including K-12 education, the higher education system, social services, and more. The 2023-25 biennial Operating budget appropriates \$69.8 billion, a net increase of \$2.4 billion. An ending fund balance of \$1.4 billion in general funds is projected for the 2023-25 biennium, and total reserves are projected at \$3.6 billion.

**Transportation:** The [Transportation budget](#) funds capital facilities investments as well as operating programs for the transportation system in the state. The budget released this week includes total appropriations of approximately \$13.5 billion. Included in the appropriations are various carbon-reducing programs and initiatives funded through the Climate Commitment Act, such as the Pedestrian and Bicycle Safety and Safe Routes to Schools grant programs, as well as investments in transit and transportation electrification.

## 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.

### Budget Requests and Funding Provisos

#### *Everett Multiuse Sports Complex and Indoor/Outdoor Sports Facility*

The final Capital budget provides \$7.4 million for the City of Everett's baseball stadium upgrades. Unlike the Senate proposed budget, there are no requirements for the City to spend dollars on upgrading the existing stadium. The funding must be combined with local funds. There are other funding requirements, [detailed on page 59 of the budget](#).

#### *Sustainable Aviation Fuels Research and Development Center at Paine Field*

The final Transportation budget provides \$6.5 million for the development of an applied sustainable aviation evaluation center to be located at Paine Field. The project will be completed in coordination with Washington State University. Three technologies must be studied: sustainable aviation fuel, hydrogen, and battery electric storage mechanisms.

#### *Sexually Transmitted Infection and HIV Services Proviso*

\$975,000 is provided in the final Operating budget for Snohomish County Health Department to convene a leadership planning group that will identify needs for sexually transmitted infection (STI) and HIV services and establish a sexual health clinic within the Department.

### Support Funding for Afghan and Ukrainian Refugees

The County received \$5.558 million in the 21-23 budget to provide services to Afghan refugees. We asked for this funding to be re-appropriated and made flexible to be used for Afghan and Ukrainian refugees. Additionally, the County supported the Department of Commerce's agency request for \$10 million/biennium to establish a centralized refugee service grant program, and the Volunteers of America's \$3 million request for direct funding to bolster existing services.

The final Operating budget:

- Re-appropriates \$5.558 million provided to the County in the 21-23 budget and allows funding to be used for Ukrainian, in addition to Afghan, refugees.
- Provides \$9 million to the Department of Commerce to assist refugees from Afghanistan and Ukraine.
- Provides \$500,000 to Volunteers of America of Western Washington to stabilize newly arriving refugees.
- Provides \$700,000 to a Seattle-based organization serving asylum seekers, immigrants, and refugees.
- Provides \$49.5 million to the Department of Social and Health Services Office of Refugee and Immigrant Assistance for Afghan and Ukrainian immigrant services.

### **Support Apprenticeship Programs for Youth**

GTH has been working with Senator June Robinson (D- 38<sup>th</sup> LD) to secure \$2 million for the Regional Apprenticeship Pathways Program. On April 20, the Governor signed [Second Substitute House Bill 1013](#), which establishes 5 pilot sites for regional apprenticeship programs established through Educational Service Districts. The bill specifically directs the existing Marysville RAP program to be one of the sites. The final Operating budget provides \$2 million for the Marysville program through the bill. We will confirm with staff whether the funding is ongoing or one-time, through the 23-25 biennium.

### **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- 3<sup>rd</sup> LD) modifies the sales and use tax exemption for the construction of an eligible aircraft maintenance and repair facility to apply to eligible facilities located in 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. The exemption expires January 1, 2031. The House passed the bill unanimously. On April 19, the Senate passed the bill 46-2, with one Democrat and one Republican voting in opposition and one Senator excused. On April 20, the House concurred with amendments made in the Senate. The bill is now on the path to be signed into law by the Governor.
- **Washington Clean Manufacturing Leadership Act:** [2SSB 5269](#) sponsored by Senator Sharon Shewmake (D- 42<sup>nd</sup> LD), directs the Department of Commerce to

oversee 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 Senate has concurred in the House amendments and the bill is now on the path to be signed into law by the Governor.

- **Promoting alternative jet fuel in Washington:** [ESSB 5447](#) sponsored by Senator Andy Billig (D- 3<sup>rd</sup> LD) creates a preferential business and occupation tax rate and establishes business and occupation and public utility tax credit for certain sales and purchases of alternative jet fuel. Tax incentives begin when at least one facility in the state begins to produce 20 million or more gallons of alternative jet fuel per year. The Department of Ecology is required to allow one more carbon intensity pathways for alternative jet fuel by the end of this year. The bill requires Washington State University and the University of Washington to calculate and report on certain emissions found around the SeaTac International Airport. The Clean Fuels Program report produced by Ecology must include the amount and geographic origin of renewable thermal certificates claimed by certain alternative fuels. The Senate has concurred with amendments adopted by the House and the bill now makes its way to the Governor to be signed into law.

### **Incentivize Annexation of Unincorporated Urban Growth Areas**

[2SHB 1425](#) sponsored by Representative April Berg (D- 44<sup>th</sup> 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. On April 19, the Senate passed the bill unanimously. The bill now makes its way to the Governor to be signed into law.

## **Additional Legislative Issues**

### **SR 532 Access Road**

At the request of Senator Liias, the County has been working with a private developer and the Senator on proviso that conveys ownership an access road off SR 532 that the County has maintained to the County. The proviso was included in the final Transportation budget on [page 48 of the budget bill](#).

The language follows:

(7) \$1,600,000 of the motor vehicle account—state appropriation is provided solely for real estate services activities. The legislature finds that the section of public roadway owned by the department that is located south of state route number 532 and west of Interstate 5 in the vicinity of the intersection of state route number 532 and 19th Avenue NW is no longer necessary for the state highway system. Therefore, pursuant to RCW 36.75.090, the department shall

certify that the roadway is no longer needed by the state and convey the roadway to the county for continued use as a public highway for motor vehicle use. In consideration of the value of maintenance services provided by the county on the roadway during the time of department ownership, the department shall also convey to the county any access rights owned by the department limiting access to state route number 532 from 19th Avenue NW.

## **Behavioral Health and Housing**

The Capital budget includes significant investments in affordable housing and sheltering as well as funding for home upgrades. Highlights include:

- \$18.7 million for the Compass Health Broadway Campus.
- \$2.75 million for the Lynnwood Recovery Center.
- \$400 million for the Housing Trust Fund for the construction and renovation of affordable housing units to serve low-income and special needs populations, including individuals with chronic mental illness, individuals with developmental disabilities, and individuals experiencing homelessness or are in need of permanent supportive housing.
- \$60 million for grants to local governments and public utility districts to assist in the cost of utility improvements or connections to new affordable housing projects.
- \$50 million for housing developers and public entities to support transit-oriented housing.
- \$40 million for the Housing Finance Commission's Land Acquisition Program to help developers purchase land for affordable housing projects.
- \$14.5 million for youth shelter and housing projects.
- \$5 million for the Landlord Mitigation Account.
- \$83.2 million from the Inflation Reduction Act to implement Home Efficiency Rebates.
- \$35 million for weatherization and home health improvements for low-income households.

The Operating budget also addresses housing and homelessness supports. Notable investments include:

- Emergency Housing and Shelter: \$55.5 million in general funds and \$55.5 million in CARES Act funds for grants to support emergency housing, shelter capacity, and associated support services.
- Homeless Services Contracts Increase: \$45.6 million
- Document Recording Fee Support: \$66 million in one-time funding to support state and local housing and homelessness programs in response to lower than anticipated revenues from document recording fees.
- Encampment Response and Outreach: \$60 million in one-time funding for grants to local governments and non-profits to provide housing and other services to individuals residing in state rights-of-way and other encampments on public lands.
- Housing and Essential Needs (HEN): \$26.5 million

- Permanent Supportive Housing: \$25 million for operations and maintenance of permanent supportive housing projects funded through the Housing Trust Fund.
- Children and Youth Housing Supports: \$22 million
- Covenant Homeownership Program (HB 1474): \$150 million

Additionally, the Capital budget invests in behavioral health facility needs throughout the state. Highlights include:

- \$77.9 million for competitive grants to expand community-based behavioral health services.
- \$133.1 million for community-based projects for behavioral health facilities, such as crisis diversion, secure detox, and adolescent services.
- \$13.4 million for the Rising Strong project, providing family-centered drug treatment and supportive transitional housing for a minimum of 24 households in Western Washington.
- \$613 million for construction of a 350-bed forensic hospital at Western State Hospital.
- \$20.6 million for construction of a 48-bed civil commitment facility in Clark County.
- \$21.1 million to fund the expansion of 136 beds at Maple Lane.
- \$5 million for the Department of Social and Health Services to create community capacity to serve clients in need of behavioral health treatment.

Notable appropriations in the Operating budget for building capacity in the behavioral health system include:

- *Trueblood* and Forensic Mental Health: \$99.7 million in general funds and \$6.9 million in federal funds. This funding is provided for the Department of Social and Health Services to continue implementation of the *Trueblood* settlement, including forensic navigators, outpatient competency restoration, housing, crisis, diversion, and other community support services.
- Maple Lane Campus: \$65.1 million in general funds and \$10.6 million in federal funds for operation of facilities for civil conversion patients and patients found not guilty by reason of insanity.
- Vancouver Campus: \$47.4 million for operations of the 48-bed Residential Treatment Facility campus in Vancouver serving civil conversion patients.
- Staffing at Western and Eastern State Hospitals: \$13.8 million
- Western State Hospital Civil Ward: \$15.7 million to facilitate increasing the civil capacity at Western State to 287 beds.
- Behavioral Health Provider Rate Increases: \$172 million in general funds and \$212 million in federal funds to increase rates paid through the Medicaid Managed Care Organizations and Behavioral Health Administrative Service Organizations by 15 percent.
- Crisis and Residential Treatment Services: \$33.1 million in general funds and \$84 million in other funds to support crisis and residential treatment services,



including new crisis stabilization facilities and expanding the 988 behavioral health crisis response system.

- Community Civil Long-term Involuntary Treatment Beds: \$8.2 million in general funds and \$37.8 million in federal funds
- Opioid Response and Substance Use Disorder Services: \$6.8 million in general funds and \$126.6 million in American Rescue Plan Act (ARPA) and opioid settlement funds to respond to the opioid epidemic and expand substance use disorder treatment and pretrial diversion programs for implementing Senate Bill 5536, concerning possession of controlled substances.
- Expansion of community behavioral health services: \$16.2 million in general funds and \$25.3 million in federal funds
- Intensive Youth Services: \$13.8 million in general funds and \$10.6 million in federal funds

***Trueblood settlement- Competency evaluations and restoration services to persons suffering from behavioral health disorders:*** [E2SSB 5440](#) sponsored by Senator Manka Dhingra (D- 45<sup>th</sup> 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 legislation has undergone significant changes through both chambers of the Legislature. As passed in the House, the bill requires courts to determine if there is genuine doubt as to competency before ordering a competency evaluation and requires jails to allow access for clinical intervention specialists to provide direct services for defendants waiting for competency restoration services. It requires courts to dismiss non-felony charges and refer the defendant for services recommended in a diversion program recommend by a forensic navigator if the court finds the defendant is amenable. The House adopted an amendment upon passage that removed a provision approved by the policy committee that limited 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 Senate did not concur with the House amendments and requested that the chamber recede. On April 21, the House receded from the amendments and returned the bill to second reading for amendment on the floor. A new amendment was approved that establishes procedures for defendants charged with certain class C felonies, including requiring the court to first consider alternatives to inpatient competency restoration, and to dismiss the charges if the forensic navigator finds an appropriate diversion program that will accept the defendant. This provision does not apply to defendants charged with Assault 3, felony Physical Control of a Vehicle or Hit and Run resulting in injury, Hate Crime Offense, or class C felonies with domestic violence or sex offense. It further requires a forensic navigator be appointed for defendants charged with certain class C felonies, in addition to those charged with a non-felony, who have had two or more cases dismissed due to a finding of incompetency in the last two years to determine the person's willingness to engage with diversion. Courts must dismiss charges against such defendants when they have been accepted into a diversion program. For defendants charged with a non-felony that is a serious offense, it requires courts to first consider alternatives to inpatient competency restoration and dismiss the

charges if the parties agree to an appropriate diversion program. If the parties cannot agree on an appropriate diversion program, the court will dismiss the charges unless the prosecutor objects. On April 21, the House passed the amended bill 79-18. The Senate has concurred with the House amendments by a vote of 43-6. The bill is now on the path to be signed into law by the Governor.

**Contracting and procurement requirements for behavioral health services in medical assistance programs:** [E2SHB 1515](#), sponsored by Representative Nicole Macri (D- 43<sup>rd</sup> 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. On April 19, the bill was delivered to the Governor to be signed into law.

**23-hour crisis relief centers:** [2SSB 5120](#) sponsored by Senator Manka Dhingra (D- 45<sup>th</sup> LD) requires the Department of Health to license 23-hour crisis relief centers, facilities that are open 24 hours per day, seven days a week, offering behavioral health to adults for no more than 23 hours and 59 minutes at a time. The centers will accept walk-ins and drop-offs from first responders and individuals referred through the 988 system and have a no-refusal policy for individuals dropped off by law enforcement. After passage in the Senate, the House adopted an amended version that would have established a pilot program for no more than five crisis relief centers to begin in 2024. The Senate did not accept the House changes and requested that the House recede from its amendments. On April 20, the House unanimously agreed to recede. The bill will now make its way to the Governor to be signed into law.

### **Public Safety & State v. Blake**

The Capital budget appropriates \$2.76 million for the Criminal Justice Training Commission's regional training facilities, including \$1.4 million to expand the Spokane Academy and \$1 million for the Southwest Regional Training Academy. Additionally, the Operating budget provides \$15.8 million in general funds and \$3.8 million in other funds to provide three additional Basic Law Enforcement Academy classes at the main Burien campus each fiscal year and three new regional training academies (one each in Pasco, Skagit County, and Clark County) to support six additional BLEA classes per year. Another \$20.6 million is appropriated to support new and existing therapeutic courts in courts of limited jurisdiction.

**State v. Blake decision/controlled substance possession:** [E2SSB 5536](#) sponsored by Senator June Robinson (D- 38<sup>th</sup> LD) was defeated in the House by a vote of 43-55 on the final evening of the legislative session. The chamber debated the recommended policy from the conference committee appointed to reconcile the differences between the Senate and House versions of the bill. The two versions diverged in that the Senate's policy classified possession of controlled substances as a gross misdemeanor, while the House version classified possession of controlled substances as a misdemeanor and added drug use in a public place as a misdemeanor as well. The



Senate did not concur with the House amendments, so the bill went to conference. The conference committee's recommendation went back to classifying possession as a gross misdemeanor as passed by the Senate, with the addition of classifying use in a public place as a gross misdemeanor as passed by the House.

There was robust debate on the House floor and legislators expressed a variety of perspectives. The conference committee's recommendation did not garner full support from Democrats, some of whom expressed concern about the disproportionate impact of the War on Drugs on communities of color and potential harm to individuals who serve jail time due to addiction. Still, others stated that, while the bill is not perfect, it would provide consistency throughout the state. Concerns were expressed about cities and counties enacting their own ordinances once the current law expires at the end of June, resulting in a patchwork of policies. Other reasons for supporting the bill included the negative impacts to downtowns from public drug use and the need to take a step forward in treating substance use disorders as a public health crisis.

Republicans voted against the bill for diverse reasons, including a lack of available substance use disorder treatment in their districts, that the bill did not go far enough, and that allowing cities to enact their own ordinances might be preferable to the conference committee's recommendation.

Several stakeholder organizations weighed in with legislators during the final days of the legislative session as it became clear that a policy addressing controlled substance possession was hanging in the balance. Those stating support for the bill included the Fraternal Order of Police, Washington Retail Association, and Municipal and District Court Judges. In opposition were the ACLU of Washington, Washington Association of Sheriffs and Police Chiefs, and the Washington Association of Prosecuting Attorneys.

Following the Legislature's adjournment on Sunday evening, the Governor held a media availability and speaks on the failure to pass Legislation on the *Blake* decision. Click [here](#) to watch it on TVW. The Senate Democrat Leadership also held a media availability. Click [here](#) to watch it on TVW. Governor Inslee shared his desire for a special session to occur prior to July 1 in order to pass a statewide solution on *Blake*. The Democrat Leadership panel shared their disappointment in the lack of House Republican support on the proposal and did not comment on whether a special session would be their preferred approach.

**Vehicular pursuits:** [ESB 5352](#) sponsored by Senator John Lovick (D- 44<sup>th</sup> LD) has now been approved by both chambers of the Legislature in its amended form. The bill lowers the evidentiary threshold for engaging in a vehicular pursuit to allow an officer to conduct a pursuit if there is reasonable suspicion that a person in the vehicle has, or is, committing a violent offense, a sex offense, a vehicular assault offense, an escape offense, a driving under the influence offense, or a domestic violence assault in the first, second-, third-, or fourth-degree offense. The pursuit must be necessary for identifying or apprehending the individual and the fleeing person must pose a serious risk of harm to others. The legislation now goes to the Governor to be signed into law.

**Addressing the forensic pathologist shortage:** [SSB 5523](#) sponsored by Senator Manka Dhingra (D- 45<sup>th</sup> LD) creates a loan repayment program for board-certified forensic pathologists who work in identified shortage areas of the state for four years. It requires the Washington Association of Coroners and Medical Examiners to conduct a study of the critical shortage of board-certified forensic pathologists and submit a report to the Legislature in 2024. The bill also allows coroners to receive up to 40 percent of the cost of transportation of remains between facilities for autopsy services from the Death Investigations Account. It has now been approved by both chambers of the Legislature and will go to the Governor to be signed into law.

## Finance

**Real estate excise tax for affordable housing:** [HB 1628](#) sponsored by Representative Frank Chopp (D- 43<sup>rd</sup> LD) modifies the state real estate excise tax (REET) and allows a county or city to impose an additional 0.25 percent REET for the construction of affordable housing. While the bill was approved early in the legislative session by the House policy committee, it lost momentum in the fiscal committee. A substitute bill was introduced this week that increases the ceiling for the Tier I (1.1 percent) state REET tax from \$525,000 to \$750,000. As a result, Tier 2 (1.28 percent) would be \$750,000 to \$1.525 million. It also increases the state REET for Tier 4 properties with a selling price over \$3.025 million from 3 to 3.5 percent, except for commercial property. The proposed substitute removed the creation of Tier 5 (4 percent) for selling prices over \$5 million. Real estate industry stakeholders have expressed significant opposition to the bill, while its main proponents, local governments and affordable housing advocates, maintain that additional revenue tools are necessary to bring more housing options to market. After approval by the House Finance committee, the bill did not move quickly enough to make it to the finish line this session.

**Property tax cap lift:** [SB 5770](#), sponsored by Senator Jamie Pedersen, changes the limit factor on the state and local property tax from 1% plus growth and inflation to 3% plus growth and inflation. The bill also provides a 25% exemption to the state's base rate for seniors and veterans. The bill was introduced and referred to the Ways and Means Committee. Ultimately, proponents were unable to secure sufficient legislative support and the bill did not advance this session.

## Urban Planning/Land Use

The Capital budget provides numerous investments in infrastructure and natural resources, some of which include:

- \$400 million from the Public Works Assistance Account to finance infrastructure projects for cities, counties, and special purpose districts.
- \$134.5 million in federal funds and the Drinking Water Assistance Account for low-interest loans and grants to drinking water systems.
- \$5 million for the Drinking Water System Rehabilitations and Consolidations Program.

- \$25 million for the Community Economic Revitalization Board for projects that construct, repair, and acquire local public facilities.
- \$200 million for the Broadband Access, Equity, and Deployment Program to expand broadband access to unserved and underserved communities across the state.
- \$40 million for the Centennial Clean Water Program
- \$670 million for the Water Pollution Control Revolving Program
- \$16.7 million for Sewer Overflow and Stormwater Reuse Municipal Grants
- \$68 million from the MTCA Stormwater Account for the Stormwater Financial Assistance Program
- \$115 million for remedial action grants
- \$12.2 million for the Affordable Housing Cleanup Grant Program
- \$9.4 million for projects to mitigate water contaminated with PFAS
- \$120 million for the Salmon Recovery Funding Board
- \$120 million for Washington Wildlife and Recreation Program grants for habitat conservation, outdoor recreation, riparian protection, and other similar projects
- \$73.5 million for Puget Sound estuary and salmon restoration projects
- \$48.4 million for the Brian Abbott Fish Barrier Removal Board
- \$10.4 million for Youth Athletic Facilities Program grants
- \$25 million for the State Conservation Commission to develop and implement a voluntary riparian grant program to fund the protection and restoration of critical riparian management zones and \$15 million for technical assistance to applicants.

**Condominium legislation:** [SB 5058](#) sponsored by Senator Mike Padden (R- 4<sup>th</sup> LD) exempts buildings with 12 or fewer units that are no more than two stories from condominium liability. On April 18, the bill was delivered to the Governor to be signed into law.

**Increasing supply and affordability of condominiums:** [E2SSB 5258](#) sponsored by Senator Sharon Shewmake (D- 42<sup>nd</sup> LD) contains several provisions aimed at boosting construction and homeownership of condominiums and townhomes. It modifies the requirements for claims regarding construction defects and makes the qualified warranty program available to developers subject to the Uniform Common Interest Ownership Act. It exempts certain sales of condominiums and townhomes from the real estate excise tax (REET) and creates the Down Payment Assistance Account for buyers purchasing a condominium or townhome. After passage in the Senate, the House Appropriations Committee amended and approved the bill. The amendment removed the REET exemption for sales of condominiums and townhomes that are constructed in buildings qualifying for the multi-family property tax exemption. Both chambers of the Legislature worked quickly to get this bill to the finish line this week, with unanimous passage in the House followed by unanimous Senate concurrence on the House amendments. The bill is now on the path to be signed into law by the Governor.

**Wildland urban interface:** [2SHB 1578](#) sponsored by Representative Larry Springer (D-45<sup>th</sup> 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. Wildfire risk assessments are intended to assist with community preparedness and wildfire response, but not for use in development of state or local regulations. DNR must coordinate with counties on updates to wildland urban interface maps and 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 has been approved by both chambers of the Legislature and now goes to the Governor to be signed into law.

**Consolidating local permit review processes:** [2SSB 5290](#) sponsored by Sen. Mark Mullet (D- 5<sup>th</sup> LD), requested by the Governor's Office, establishes a consolidated permit review program for local governments to issue final decisions for residential permit applications within specified time frames. Local governments are required to exempt project permits for interior alterations from site plan review under certain conditions. The bill requires local governments to refund a proportion of the permit fees if they have not issued a final decision by the established time period. The requirements take effect after January 1, 2025. A grant program is created in the bill to support local governments' transition from paper to digital permit filing systems. The amended bill has now been approved by both chambers of the Legislature and now goes to the Governor to be signed into law.

**SEPA exemption for housing:** [2SSB 5412](#) sponsored by Senator Jesse Salomon (D-32<sup>nd</sup> LD) as passed in its chamber of origin, categorically exempts projects from the State Environmental Policy Act (SEPA) that include one or more residential housing units within the incorporated areas in an urban growth area or middle housing within the unincorporated areas in an urban growth area if the projects do not have transportation system safety or operational deficiencies. Counties and cities planning under the Growth Management Act may apply only clear and objective development regulations governing the exterior design of certain new developments. The bill was amended in the House after passage by the Senate, and the Senate refused to concur with the amendments adopted by the House. On April 17, the House returned the bill to second reading for the purpose of further amendment. The chamber approved a modified version of the bill that amended the SEPA exemption for residential housing within an urban growth area to require an environmental analysis that meets certain criteria, rather than requiring the local government's comprehensive plan to be previously subjected to environmental analysis under SEPA. The amended version requires local governments to provide notice to affected tribes and other units of government before finalizing an environmental analysis. On April 22, the Senate concurred in the House amendments and the bill now makes its way to the Governor to be signed into law.

## **Climate Resiliency and Environment**

The Capital budget provides the Department of Commerce with \$423.8 million for grants for clean energy technology, energy efficiency improvements, emissions reductions, and climate adaptation projects. Highlights include:

- \$60 million for the Clean Energy Fund Program for clean energy research, development, demonstration, and deployment projects, including:
- \$163 million, consisting of \$80 million in CCA funding and \$83 million in federal authority from the IRA, to implement the Home Electrification and Appliance Rebates (HEAR) Program to provide scaled rebates to low and moderate-income households, adult family homes, and small commercial businesses to purchase and install high-efficiency electric equipment.
- \$50 million for the Tribal Climate Adaptation Pass-Through Grant program to provide tribes with assistance to mitigate and adapt to the effects of climate change.
- \$20 million for a grant program to reduce carbon emissions in hard-to-decarbonize sectors such as aviation, maritime, and other industries.
- \$50 million for energy retrofits and solar power for public buildings.
- \$20 million for state match for the Pacific Northwest Hydrogen Association's application to the United States Department of Energy for a regional hydrogen hub grant.
- \$16.8 million for local emission reduction projects.
- \$5 million for the Community Energy Efficiency Program administered by the Washington State University Extension Energy Program.
- \$39 million for large scale solar innovation projects.

Additional appropriations from the Climate Commitment Act funds include:

- Clean Energy Siting and Permitting: \$54.8 million to implement HB 1216
- Local Government Climate Planning: \$44 million to implement HB 1181
- Energy Utility Bill Assistance: \$35 million for the Department of Commerce to implement an energy utility bill assistance program serving low-income households through the network of Low-Income Home Energy Assistance (LIHEAP) grantees.
- Community and Tribal Participation Support: \$65 million for a participatory budgeting process with the Environmental Justice Council and overburdened communities.

**Plastic pollution:** [SHB 1085](#) sponsored by Representative Sharlett Mena (D- 29<sup>th</sup> 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. On April 20, Governor Inslee signed the bill into law.

**Creating a statewide resiliency program:** [2SHB 1728](#) sponsored by Representative Brandy Donaghy (D- 44<sup>th</sup> 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. On April 20, Governor Inslee signed the bill into law.

**Updating the state’s integrated climate response strategy:** [E2SHB 1170](#) sponsored by Representative Chipalo Street (D- 37<sup>th</sup> LD) directs the Department of Ecology to collaborate with other state agencies to compile an updated Integrated Climate Change Response Strategy by September 30, 2024. Ecology must provide recommendations to the Governor and Legislature on a durable structure for coordinating and implementing the state’s strategy, including a process to prioritize and coordinate state agency funding for climate resilience. The strategy must include actions to reduce the highest climate vulnerabilities, gaps in an advancing climate resilience action, and a lead agency or group of agencies assigned to implement each action. On April 18, the bill was delivered to the Governor to be signed into law.

## General Government

**Public defense services for those not guilty by reason of insanity:** [SSB 5415](#) sponsored by Senator Yasmin Trudeau (D- 27<sup>th</sup> 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. On April 14, the bill was delivered to the Governor to be signed into law.

**Apprenticeship utilization requirements:** [ESHB 1050](#) sponsored by Representative Marcus Riccelli (D- 3<sup>rd</sup> LD) requires that all public works contracts awarded by a municipality at a cost of one million dollars or more, at least 15 percent of labor hours must be performed by apprentices. The bill was amended on the House floor to remove the requirement that subcontractors on a public works contract with an initial subcontract cost of \$350,000 or more must utilize apprentice labor for at least 15 percent of labor hours. The House passed the bill 58-39. In the Senate, the bill was amended to remove the requirement that subcontracts with an initial price of \$350,000 or more include at least 15 percent of apprentice labor and phase in the apprenticeship utilization requirements for municipalities. The requirements apply to contracts of more than \$2 million until July of 2026, contracts of more than \$1.5 million from July 2026 to July 2028, and contracts more than \$1 million after July 2028. The House refused to concur with the Senate amendments and asked the chamber to recede. On April 20, the Senate receded from the amendments and returned the bill to second reading so that it could be amended on the floor. The new amendment kept the phase-in structure of the apprenticeship utilization requirements for municipalities, but not the removal of the requirement on subcontracts. The House concurred with the Senate amendments on a party-line vote. The bill now makes its way to the Governor to be signed into law.