

# 2021 Legislative Session Wrap-Up

Debora Munguia  
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City of Olympia

# Agenda

- Legislative Overview
- 2021-23 Budgets
- Climate Action/Resiliency
- Police Accountability/Justice Reform
- Housing
- Olympia and Local Government Priorities
- Looking Ahead and Next Steps

# Legislative Overview

- 105-day biennial budget legislative session
  - Operating, Capital and Transportation Biennial Budgets Adopted
  - Sine Die April 26, Governor has 20 days to sign bills (May 19)
- Democrats have a 28-21 majority in the Senate and a 57-41 majority in the House.
- Mostly remote session with major themes:
  - COVID Relief
  - Economic Recovery
  - Climate Action and Resiliency
  - Advance Racial Equity

# Legislative Overview

- Big Issues:
  - Capital Gains Tax
  - Working Families Tax Exemption
  - Police Accountability
  - Cap and Trade, Low Carbon Fuel Standard
  - Changing penalties for drug possession (response to Blake decision)
  - Banning open carrying of guns at protests and on state Capitol grounds
  - Wildfire prevention and forest health funding (\$130.4 million)
  - Fair Start for Kids Act (SB 5237)

# 2021-23 Budget Overview

## Operating Budget (ESSB 5092)

- \$59.2 billion in state revenue
- \$10.6 billion in federal stimulus funds
  - One-time allocations include:
    - \$1.1 B - Stabilizing K-12 schools (reopening, learning loss, etc.)
    - \$1 B - Public health (vaccine deployment, contact tracing and testing, etc.)
    - \$658M Extending the state's rental assistance program
    - \$528M Childcare grants and provider rates
    - \$500 M Unemployment Insurance benefit relief
    - \$340M Grants to adults unable to access COVID 19 benefits due to citizenship status
    - \$187 M Foreclosure prevention for individuals under 100% area median income
    - \$170M Family leave during the pandemic

# 2021-23 Budget Overview

## Capital Budget (SHB 1080)

- \$6.3 billion appropriated, \$82 million is reserved for a supplemental
  - **Olympia Armory transferred to City of Olympia**
  - **\$715,000 to DES for Capitol Lake long-term management planning**
  - **\$79.4 million to DES for legislative campus modernization**
  - \$175 million for Housing Trust Fund, \$174.9 million for other state programs that support affordable housing and shelter capacity
  - \$411 million for grants and loans to improve and expand broadband access
  - \$327 million for infrastructure (\$129 million for PW Board)
  - \$386.2 million for RCO grants
    - \$100 million for WWRP
      - \$1 million for Yelm Highway Community Park Acquisition (Local Parks)
      - \$333,533 for Lilly Road Parcel Acquisition (Local Parks)
    - \$12 million for Youth Athletic Fields
    - \$6.6 million for ALEA
  - \$1.2 billion for higher education facilities
  - \$929.9 million for K-12 public school construction

# 2021-23 Budget Overview

## Transportation Budget (SSB 5165)

- \$11.8 billion in appropriation authority to maintain current level
  - \$1 billion from federal ARPA funds, using \$400 million for fish passage barrier removal if allowable
  - \$6.9 million for alternative fuel vehicle charging and refueling
  - \$5 million for green transportation capital grants to help transit agencies
  - \$10 million new funding for Safe Routes to School and Ped/Bike safety programs
  - \$4 million for a new cadet basic training class to graduate in June 2023
  - \$1 million to WSP to address bills related to police tactics, use of force, etc.
- Both LCFS and Cap and Trade linked to a 5 cent gas tax increase for a transportation revenue package by 2023. Special session for transportation revenue?
  - Senate “Forward Washington” is a 16-year, \$17.8 billion investment plan
    - Includes \$6 million for new US 101 ramps
  - House “Miles Ahead” is a 16-year, \$22 billion investment plan
    - Includes \$5 million for Fones Road and \$6 million for new US 101 ramps

# Climate Action & Resiliency

- SB 5126 - Adopting the Climate Commitment Act
- HB 1091 - Establishing a clean fuel standard, joining Oregon, California and BC
  - Referendums filed on both
- SB 5022 - Improving our recycling system and eliminating tons of styrofoam from our waste stream
- SB 5253 – If a public works project includes landscaping, at least 25% must be pollinator habitat to the extent possible.
- HB 1050 - Establishing thresholds to reduce GHG emissions from fluorinated gases and address refrigerant emissions
- HB 1287 - Preparing for a zero-emissions future by planning upgrades to electricity supply and charging infrastructure
- SB 5000 – Creates an 8 year pilot sales/uses tax exemption program for hydrogen fuel cell EVs.



# Police Accountability/Justice Reform

- Police Accountability and Justice Reform:
  - HB 1267 – new Office of Independent Investigations, police use of deadly force
  - SB 5051 – decertification of law enforcement officers
  - HB 1054 – police tactics
  - HB 1310 – new standards for police use of force
  - SB 5066 – officer duty to intervene
  - SB 5259 – data on use of deadly force
- \$20 M one-time funds distributed to cities related to police reform bills

# Housing

- Over \$1.7 billion in the state budgets for affordable housing and homelessness
- HB 1277 - New permanent fund source for eviction prevention and homelessness interventions (\$100 document recording fee)
- SB 5160 - Right to counsel for low-income tenants facing evictions
- HB 1236 – Eviction reform, no more 20-day no cause eviction notices
- HB 1220 – Supports emergency shelters and housing through local planning and development regulations.
- SB 5287 – Authorizes a 12 year extension of existing 8 and 12 year MFTEs that were set to expire, qualified residents must be provided with relocation assistance. Establishes a new 20 year exemption for permanent affordable homes.
- HB 1070 – Expands allowable uses of revenue from local sales and use tax for housing and related services, adds acquisition of facilities or land.
- *HB 1157 – Establishing a REET density incentive zone option, originally included planning for missing middle housing.*

# State v. Blake Decision

- In a 5-4 decision, the state Supreme Court found the state's simple drug possession law unconstitutional because it didn't require prosecutors to prove a person knowingly or intentionally had drugs.
- SB 5476 makes possession of drugs such as LSD and heroin a misdemeanor instead of a felony. It also funds and prepares for a transition to a more treatment-centered system for addressing substance use disorder.
- The first and second time a person is caught with drugs, officers must refer the person for assessment and services rather than arresting them.
- A committee of experts will study the issue and make recommendations to the Legislature for a more permanent approach in 2023.
- \$83.5 million in the budget to help state and counties manage the legal impacts of the Blake decision, and another \$88.4 million to help establish the new programs. Of the \$88.4 million, \$4.5 million will go to the AOC to help enhance municipal and district therapeutic courts.

# Olympia Priorities

- Acquire Olympia National Guard Armory
- Resources to address homelessness, affordable housing, mental health and chemical dependency services
- Action Related to Climate Change
- New 101 I/C ramps and Fones Road transportation projects
- Address unauthorized military organizations, support for regulation of firearms
- Changes to property tax levy lid lift
- Tax Increment Financing
- Solid Waste Reduction
- Funding for key parks

# Local Government Priorities

- Adopt a new transportation revenue package – stay tuned
- Provide cities with greater fiscal flexibility
  - HB 1069 signed May 13.
    - Allows revenue from CJ Assistance Accounts to supplant existing funds
    - Allows sales/use tax for chemical dependency or mental health treatment to be used for modifications to existing facilities to address health/safety needs related to CH or MH.
    - Reduces restrictions on the allowed use of CJ sales taxes and REET taxes through December 31, 2023.
    - Increases the amount of time a water and electricity or sewage lien can be applied after the declaration of an emergency by the Governor that prevents collection
  - HB 1189 authorizes local governments to designate tax increment financing areas and to use increased local property tax collections to fund public improvements.

# Looking Ahead and Next Steps

- Special session later this year?
- Legislative Delegation Meetings
- September 21 Council Work Session - Develop 2022 Legislative Agenda