

April 6, 2022

To: Debbie Tarry, City Manager

From: Jim Hammond, Intergovernmental Relations Program Manager

Re: Review of 2022 State Legislative Session

### **Overview**

The 2022 Washington State Legislative Session was a short, 60-day, session. Typically, short sessions are used to make incremental changes to the biennial budget through a supplemental process, and public policy work has also tended to be fairly modest as well. However, the 2022 session ran counter to such expectations, likely driven in part by positive forecasts that amounted to \$5 billion in additional state revenue plus \$1.3 billion in federal ARPA funds, as well as the expectations created by an election year. The Legislature passed a major statewide transportation package, made significant investments in housing and support for homeless individuals, adopted important SEPA streamlining measures, clarified key elements of police reform legislation, and tackled several other important policy goals.

The City of Shoreline directly benefited from the legislative session, too. Most notably, the Legislature directed \$7 million from the new transportation package, Move Ahead Washington, to the City's 148<sup>th</sup> St. Non-motorized Bridge Project, allowing that key infrastructure investment to take a major step forward toward full funding. In addition, many of the elements of the City's State Legislative Agenda were successfully advanced, while other legislative proposals that raised concerns for local government were either amended or deferred for future action.

This memorandum provides a general overview of the legislative activity. If you have any questions or would like additional information, you may contact me at [jhammond@shorelinewa.gov](mailto:jhammond@shorelinewa.gov).

### **Shoreline's State Legislative Agenda**

Attached to this memorandum is the City's 2022 State legislative agenda. Key elements of the 2022 agenda include:

- Funding for the 148<sup>th</sup> St. Bridge;
- Progress in establishing a crisis triage center in north King County, to support the RADAR program;
- Advances in diversion programming related to misdemeanor drug possession cases;
- Strengthening City fiscal health;
- Tackling climate change;
- Promoting a collaborative, watershed-based approach to culvert remediation
- Addressing affordable housing and homelessness; and
- Clarifying key aspects of last session's changes to law enforcement practices.

### **Significant Activity**

*Transportation.* At the top of the list sits the \$7 million funding commitment from the legislature as part of the Move Ahead Washington statewide transportation package. Fittingly, the bicycle/pedestrian bridge will be funded by revenues generated by the carbon tax program that goes into effect in 2023.

The transportation package also allows voters to reauthorize multiple 10-year extensions of Transportation Benefit Districts and provides councilmanic authority to increase sales tax by 0.1%.

*Housing and homelessness.* SB 5818, crafted by Sen. Jesse Salomon, is considered to be helpful and impactful legislation by city and housing advocates. It streamlines SEPA for certain housing-related actions, such as exempting up to 200-unit housing developments from SEPA review, provided other code protections are in place, as well as SEPA appeal protection for some housing regulatory changes that are designed to improve the housing supply.

The Legislature also made significant financial investments in housing construction, crisis stabilization, and rapid acquisition of housing with supportive services, with \$430 million for the Housing Trust Fund in the Capital Budget. The Legislature also invested in homeless facilities, including employee stipends to support staffing stability and retention for these challenging but necessary jobs. Finally, the legislature designated \$52 million in the Operating Budget to address encampments in the state right-of-way, but the final measure eliminated provisions for collaboration with local jurisdictions that were in the original bill.

*Environment, climate and sustainability.* In the world of the Growth Management Act (GMA), the Legislature extended the timeline for the update cycle from 8 to 10 years, while giving jurisdictions in the 2024 cycle (which includes Shoreline) an additional 6 months. Reports will be required every 5 years on housing. Also, legislators enabled better Tribal participation in GMA work, identifying them as “peer governments”, rather than simply “stakeholders”. Unfortunately, efforts to include climate and salmon as specific new planning goals did not pass.

Outside of the transportation sector, significant greenhouse gas emissions come from solid waste, and the Legislature passed legislation, HB 1663, to tackle methane emissions already coming from organic waste in landfills and HB 1799, to divert organic waste from coming into them. Note that Shoreline already provide for collections of food and yard waste.

Additionally, the Legislature put funds toward state-owned fish blocking culverts, but did not provide funding for corresponding locally-owned ones. This undermines a long-standing effort by Shoreline and other cities to promote a coordinated, watershed-based approach to removal of fish blocking culverts.

*Public safety.* After significant reforms to law enforcement in the 2021 session, the Legislature adopted several key clarifications:

1. HB 2037 defined “physical force” and made clear that law enforcement officers may use physical force to prevent fleeing during an investigative detention, with certain standards applied;
2. HB 1735 also clarified the use of physical force in the context of community caretaking and addressing behavioral health challenges, such as transporting individuals who are in crisis; and
3. HB 1719 made clear that larger weapons, such as .50 caliber rifles, could still be used when deploying less lethal alternatives, such as beanbags or rubber bullets.

Each measure was deemed “emergency legislation” and, accordingly, went into effect immediately.

Additionally, the legislature provided additional funding for cities to address financial consequences associated with the *Blake* decision (vacating sentences and repaying fines/fees) and assistance to cities

for development/expansion of therapeutic courts. City staff will continue to assess *Blake*-related needs and evaluate options for seeking additional legislative support in future sessions.

*City fiscal health.* The Legislature increased cannabis revenue sharing with cities and counties, converting the formula to a percentage of revenue, rather than a fixed, capped amount. They also created a dedicated and ongoing funding source (\$10 million per year) for cities to complete GMA comprehensive plan updates, including implementation of last year's HB 1220.

#### **Other issues of note**

Sometimes, what doesn't happen during a legislative session can be nearly as significant as what does. Some of these issues include:

- *Crisis triage center funding.* While this session did not directly advance development of a north King County crisis triage facility, the Legislature did allocate additional funding to such programs. Simultaneously, the 5-city coalition advanced its collaborative work with King County, which will be a key partner in the eventual establishment of such a facility.
- *Zoning mandates.* The Legislature considered several bills that directly preempted local zoning in an effort to stimulate the development of more "missing middle" housing (duplexes, triplexes, garden apartments, ADUs, and more). While these bills did not pass, expect the issue to return in future sessions, and also expect additional discussion of these policies during the interim.

#### **Looking ahead**

In the coming months, during the interim, staff will continue to learn more about the legislation that's been passed this session, as well as prepare for what comes next. If you have any questions or issues of interest, please feel free to share them.

#### **Endnote**

The City's work in the State Legislature would not be possible without the partnership we have with the Association of Washington Cities. AWC and City interests are strongly aligned, although they are not identical. Also attached to this memorandum is an informative summary of the 2022 session prepared by the AWC team.

As always, if you have any questions, please don't hesitate to let me know.



## City of Shoreline 2022 State Legislative Priorities

### Shoreline-Specific Priorities:

- Maintain project visibility for the N 148<sup>th</sup> Street non-motorized pedestrian/bicycle bridge as a strong candidate for any state transportation package.
- Support capital budget funding flexibility for feasibility studies and site acquisition for a Regional Crisis Triage Center in north King County to support the ability of the five-city North Sound RADAR program to engage in acute behavioral health interventions.

### Legislative Issues the City Supports:

- Adopt a new transportation revenue package that increases emphasis on transit and non-motorized travel, prioritizes maintenance, and provides an equitable level of local funding and additional long-term, sustainable revenue options for cities to support and maintain local transportation infrastructure.
- Support direct funding for cities to administer diversion programs related to misdemeanor drug possession cases handled by city law enforcement and now adjudicated in municipal courts, as well as Medication-Assisted Treatment (MAT) services, therapeutic courts, and a diversion tracking database.
- Preserve City fiscal health with secure funding sources.
  - Remove the existing 1% property tax limitation or revise by indexing it to inflation, population growth, or some related indicator.
  - Support efforts to review and revise both state and local tax structures so they rely less on regressive revenue options, without negatively impacting local revenue authority.
  - Maintain existing shared revenues.
- Support legislation that addresses climate change impacts, across all sectors.
- Continue to advance a watershed-based approach and strategic plan to address local fish-blocking culverts along with state culverts; seek state resources to correct locally owned culverts as a part of the state's overall resolution to the culvert injunction.

- Continue to address homelessness and increase equitable access to housing through incentives and support for local efforts, without use of mandates; seek development of new tools to accomplish this goal, such as establishment of Housing Benefit Districts.
- Realize the full resource impacts of legislative changes to law enforcement and behavioral health policies through increased funding for behavioral health treatment and response services and facilities.
- Support clarification of the civil standards for use of force requirements so law enforcement can better understand the state requirements and know when they can intervene in a situation, including a mental health crisis, where a crime is not being committed.

# 2022

## Legislative Session: City legislative priorities & outcomes

The 2022 Legislature addressed AWC's legislative priorities.  
Read the pros and cons for cities.



### Pass a transportation package:

Adopt a new revenue package that emphasizes maintenance/preservation funding and provides an equitable level of local funding and additional long-term, sustainable revenue options.

**Pro:** Passed a 16-year statewide transportation package titled Move Ahead WA.

**Pro:** Adopted expanded local options for a border fuel tax and councilmanic authority to increase local Transportation Benefit District (TBD) sales and use tax.

**Pro:** Expanded authority for traffic safety cameras; including authority for more cities to place one camera per 10,000 residents.

**Pro/Con:** Invested in city preservation and maintenance; but only at **\$5 million** in additional annual funding through the Transportation Improvement Board and **\$3 million** to the Complete Streets program for FY 2021-23.

**Con:** Swept **\$57 million** annually from the Public Works Assistance Account (PWAA) between FY 2024 and FY 2038.

**Con:** Addressed state-owned fish blocking culverts, but failed to provide additional funding for locally owned fish-blocking culverts. This undermines yearslong city efforts advocating for a watershed approach.



### Protect Transportation Benefit District funding authority:

Support expanded local authority for TBDs so cities can continue using the sales tax funding tool beyond the current time limitations.

**Pro:** Adopted expanded authority in the Move Ahead WA transportation package to:

- Allow voters to reauthorize 10-year extensions of local TBD sales and use tax; and
- Provide councilmanic authority to increase the tax by 0.1%.



### Ensure basic infrastructure funding:

Provide flexible state and federal dollars through programs like the Public Works Assistance Account to help cities finance basic infrastructure such as drinking water and wastewater.

**Pro:** Allocated an additional **\$88.3 million** to the Drinking Water Assistance Account.

**Pro:** Allocated an additional **\$236 million** to the Water Pollution Control Revolving Account.

**Con:** Swept the PWAA at **\$57 million** annually from FY 2024 to FY 2038.

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## Other significant issues:

Cities identified several significant policies to focus on during the 2022 session.

**Pro:** Adopted necessary modifications to the emergency provisions of the Open Public Meetings Act (**HB 1329**).

**Pro:** Adopted important clarifications related to police reform:

- **HB 2037** defines use of physical force and allows force, when necessary, during an investigative detention;
- **HB 1735** allows physical force, when necessary, during community caretaking functions and to assist with transporting individuals in crisis; and
- **HB 1719** allows use of all less-lethal alternatives, such as rubber bullets from a .50 caliber rifle.

**Pro:** Funded a total of **19.5 classes** in 2022 and **23.5 classes** in 2023 to address wait times at the Basic Law Enforcement Academy. Funded an online training platform for law enforcement training.

**Pro:** Provided cities with **\$21.5 million** to address costs associated with *Blake* decision; **\$4.9 million** to develop and expand therapeutic courts; and **\$2 million** to create alternative response teams.

**Pro:** Appropriated **\$100 million** for low-income customer utility assistance.

**Pro:** Increased cannabis revenue sharing with cities and counties to **\$45 million**, representing an additional **\$5 million** for FY 2023. Ongoing increases are based on revenue percentages, instead of a capped amount (**SB 5796**).

**Pro:** Defeated multiple zoning mandate proposals (**SB 5670/HB 1782 & HB 1660**) preempting local land use authority for certain housing. Instead, the Legislature provided a **\$7.5 million** competitive grant program incentive for cities that want to adopt missing middle housing zoning ordinances.

**Pro:** Passed reforms to the State Environmental Policy Act (SEPA) in **SB 5818** to facilitate housing development by expanding SEPA categorical exemptions and providing appeal protections for development regulations that increase housing capacity and affordability.

**Pro:** Created dedicated and ongoing planning funding of **\$10 million** annually for cities to complete Growth Management Act (GMA) comprehensive planning updates, including implementing 2021's **HB 1220**.

**Pro:** Created historic **\$430 million** capital investment in rapid acquisition of housing for shelter, crisis stabilization, and housing construction under the Housing Trust Fund.

**Pro:** Appropriated **\$52 million** to transition encamped individuals living on state-owned rights-of-way to permanent housing and remove debris.

**Con:** Did not pass **HB 1099**, a GMA proposal aimed at integrating climate change and resiliency planning into the comprehensive planning process. It would have provided planning funding for cities and a new, sustainable revenue incentive to address missing middle housing types.

**Con:** Declined to pass **HB 1117**, a GMA bill that would have integrated salmon recovery planning into the comprehensive planning process and provided planning funding for cities.

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