

## MEMORANDUM

May 10, 2024

To: Shoreline City Council

From: Jim Hammond, Intergovernmental Relations

Cc: Bristol Ellington, City Manager  
City Leadership Team

Re: Overview of 2024 State Legislative Session

The 2024 legislative session was a 60-day “short” session, and its central focus is intended to be the adoption of supplemental operating, transportation and capital budgets for the second year of the 23-25 biennium. Yet despite the compressed timeframe, the legislature not only updated those budgets, but also tackled multiple policy issues and addressed six citizen initiatives that it received. This memorandum will provide a high-level overview of the legislative session, key bills that did or did not pass, budget outcomes and Shoreline impacts, and a look ahead to the upcoming general election and the 2025 legislative session. If you have any questions, please feel free to contact me at [jhammond@shorelinewa.gov](mailto:jhammond@shorelinewa.gov).

### **Budget Highlights**

Historically, supplemental budget deliberations have tended to be modest in scope, making modest adjustments overall. In the past few years, that has not been the case, due to the impacts of the pandemic and the massive federal outlay that came to the state through the Bipartisan Infrastructure Law, the Inflation Reduction Act, and the like. 2024 saw the legislative budget activity revert to historical norms, due to both the status quo economy and the more cautious approach to legislating that takes place in an election year.

*Operating budget.* The supplemental process added approximately \$3 billion in total funding, with significant investments in public schools, substance use disorder, childcare and early learning, housing and homelessness, climate and clean energy, and higher education/workforce development. For local government, the budget also includes \$1.9 million for broadband access technical assistance.

*Transportation budget.* Most observers have characterized the transportation budget as, essentially, status quo. In part due to potential funding impacts related to citizen initiatives (discussed below), there was a greater focus on contingency planning. Nonetheless, transportation budget highlights included additional funding for fish passage barrier removal that will benefit local jurisdictions, as well as investments in safety programs, such as the Safe Routes to Schools and Bicycle and Pedestrian Safety grant programs.

*Capital budget.* The City of Shoreline received funding through the efforts of Sen. Jesse Salomon, via the Local Community Projects program. Over \$250,000 was awarded for the community engagement and design of trails and other passive amenities at two new parks—West Echo Lake and 192<sup>nd</sup>/Hemlock. More broadly, notable additions to the Capital Budget including additional

funding for the state's Housing Trust Fund (\$127 million), local fish barrier removal (\$22 million), and clean building energy audits (\$4 million)

### **Initiatives to the Legislature**

Six initiatives were submitted to the legislature with sufficient signatures to compel the legislature to act. Once submitted, the legislature has three options: (1) adopt the initiative as written; (2) place the initiative on the ballot; or (3) create an alternative version of the initiative and place both version before the voters. This session, the legislature passed on option (3) for all of the initiatives, adopting three and placing three on the November ballot. Since three measures will be on the ballot, it will be important to keep in mind that public resources cannot be used to advocate for or against them. Only factual information is allowed.

Here is a summary of the six initiatives, with links to the State legislative website, where the text of the initiatives can be found:

#### *Adopted by the legislature:*

- I-2081 concerns parental rights in public education.  
<https://app.leg.wa.gov/billsummary?BillNumber=2081&Initiative=true>
- I-2111 prohibits state and local taxes on personal income.  
<https://app.leg.wa.gov/billsummary?BillNumber=2111&Initiative=true>
- I-2113 removes most restrictions on police pursuits and returns to a “reasonable suspicion” standard.  
<https://app.leg.wa.gov/billsummary?BillNumber=2113&Initiative=true>

These measures go into effect in early June.

#### *Placed on the November ballot:*

- I-2109 repeals capital gains tax (much of which has been used for early childhood education)  
<https://app.leg.wa.gov/billsummary?BillNumber=2109&Initiative=true>
- I-2117 repeals the “cap and invest” carbon-based means of raising revenue (a principal funding mechanism for Move Ahead Washington and the state transportation budget)  
<https://app.leg.wa.gov/billsummary?BillNumber=2117&Initiative=true>
- I-2124 provides for opt-out of the state's long-term insurance program.  
<https://app.leg.wa.gov/billsummary?BillNumber=2124&Initiative=true>

### **Local government funding**

SB 5770 (<https://app.leg.wa.gov/billsummary?BillNumber=5770&Initiative=false&Year=2023>), which would have modified the current 1% cap on property tax increases did not pass this session, although there was more energy around this issue than there has been in recent years. Many observers attributed the stalled progress to the political debates created by the anti-tax initiatives to the legislature discussed above. However, the legislature did manage to pass HB 2044 (<https://app.leg.wa.gov/billsummary?BillNumber=2044&Initiative=false&Year=2023>), which

aligned King County jurisdictions with the rest of the state by removing the previous non-supplant restrictions which had been in place just for King County.

HB 2354 (<https://app.leg.wa.gov/billsummary?BillNumber=2354&Initiative=false&Year=2023>) started out as a bill that would have significantly impacted the ability of local jurisdictions to utilize tax increment financing, which was driven by fire districts. It passed in a compromise form, providing more notice and requiring mitigation negotiations for fire and hospital districts impacted by a tax increment financing proposal. Opposition to this local funding tool is expected to continue in coming legislative sessions.

## **Housing**

Prior to session there had been hope among housing advocates that this would be another “year of housing” in Olympia, but progress was more modest in scope. Bills that passed include:

- HB 1892 created a framework, without funding, for a revolving loan fund that could be used by the private sector to invest in the development of workforce housing  
<https://app.leg.wa.gov/billsummary?BillNumber=1892&Initiative=false&Year=2023>
- HB 1998 preempted restrictions on co-living housing  
<https://app.leg.wa.gov/billsummary?BillNumber=1998&Initiative=false&Year=2023>
- SB 6175 provides sales and use tax incentives for conversion of commercial property into rental housing  
<https://app.leg.wa.gov/billsummary?BillNumber=6175&Initiative=false&Year=2023>

Bills that did not pass included:

- HB 2113, which would have required state review/approval the each jurisdiction’s GMA-required housing element
- HB 2276, which would have created another Real Estate Excise Tax (REET) for homes sold for more the \$3 million, with the revenue generated to be used for affordable housing
- HB 2160/SB 6024, the “TOD bill”, which would have mandated densities around light rail stations and BRT stops. Instead, the legislature ordered a study to better understand what local land use looks like before imposing mandates.

## **Behavioral Health**

HB 2088 (<https://app.leg.wa.gov/billsummary?BillNumber=2088&Initiative=false&Year=2023>) established liability protections for behavioral health co-responders, akin to the protections given to police, fire and other first responders. And HB 2247 (<https://app.leg.wa.gov/billsummary?BillNumber=2247&Initiative=false&Year=2023>) also passed, considered to make some needed but modest shifts in the right direction, in terms of helping to grow the behavioral health workforce.

## **Transportation**

HB 2384 (<https://app.leg.wa.gov/billsummary?BillNumber=2384&Year=2023&Initiative=false>) significantly modified the rules around traffic safety cameras. Locations where the use of cameras are allowed were expanded by this legislation, including work zones. Local jurisdictions retain

more revenue, but it must be spent in defined, transportation-related, areas. Significantly, non-commissioned personnel may now review camera footage, eliminating a key bottleneck in the process.

HB 1428 (<https://app.leg.wa.gov/billsummary?BillNumber=1428&Initiative=false&Year=2023>) did not advance this year, but is expected to return as a top priority of policing advocates in the BIPOC community. This legislation would limit the circumstances when a pedestrian can be stopped for jaywalking, which is driven by concern that such stops are being used as pretexts in certain situations.

## **Land Use/Planning**

There has been increased interest at the state level in directing mandates toward local government, which some characterize as evidence of an erosion of trust between state and local governments. This has been evident in this issue area. (The City of Shoreline has a strong reputation in Olympia and has been a credible voice of the local perspective in a number of state-level debates.)

One bill that passed was SB 6015, which made changes to the formula used for establishing parking requirements (<https://app.leg.wa.gov/billsummary?BillNumber=6015&Initiative=false&Year=2023>). Another bill that failed, but could return was HB 2474, which establishes a state oversight process for local government regulations for permanent supportive housing, transitional housing and emergency housing (<https://app.leg.wa.gov/billsummary?BillNumber=2474&Initiative=false&Year=2023>).

Additionally, HB 2252, which would have required local jurisdictions to allow neighborhood cafes failed to advance.

<https://app.leg.wa.gov/billsummary?BillNumber=2474&Initiative=false&Year=2023>

## **Environmental**

HB 2031 was signed into law, which requires composting programs to be established more broadly across the state

(<https://app.leg.wa.gov/billsummary?BillNumber=2301&Initiative=false&Year=2023>). However, HB 2049, which would have expanded producer responsibilities for certain kinds of solid waste did not advance. <https://app.leg.wa.gov/billsummary?BillNumber=2049&Initiative=false&Year=2023> However, its advocates saw progress in the development of support for this measure, and it is likely to return next year.

## **Public Safety**

The legislature toughened rules around impaired driving (HB 1493 <https://app.leg.wa.gov/billsummary?BillNumber=1493&Initiative=false&Year=2023>) and catalytic converter theft (HB 2153 <https://app.leg.wa.gov/billsummary?BillNumber=2153&Initiative=false&Year=2023>), and also modified the rules around adult entertainment establishments (SB 6105 <https://app.leg.wa.gov/billsummary?BillNumber=6105&Initiative=false&Year=2023>), including training and security, entertainer protections, and the sale of alcohol at such places.

HB2211 ( <https://app.leg.wa.gov/billsummary?BillNumber=2211&Initiative=false&Year=2023>) which would have granted local jurisdictions councilmanic authority to impose a public safety sales tax did not advance—another measure that was impacted by the anti-tax initiatives. It is considered likely to return in the next session.

## **General Government**

SB 5059 ( <https://app.leg.wa.gov/billsummary?BillNumber=5059&Initiative=false&Year=2023>) changes the accrual date for interest on tort judgments against public agencies, moving it up to the date of the cause of action in most cases. This has been opposed by cities in the past, as it is likely to increase the cost of tort actions and subject a city to increasing liability before they even know that a claim exists. It did not advance this year, but is expected to come back.

HB 2250 ( <https://app.leg.wa.gov/billsummary?BillNumber=2250&Initiative=false&Year=2023>) permits the use of ranked choice voting in elections; SB 5993 ( <https://app.leg.wa.gov/billsummary?BillNumber=5993&Initiative=false&Year=2023>) requires voter education if such a change is made in a jurisdiction. It is expected that these measures will return in the next legislative session.

HB1932 ( <https://app.leg.wa.gov/billsummary?BillNumber=1932&Initiative=false&Year=2023>) would have moved local elections to even years to increase voter turnout, but it did not advance. Statewide, this proposal was opposed by county auditors, and a sense of “ballot fatigue”.

## **Looking ahead**

In terms of elected leadership, Olympia will be a very different environment next year, with the retirement of Gov. Inslee and the announced departures of 11 Senators and 8 Representatives, many of whom occupied very senior positions within the legislature. All the 4-year statewide offices are up for election, too, and Washington residents will have a new Governor, Attorney General, Public Lands Commissioner, and Insurance Commissioner, to name a few.

The Initiatives that are on the ballot introduce a great deal of uncertainty at this time—uncertainty that will be resolved by voters across Washington in November. I-2109, if approved, will repeal the capital gains tax, and that revenue (about \$1 billion) currently goes to childcare and education. And I-2117, which would eliminate the carbon-based funding mechanism in the Climate Commitment Act would have an even larger budgetary impact: over \$2 billion in CCA revenue is in the current biennial budget, much of that in the capital and transportation budgets. The Move Ahead Washington package plans to spend \$16 billion in CCA revenue over the next 16 years.

During the next few months, Shoreline has an opportunity to work with its delegation to identify and advocate for projects and policy issues of importance to the City. If you have any thoughts about new agenda items, or if you have any questions and would like additional information regarding the information provided in this memorandum, please don't hesitate to let me know.