

2023 Legislative Session Overview

The 2023 legislative session was the first year of a new biennium or two-year legislative cycle. The first year is also a "long" session, lasting 105 days. Along with considering proposals for new laws, the House and Senate must also pass new biennial state budgets, including Operating, Capital, and Transportation.

This was also the first "normal" legislative session since 2020. While some new security protocols carried over from the pandemic, legislative members were mostly on campus and hearings, meetings, and floor activities were conducted in person. Remote testimony was also widely available for the first time during a normal session, along with live, in-person testimony.

Major areas of legislative focus and work this year included housing, climate change, behavioral health, and public safety concerns. In a bit of a surprising twist, the legislature was unable to pass new legislation addressing the possession of controlled substances, or the <u>Blake</u> issue. See the public safety & human services policy section for more detail on the <u>Blake</u> issue and considerations for counties.

WSAC members approved a new legislative agenda for 2023, focusing on four distinct policy goals. All four policy goals were achieved this session. This summary highlights the outcomes of those policy goals and discusses many other issues WSAC advocated for, or against, on behalf of our members.

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Modernizing Justice to Support and Promote Recovery

ISSUE

Counties face many obstacles in successfully operating, maintaining, and providing services, like physical and behavioral health (BH), in their jails. Due to state hospital backlogs, individuals with BH needs are spending weeks and months in county jails. Most county jails were constructed in the 1980s, with several built in the early 1900s. Aging facilities have led to years of failing systems and patchwork fixes. These factors and others have created issues with adequate capacity, proper staffing, and poorly designed facilities for providing modern treatment needs.

LEGISLATIVE ASK -

The legislature should commission the Washington State Institute for Public Policy (WSIPP) to gather and assess foundational information about iails and report on its findings. The information should include changes in jail populations and the current state and costs of jail facilities. In addition, the legislature should commission the Ruckelshaus Center to convene and lead a Jail Modernization Task Force (Task Force) to consider the WSIPP findings. The Task Force should also consider any resulting legislation from the Criminal Sentencing Task Force and the Joint Legislative Task Force on Jail Standards and other pertinent issues. The Task Force should report its findings and recommendations and submit them to the legislature in an initial report by July 1, 2025 and a final report by December 31, 2025.

OUTCOME

WSAC was successful in getting the legislature to include a proviso in the State Operating **Budget commissioning WSIPP** to conduct a study on the jail system and a coinciding Jail Modernization Task Force led by the Ruckelshaus Center. In fact, the proviso ended up being more expansive than we'd hoped because it also includes a study of juvenile facilities. This expansion is an important step toward a more comprehensive understanding of our state's criminal justice system.



ISSUE

Current behavioral health (BH) network adequacy standards are lacking in Washington. In fact, network adequacy standards are virtually non-existent. This results in gaps in access to critical services for Medicaid clients. Clients face difficulties getting into treatment, long wait times, and are unable to get the care they need.

LEGISLATIVE ASK -

The State/Health Care Authority (HCA) shall establish, measure, and enforce BH network adequacy standards.



OUTCOME

The Legislature passed **E2SHB** 1515, which requires the HCA to do a number of things including, but not limited to, seeking approval to amend the State Medicaid Plan to support direct payments to agencies to help with 24/7 crisis system capacity and to adopt network adequacy standards and an annual network adequacy review process for Managed Care Organization (MCO) BH provider networks within the Medicaid program. This was a great win for counties and our communities. It will ensure that people have access to a network of providers sufficient in numbers and types to make services available to all clients without unreasonable delay.



ISSUE

Federal funding is vital to the success of county transportation programs. However, federal funds often have added requirements, resulting in heftier price tags and longer timelines for local projects. Federal funding also often requires a local match and is provided on a reimbursable basis, which can cause cashflow problems, especially for smaller jurisdictions.

LEGISLATIVE ASK

Allow counties to swap their suballocation of federal Surface Transportation Block Grant funds for state transportation dollars. An exchange like this would allow counties to deliver projects with state, rather than federal, resources, thereby rendering projects subject to applicable state and local, not federal, requirements.

OUTCOME

The 2023-25 Transportation
Budget establishes a \$25 million
Federal Fund Exchange Pilot
Program. The exchange rate
for the swap is a .95 to \$1.00
ratio and the language requires
a report on the program by
December 2024.

ISSUE

The rural sales tax credit program dates back to 1998 and allows rural counties (33 of 39) to fund crucial economic development and affordable workforce housing programs. This is a very successful program that lets counties get more "bang for the buck" by partnering with other local agencies to maximize dollars and deliver needed infrastructure and facilities without tapping limited state capital funds. In short, it helps fund numerous small projects that might not otherwise make it into traditional state budgets, generating about \$50 million each year for rural counties to use without adding any new taxes. It works instead as a credit against state sales tax which is already collected. The credit is currently set to expire around 2034, depending on when a county first implemented it.

LEGISLATIVE ASK ——

Extend the tax through 2054. The effect on the state budget is small and already assumed, so there is no new fiscal impact on the state or taxpayers. The program has proven effective and accountable. It is critical to fund essential public facilities, promote economic growth and support affordable housing. Since such projects take time to develop and implement, rural counties need assurances that this fund source will be available in the future.

OUTCOME

HB 1267 extends the expiration of the rural sales tax credit by another 20 years to 2054. This bill was enacted with near-unanimous bipartisan support and is expected to be signed into law by the Governor shortly. This extension gives locals the certainty needed to continue work and formulate long-term plans for projects that often need a long lead time to plan and construct. The bill also contains updated reporting requirements that will make it easier to track funds and projects across the state for future state and local planning and to ensure accountability.

General Government



Tort Liability & Risk Management

HB 1649/SB 5059 would have applied prejudgment interest to tort judgments.

WSAC Position: OPPOSE Outcome: FAILED HB 1025 would have applied vicarious liability to local agencies for police misconduct.

WSAC Position: OPPOSE Outcome: FAILED



Public Records

HB 1597/SB 5571 would have protected local governments from liability associated with frivolous records requests.

WSAC Position: SUPPORT Outcome: FAILED



🕲 Taxes

HB 1628 would have authorized an additional .25 percent real estate excise tax for local governments. At least half of the proceeds would have to be dedicated to affordable housing projects.

WSAC Position: NEUTRAL **Outcome: FAILED**

HB 1670 / SB 5618 / SB 5770 would have lifted the property tax limit factor for local governments from 1% annually to up to 3%.

WSAC Position: SUPPORT Outcome: FAILED

HB 1756 creates a new exemption from property taxes for personal property used to generate renewable energy. The property tax is replaced with a production excise tax and 42.5% of the excise tax goes to the county.

WSAC Position: SUPPORT Outcome: PASSED



Budget Highlights

\$16 million for election security, including in county election offices.

\$74 million for grants to increase solar deployment and installation of battery storage in public buildings.

\$138 million for the development of community electric vehicle charging infrastructure.

\$99 million in liquor profits for local governments.

\$89 million in liquor taxes for local governments.

\$50 million in cannabis excise taxes for local governments.

Transportation & Infrastructure



Transportation

HB 1832 would have directed the Department of Licensing to establish a voluntary Road Usage Charge (RUC) program by July 1, 2025, for lightduty vehicles. The bill also would have set a target date for implementing a mandatory RUC program by January 1, 2030.

WSACE Position: OTHER Outcome: FAILED HB 1084 will significantly change the purpose of the Freight Mobility and Strategic Investment Board by changing it from a granting agency to providing strategic guidance to the Governor and the Legislature regarding the highest priority freight mobility needs in the state.

WSACE Position: SUPPORT Outcome: PASSED



/n\ Infrastructure

SJR 8201 / SB 5303 Joint Resolution 8201, if approved and ratified by the voters, would have amended the state Constitution to establish a new Public Works Revolving Trust Account where the repayments of Public Works Board loans would be deposited and only used for new loans and grants.

WSACE Position: SUPPORT Outcome: FAILED **HB 1329** will prohibit utilities from involuntarily terminating water or electric service to any residential user during certain high-temperature events and require that utilities make a reasonable attempt upon request to reconnect service during certain high-temperature events.

WSACE Position: NEUTRAL Outcome: PASSED

HB 1705 would have required a county that plans to extend or improve a stormwater control facility within an operating diking or drainage district to notify and consult with the district. It also allowed a written agreement for the district to operate a stormwater control facility constructed by the county and with such an agreement the district could receive a portion of the stormwater rates and service charges collected by the county.

WSACE Position: OPPOSE Outcome: FAILED





SB 5268 significantly changes the Small Works Roster process to reduce barriers for small businesses by allowing, among other things, jurisdictions to directly contract with certified small businesses for projects under \$150,000.

WSACE Position: SUPPORT Outcome: PASSED

SB 5418 would have expanded the definition of public work bringing many contracted or purchased services under the new definition while also limiting "ordinary maintenance" to just work done by employees of the county.

WSACE Position: OPPOSE Outcome: FAILED

HB 1099/SB 5726 would have required that wages in public works contracts be paid at the prevailing wage in effect when the work is performed.

WSACE Position: CONCERNS Outcome: FAILED

<u>**HB 1050**</u> will expand apprenticeship utilization requirements for contractors bidding on certain municipal contracts.

WSACE Position: NEUTRAL Outcome: PASSED



Budget Highlights

\$400 million appropriation to the Public Works Assistance Account.

\$287 million for the Transportation Improvement Board.

\$105 million for the County Road Administration Board.

\$50 million appropriation to the State Broadband Office for federal match requirements.

\$48.4 million appropriation for the Brian Abbott Fish Barrier Removal Board.

\$4 million for the Rural Lane Departures.

\$500,000 for the Transportation Commission to conduct a route jurisdiction study to assess the current state highway inventory and local roadway designations to determine if changes are needed in jurisdictional assignment.

\$300,000 for the Municipal Research and Services Center to convene a work group to develop a process to allow the Washington State Department of Transportation to partner with a local jurisdiction to allow the jurisdiction to be lead on improvement or preservation projects on state highways.



Natural Resources, Environment, & Land Use



Forest Management

HB 1789 would have authorized DNR to enter into contracts for ecosystem services projects on state trust lands for afforestation, reforestation, and "blue carbon" projects on aquatic lands.

WSAC Position: SUPPORT

Outcome: FAILED

HB 1460 implements the recommendations of the trust land transfer working group and WSAC's encumbered lands proviso implementation work group.

WSAC Position: SUPPORT Outcome: PASSED



Solid Waste Management

HB 1131/SB 5154 proposed creating a new statewide extended producer responsibility program for product packaging and paper products. It would have radically changed most recycling programs statewide by removing local government responsibility for managing them.

WSAC Position: CONCERNS

Outcome: FAILED



Housing

SB 5290 creates some new incentive programs for local governments to streamline and improve permitting processes. It also implements new timeline requirements for permit processing, including penalties for missing deadlines and new reporting requirements.

WSAC Position: SUPPORT Outcome: PASSED

HB 1337 includes new state-mandated requirements for allowing accessory dwelling units on residential lots.

WSAC Position: OPPOSE Outcome: PASSED



Water Resources

SB 5517 proposed implementing some of the recommendations of the joint legislative task force on water resource mitigation. It included proposals to overturn key findings in the Washington State Supreme Court "Foster" opinion.

WSAC Position: SUPPORT Outcome: FAILED





Growth Management

HB 1181 added new requirements to local comprehensive plans under the state's Growth Management Act for addressing the causes and impacts of climate change. The bill also includes new requirements for addressing environmental justice and equity concerns in local planning.

WSAC Position: NEUTRAL Outcome: PASSED

HB 1216 creates a new, fully coordinated permitting process for clean energy projects that don't seek siting authority through the Energy Facility Siting Evaluation Council. While counties are compelled to participate, local land use, zoning, and development regulation authority is upheld.

WSAC Position: CONCERNS Outcome: PASSED

HB 1723/SB 5651 would have added another new goal and mandatory element to local government comprehensive plans under the GMA for addressing environmental justice and equity.

WSAC Position: OPPOSE Outcome: FAILED

SB 5080 authorizes the Liquor and Cannabis Board (LCB) to issue additional cannabis licenses for retail, production, and processing to social equity-qualified candidates. The bill also requires the LCB to consider local zoning regulations before issuing new retail licenses.

WSAC Position: SUPPORT Outcome: PASSED



Budget Highlights

\$20 million for local comprehensive planning.

\$41 million for implementing HB 1181.

\$83 million for preserving and replacing older forests, replacing encumbered state forestlands, and silviculture activities on trust lands.

Reappropriation of the water banking pilot grant program - **\$14 million**.

\$24 million for grants for local solid waste programs.

\$6 million for local government housing planning grants.

\$3.5 million for local government permitting grants.

\$10 million for local government grants supporting the siting of clean energy projects.



Public Health



Statewide Medical Reserve Corps

HB 1542 will establish a statewide medical reserve corps (MRC) to coordinate any significant, statewide public health emergency response with the local health officer. A statewide MRC will fill gaps across the state for counties without a local corps and be nimble to respond to concurrent emergencies and threats. There will also be coordination with local health officials to fill local and large-scale support efforts.

WSAC Position: SUPPORT Outcome: PASSED



Opioid Response

Opioid Education in schools: HB 1230 requires schools and the Department of Health to develop and post information on websites about substance use, trends, overdose symptoms, and other prevention strategies.

WSAC Position: NONE **Outcome: PASSED**

Accessing substance use disorder (SUD) treatment: **SB 5502** will require offenders to undergo a comprehensive SUD assessment before starting the Graduated Reentry Program at the Department of Corrections. DOC will be required to enroll offenders into the appropriate SUD treatment, medicationassisted treatment, and counseling programs.

WSAC Position: NONE Outcome: PASSED

SB 5022 would have exempted fentanyl test strips from the definitions of drug paraphernalia.

WSAC Position: SUPPORT Outcome - FAILED



Social Enterprise & Food Safety

HB 1706 would have established a separate program to regulate and permit home kitchen operations, including exempting several food safety measures that other food establishments must implement.

WSAC Position: OPPOSE Outcome: FAILED

HB 1500 extends the cap on annual gross sales for low-risk cottage food operations and extends permit renewal requirements to every two years.

WSAC Position: SUPPORT Outcome: PASSED



Budget Highlights

\$324 million in Foundational Public Health Services; \$100 million of additional, new funding.

PREVENTION AND CHRONIC DISEASE INVESTMENTS:

Local home visiting programs were expanded by **\$9.5** million to include additional families.

\$5 million in tobacco prevention, including youth education on vapor products.

\$6 million to continue WIC Program expansion, including local farmers market vouchers.

EMERGENCY PREPAREDNESS AND READINESS:

\$300.000 was included to fund local government grants for the costs of responding to certain weather events. The corresponding bill, HB 1010, failed to pass.

\$14.4 million was provided to support a statewide stockpile of PPE for public health and healthcare emergency response.

Public Safety & Human Services



Public Safety

HB 1324 provides that prior juvenile dispositions cannot be included in an offender's score calculations for any subsequent adult convictions, prospective only.

WSAC Position: NEUTRAL Outcome: PASSED

HB 1492 would have expanded the scope of the <u>Blake</u> decision by including cases that went back to 1951 rather than 1971 and increasing the types of legal financial obligations (LFOs) that qualify for reimbursement.

WSAC Position: OPPOSE Outcome: FAILED

SB 5536 would make simple possession of a controlled or counterfeit substance or use in a public place a gross misdemeanor. It would also make the knowing possession of a legend drug, or use in a public place, a misdemeanor while preempting local governments from enacting drug paraphernalia laws. Pretrial diversion opportunities would also have been established as options for alternatives to detention for persons charged with these offenses.

WSAC Position: NEUTRAL Outcome: FAILED



Human Services

SB 5604 allows local governments to expand the use of existing chemical dependency, mental health treatment programs, and affordable and supportive housing sales and use tax revenues. It also allows local governments currently imposing these taxes to retain up to 10 percent of the annual revenue from the tax for administration costs.

WSAC Position: SUPPORT Outcome: PASSED

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Human Services

SB 5358 requires the Washington State Department of Veterans Affairs to provide grants to counties to develop or expand veterans' service officers (VSO) programs, peer-to-peer support programs, and other services and programs to assist veterans in areas where such programs and services are needed. Counties with smaller populations and below the national average in the percentage of veterans receiving federal disability or pension compensation are prioritized for funding.

WSAC Position: SUPPORT Outcome: PASSED

SB 5386 reduces administrative complexity for county auditors and others by increasing the transparency of revenue flows for activities funded by document recording fees.

WSAC Position: SUPPORT Outcome: PASSED

SB 5440 addresses the provision of timely competency evaluations and restoration services to those with behavioral health disorders. It requires the court to determine if there is genuine doubt as to competency before ordering a competency evaluation. Forensic navigators must assess individuals referred for competency evaluation for appropriateness for assisted outpatient treatment. Jails must allow access by clinical intervention specialists to provide direct services and consultation for defendants waiting for competency to stand trial services. Medications provided in jails cannot be substituted.

WSAC Position: NEUTRAL Outcome: PASSED

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The Blake Issue

The legislature adjourned without agreeing on a Blake "fix" when it failed to pass **E2SSB 5536** on April 23rd. As a reminder, the State Supreme Court's 2021 Blake decision found the State's simple drug possession law unconstitutional. The legislature put in place a two-year solution that is set to expire on June 30th. Thus, effective June 30th, there will be no state statute that criminalizes the possession of controlled substances.

To address this issue, the Governor has called a special legislative session beginning May 16th. The goal of this special session is to approve a statewide solution for drug possession to avoid a patchwork of ordinances imposed by individual cities and counties. The legislature officially has 30 days during this special session to complete this task. However, the hope is that legislators will come to an agreement prior to that.



Budget Highlights

\$2.4 million over the biennium for VSOs through SSB 5358.

Includes a requirement that HCA apply to the Center for Medicare & Medicaid Services to renew the 1115 waiver and seek an expansion from 30 to 90 days.

\$38 million to assist counties with the costs of Blake compliance for resentencing, vacations. certifying LFO refunds, and collection costs. A portion of HB 1492, expanding qualifying LFOs, was included as a proviso. This will ultimately cost counties money, but it is unclear what the exact impact will be.

\$453,000 for the Jail and Juvenile Facilities Study and Modernization Task Force.

\$18 million over the biennium for grants to local governments to maintain programs and investments that are primarily funded through Document Recording Fees.

\$390 million for the construction of affordable housing, transitional housing, and shelter units.

\$248 million for case management, rental assistance, and other operating costs for programs serving individuals experiencing homelessness.

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Legislative Steering Committee

The Legislative Steering Committee (LSC) is responsible for preparing and recommending a proposed legislative agenda for the review and approval of the active WSAC members. The LSC monitors the events of each legislative session and is empowered to adopt policy relating to legislation, executive branch policies and operation, and the activities of other organizations and associations.



Kate Dean, Co-Chair Jefferson County

Commissioner

Brad Peck, Co-Chair Franklin County

counties involved

Commissioner

LSC Roster

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