



City of Redmond
2019 Legislative Session Comprehensive Report
Prepared by Briahna Murray

Dear Mayor Marchione, Councilmembers, & City Staff -

It was a pleasure advocating for the City of Redmond throughout the 2019 legislative session. This was the City's first session partnering with myself and GTHGA, and I am delighted to report that our collective efforts were successful in advancing the City's interests. The City was able to accomplish nearly every one of its legislative priorities, securing \$1 million for the Hartman Pool, increasing funding for affordable housing, securing full funding for the Basic Law Enforcement Academy and more.

These successes would not have been possible without an active and supportive legislative delegation: Sen. Manka Dhingra, Sen. Patty Kuderer, Rep. Larry Springer, Rep. Roger Goodman, Rep. Vandana Slatter, and Rep. Amy Walen. Additionally, City staff provided me with timely responses and feedback on proposed legislation, providing me the necessary information to be an effective on-the-ground advocate for the City. It truly takes a team to successfully navigate the legislative process, and Team Redmond is a good one to be on!

Now that the legislative session has concluded, attention will turn to implementing bills that passed into law during the legislative session, the selection of a new Speaker of the House, examining the impacts of I-976 which will be on the November 2019 ballot, and preparing for the second-year of the two-year legislative biennium – i.e. the 2020 legislative session. The 2020 legislative session will be a short 60-day session.

Washington State's ever-changing political climate requires adaptive and consistent advocacy. I look forward to working with the City of Redmond throughout the interim months to continue advancing the City's legislative priorities and preparing for the 2020 legislative session.

With great appreciation,

Briahna Murray

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Overview of the 2019 Legislative Session

The 2019 legislative session was the first year of the two-year legislative biennium and was scheduled to be a “long” session and last 105 days. The Legislature completed its work on-schedule, adjourning at midnight on the 105th day. The second year of the legislative biennium, 2020, will be a “short” session and will be scheduled to last 60 days starting the second Monday in January 2020.

The Democratic Party held stronger majorities in both the House and the Senate than in recent history. The House was comprised of 57 Democrats and 41 Republicans and the Senate had 28 Democrats and 21 Republicans. With these strong majorities and control of the Governor’s Mansion, Democrats set an ambitious agenda.

There were 2,208 bills introduced throughout the duration of the legislative session and 481 passed into law. Approximately 22% of the bills introduced passed, which is a slightly higher percentage than previous years. Some of the proposals that passed into law include:

- raising the cap on how much school districts can raise from local property tax levies;
- creating the nation’s first employee-paid program to fund long-term care;
- removing the philosophical exemption for the measles, mumps, and rubella vaccine;
- requiring a 100% clean energy supply (i.e. carbon free electricity) by 2045;
- approving permanent day light savings time (pending approval by the federal);
- moving the state’s presidential primary from May to March;
- raising the legal smoking age to 21;
- providing a public health insurance option; and,
- approving I-1000 allowing state agencies to consider factors like race in hiring.

Some of the “hot” topics that did not pass into law include eliminating the death penalty, imposing a low carbon fuel standard, requiring sex education in public schools, banning plastic bags and plastic straws, and imposing a capital gains tax.

In addition to all the bills the Legislature considered, the Legislature enacted three biennial budgets: operating, capital and transportation. Each budget will be in effect July 1, 2019 through June 30, 2021. The Legislature will consider amendments to these biennial budgets during the 2020 legislative session. Below is a summary of each budget:

Operating Budget

The final 2019-21 operating budget spends \$52.4 billion, an increase of roughly 20% from 2017-19’s operating budget which spent \$43.7 billion. The budget raised approximately \$850 million in new revenue through five tax changes:

- modifying real estate excise tax rates from a flat rate to a variable rate based on the sale price of the property ([SB 5998](#));

- removing a preferential business and occupation tax rate for international investment companies ([SB 6016](#));
- replacing the out-of-state sales tax exemption with a refund mechanism ([SB 5997](#));
- increasing the B&O tax rate for travel agents ([SB 6004](#));
- raising the B&O tax rate for large financial institutions ([HB 2167](#)); and,
- increasing the B&O tax rate for certain business categories and dedicating the revenue to higher education ([HB 2158](#)).

Much of the increased revenue is dedicated to public employee salary and benefit increases, including a new insurance benefit for part-time school workers who will receive full medical coverage if they work at least 630 hours per year. The Legislature also made significant investments in the State's mental health care system from both the operating and capital budgets.

Capital Budget

The final 2019-21 capital budget totaled \$4.9 billion, with an additional \$3.8 billion is re-appropriated for projects previously authorized but not yet completed. Within the budget, the following investments were made of interest to the City:

- \$96.5 million for local and community projects awarded through competitive programs and direct legislative grants;
- \$175 million for the Housing Trust Fund;
- \$120 million for community based behavioral health beds;
- \$154 million for state mental health facilities; and
- \$974 million for higher education facilities,

A total of \$70 million in bond capacity is reserved for a supplemental capital budget.

The Legislature increased the hazardous substance tax ([Senate Bill 5993](#)) to \$1.09 per 42-gallon barrel. The additional revenue was allocated to the Model Toxics Control Operating Account, the Model Toxics Control Capital Account, and the Model Toxics Control Stormwater Account. State agencies will administer the funds within each of those accounts to fund projects. Additionally, \$50 million per biennium is deposited into the motor vehicle fund within the transportation budget to be used exclusively for transportation stormwater projects.

Transportation Budget

The final 2019-21 transportation budget includes a very small list of new projects. This is because gas tax revenue collections were less than forecasted. Those projects that did receive funding received minimal funds. The only new revenue into the budget was through a one-time \$50 million transfer of Hazardous Substance Tax revenue out of the Model Toxics Control Act Account (see above).

Discussions on Next Transportation Revenue Package Begin

In addition to adopting a final 2019-21 transportation budget, the Legislature began discussing its next transportation revenue package, otherwise referred to as "Forward

Washington.” Senate Transportation Committee Chair, Sen. Steve Hobbs (D-Lake Stevens), introduced [Senate Bill 5971](#), which would have:

- established a carbon pollution fee of \$15 on the sale of fossil fuels to a consumer;
- diverted some sales and use tax revenues collected on car rentals, automobile parts, and bicycles from the state general fund to transportation;
- levied an additional tax .01 tax on the sale of automobile parts and bicycles;
- established an annual transportation benefit assessment on developed parcels of land;
- established a six-cent gas tax increase; increased vehicle weight fees; and
- added additional penalties for high occupancy vehicle lane infractions.

Under this proposal, the revenue generated by these changes would have been expended on a list of projects – i.e. the next “project list.” It is likely that this proposal will serve as the framework for discussions regarding the next transportation revenue package as time progresses. If I-976 limiting car tab fees to \$30 passes at the November election, that discussion will gain momentum during the 2020 legislative session.

2019 Legislative Priorities

Redmond Hartman Pool

The final 2019-21 capital budget includes \$1 million for the Redmond Hartman Pool. This is a generous contribution from the State to improve an important asset for the Redmond community.

The City requested \$3 million in capital funding to make improvements to the Hartman Pool. It is not uncommon for communities to request funding and receive a funding allocation that is less than what was requested. The request for \$3 million was developed with this historic trend in mind, and the City acknowledged that requesting \$3 million was ambitious and was prepared to accept a lesser amount if the full amount could not be attained.

In the months leading up to the legislative session, City staff worked to develop a one-page description of the request and complete the necessary funding request forms. The City met with the City’s legislative delegation prior to the beginning of the legislative session and highlighted the request for the Hartman Pool as part of that meeting. Once the legislative session began, each member of the delegation signed a letter supporting the funding request and the delegation coordinated the submittal of the necessary request forms. When budget proposals were initially released, \$1 million in funding was included in the Senate proposed capital budget, but no funding was included in the House proposed capital budget. As the two budgets were reconciled by capital budget writers, the City’s legislative delegation worked to ensure it was included in the final capital budget.

Sen. Manka Dhingra was an excellent champion for this request, and the rest of the delegation – Rep. Amy Walen, Sen. Patty Kuderer, Rep. Roger Goodman, Rep. Larry Springer, Rep. Vandana Slatter – all helped ensure that the project was included in the final adopted budget.

In mid-July, the Department of Commerce will begin reaching out to funding recipients to complete the necessary paperwork to allocate the funds. The funds are issued on a reimbursement basis. The Department will only release the funds if funding is available to complete either the entire project, or a phase of the project that results in a beneficial use to the public.

Redmond Connector

Early in the legislative session, the City chose to pursue a transportation funding request that was in addition to the City's adopted legislative priorities. The City applied for a \$750,000 WSDOT Bicycle and Pedestrian Grant to fund a portion of the Redmond Connector project. The City received notice in early January that the project was not ranked high enough to receive funding. However, the Redmond Connector project was just three projects below the cutoff line.

The City asked the Legislature to increase funding for the WSDOT Bicycle and Pedestrian Grant program to allow the Redmond Connector to receive the \$750,000 grant, or to otherwise allocate funding to the Redmond Connector project. In discussing this request with the City's legislative delegation, it was evident that there was limited transportation funding available; however, the delegation agreed to submit the request on the premise that the worst thing that could happen was that transportation budget writers would choose not to increase funding for the program which would leave the City in the same position that it would have been otherwise. In short, it was a long shot, but one worth taking.

Rep. Larry Springer and Sen. Manka Dhingra took the lead in submitting the necessary request forms to the House and Senate transportation budget writers. When the House and Senate each released their proposed 2019-21 transportation budgets, the project was allocated \$750,000 in the House transportation budget proposal; but no funding was allocated in the Senate transportation budget proposal. The Senate transportation budget proposal did not allocate funding to any new projects; Redmond was not alone in not receiving funds in the Senate proposal.

The House and Senate transportation budget proposals were very different from one another and were challenging for transportation budget writers to reconcile into a final transportation budget. When the reconciliation did occur, the \$750,000 for the Redmond Connector project was not included in the final 2019-21 transportation budget. This is reflective of the limited transportation funding available. Both House and Senate Transportation Committee Chairs have indicated that a new transportation revenue package would be needed to fund new projects or increase funding to any existing grant programs.

Affordable Housing

The City of Redmond joined many other stakeholders in asking the Legislature to increase funding for affordable housing this session. The Legislature listened. Within a month of the session beginning, the House and Senate Democrats held a joint press conference where they outlined an affordable housing strategy that included many of the items on the City of Redmond's legislative priorities: funding for the Housing Trust Fund, reforming the Condominium Liability Act, and allocating funding to local jurisdictions through a credit against the state sales tax for affordable housing. They also outlined some additional proposals such as reforming the Residential Landlord Tenant Act and passing policies to increase density within communities. Dozens of bills were introduced regarding affordable housing. Below is an outline of those bills that the City of Redmond actively worked to advance:

- **Housing Trust Fund:** The City of Redmond joined other stakeholders in requesting that the Legislature allocate \$200 million to the Housing Trust Fund, a competitive grant program for affordable housing projects. The final 2019-21 capital budget allocated \$175 million – the second highest amount that has ever been allocated to the fund. The \$175 million is broken down as follows:
 - \$35 million is for housing projects that provide supportive housing and case-management services for persons with chronic mental illness;
 - \$10 million is for competitively awarded modular housing grants;
 - \$10 million is for competitively awarded grants for state matches on private contributions that fund affordable housing;
 - \$10 million is for competitively awarded housing preservation grants;
 - \$7 million is for ultra-high energy efficient housing grants;
 - \$45 million is provided for 15 specific housing projects;
 - \$57 million is for the following competitive housing projects:
 - \$5 million for housing for veterans;
 - \$5 million for housing that serves people with developmental disabilities;
 - \$5 million for housing that serves people employed as farmworkers;
 - \$5 million for projects that benefit homeownership; and
 - The remaining amount for projects that benefit low-income populations in need of housing.

Please see the Department of Commerce's website on how to apply for Housing Trust Fund grant funds: <https://www.commerce.wa.gov/building-infrastructure/housing/housing-trust-fund/applying-to-the-housing-trust-fund/>.

- **Reform the Condominium Liability Act:** The Legislature has considered proposals in previous legislative sessions to reform the Condominium Liability Act. Previously, none of these proposals were able to advance because stakeholders were unable to reach an agreement on appropriate reforms. As a result, Washington State's liability laws disincentivized developers from constructing condominiums; instead, communities saw an influx of apartment/rental construction. Prior to the beginning of the legislative session, a diverse group of stakeholders, including cities, called on legislators to navigate

the many interests and reach agreement on reforms to the Condominium Liability Act to allow a more diversified housing stock to be constructed.

[Senate Bill 5334](#), sponsored by [Sen. Jamie Pedersen](#) (D-Seattle), and its companion bill, [House Bill 1306](#), sponsored by [Rep. Tana Senn](#) (D-Mercer Island), were introduced after months of interim work. The Senate version of the bill advanced through the legislative process. While the bill was amended several times, there was strong support from all stakeholders at each step of the legislative process to pass a bill into law after years of delay. The City of Redmond highlighted the need for the bill with the City's legislative delegation and signed in supporting the bill at the numerous public hearings as it advanced through the legislative process.

The final version of the bill requires that condominiums be constructed in accordance with applicable building codes, and that to establish a breach of warranty, the breach must be:

1. more than technical;
2. significant to a reasonable person; and
3. have caused or will cause physical damage to the unit or common elements; has materials impairing the performance of mechanical, electrical, plumbing, elevator, or similar building equipment; or presents an actual unreasonable safety risk to the occupants of the condominium.

Officers and board members of a condominium are entitled to the same immunities from liability available to officers and directors of a nonprofit or mutual corporation. The effective date of the bill is July 28, 2019.

- **Local Funding for Affordable Housing:** The City of Redmond joined other stakeholders in requesting local funding for affordable housing.
 - **State Sales Tax Credit for Affordable Housing:** After two legislative sessions of advocacy, the Legislature approved [House Bill 1406](#) which allows local jurisdictions to impose a credit against the state sales tax to fund affordable housing. The bill requires the City of Redmond to adopt either a resolution or ordinance within the next 6-12 months to take advantage of this new revenue source. The final version of the bill authorizes cities and counties to each impose a .0073 credit against the state sales tax (for a combined total of .0146). A credit against the state sales tax is not an increase in the state sales tax but rather is state sales tax revenue that is redirected from the state to the city or county.

If a city chooses not to impose its .0073 credit against the state sales tax within 12 months of the effective date of the bill, then the county may impose that credit amount instead – i.e. this credit functions as a “use it or lose it.” Similarly, if the county chooses not to impose the county's portion of the .0073 credit within 12 months, then the city may impose that credit

amount instead. However, if a city has imposed a local tax to fund affordable housing (property or sales tax levy), then the city may impose the county's portion of the .0073 credit regardless of whether the county would like to utilize it or not. The Legislature included this provision to incentivize more cities to pursue local housing levies.

If a city does not have a local tax in place but would like to impose one to access the additional sales tax credit, the city must pass a resolution within 6 months of the effective date of the bill (July 28, 2019) indicating its intent to pass a local tax and must impose a local tax within 12 months of the effective date of the bill. The credit against the state sales tax lasts for 20 years after the jurisdiction first imposes the tax.

The revenue generated by the credit may be bonded against to be used for acquiring, rehabilitating, or constructing affordable housing, include new units of affordable housing within an existing structure or facilities providing supportive housing services to individuals with mental or behavioral disorders; or operations and maintenance costs of new units of affordable or supportive housing. Housing and services may only be provided to persons whose income is at or below 60 percent of the county median income. A county or city may enter into an interlocal agreement with one more other counties, cities, or housing authorities to provide affordable or supportive housing.

- REET Revenues for Affordable Housing: House Bill 1219, sponsored by Rep. Amy Walen (D-Kirkland), allows cities and counties to utilize 2nd quarter real estate excise tax revenues for affordable housing. In 2017, the Legislature granted cities and counties the authority to use up to \$1 million of second quarter real estate excise tax revenues for the acquisition, construction, improvement, or rehabilitation of facilities to provide housing for the homeless if the city can document that it has met the needs of its capital facilities plan for the next two years. However, that authority is scheduled to sunset in June 2019.

As originally drafted, House Bill 1219 would have removed the sunset date and the \$1 million cap, allowing cities and counties to use an unlimited amount of 2nd quarter real estate excise tax revenues for affordable housing on an ongoing and permanent basis. The requirement that the city must document that it has met the needs of its capital facilities plan for the next two years remained in place.

However, before passing the House, the bill was significantly amended to address concerns raised by the Washington Realtors Association (WRA). The WRA argued that real estate excise taxes were intended to be used to finance capital projects specified in the capital facilities plan element of the cities' and counties' comprehensive plan. While supportive of providing

some flexibility to address housing affordability, the WRA was not supportive of making the flexibility permanent.

The amended and final version of the bill extends the sunset on the authority to January 1, 2026, so long as the city or county documents that it has funds for certain capital projects in its capital facilities plan. Furthermore, a cap on the amount of second quarter real estate excise tax revenues that may be used on affordable housing remains in place for any cities or counties not using the flexibility prior to June 30, 2019. Jurisdictions that are not using 2nd quarter REET revenues as of the effective date of the bill are limited to using either \$100,000 or 25% of available funds not exceeding \$1,000,000 on affordable housing.

The City of Kirkland brought this legislation forward; the City of Redmond supported the proposal as one of Kirkland's regional partners. If the City of Redmond would like to utilize the maximum amount of flexibility under this proposal, the City should utilize second quarter real estate excise tax revenues for affordable housing prior to June 30, 2019.

The bill passed the House 74-24, the Senate 34-13. The effective date of the bill is July 28, 2019. A companion bill, Senate Bill 5195, sponsored by Sen. Patty Kuderer (D-Bellevue), was also introduced.

- Councilmanic Increase of Sales Tax: The Legislature considered, but did not adopt, [House Bill 1590](#), which would have authorized counties and cities to councilmanically increase the sales tax by .01 percent to fund affordable housing. Current law requires jurisdictions to seek voter approval prior to imposing this tax. This is the third legislative session where a bill amending this statute has been introduced. Consistent with previous legislative sessions, the City of Redmond and other cities within King County expressed concerns with the proposal.

The bill would have allowed King County to increase the sales tax in unincorporated and incorporated portions of the County and collect and spend the funds without being statutorily required include cities in decisions about how or where the funds are expended. The City expressed concern with increasing the sales tax and the lack of requirement that the County equitably spend the revenue collected.

While the City's legislative delegation supported the City's position this legislative session and effectively defeated the bill, this legislation will likely return next session. There is a great deal of pressure from cities and counties in other areas of the state to remove the voter approval requirement to meet affordable housing needs. Members of the City's legislative delegation have encouraged the City to work with King County to identify a compromise on this subject over the legislative interim.

- **Threats to local control in the name of affordable housing:** A small but vocal group of legislators proposed preempting local control over land use to mandate actions to increase density. They argued that local zoning is one of the causes of the lack of affordable housing throughout the state. Cities, including the City of Redmond, pushed back on this assertion, arguing that many cities have up zoned ideal areas for growth that are near transit and other services; however, the private market has not built out those areas for other reasons unrelated to city regulation. Furthermore, one of the primary reasons that private development does not occur in ideal locations is the local infrastructure (necessary transportation improvements, water, sewer, etc.) is not adequately funded. And yet, the Legislature has continually swept the Public Works Assistance Account – a key revenue source for local infrastructure projects.

This debate occurred throughout the duration of the legislative session, and finally culminated in the passage of a version of [House Bill 1923](#) that incentivizes, rather than mandates, cities to accept density. Under the bill, cities with a population over 20,000 that are planning to take at least two actions to increase density are eligible to apply for a grant of up to \$100,000. The actions listed in the bill include cluster zoning, loosening regulations around ADUs, adopting planned actions, increasing density near light rights, adopting increases in categorical exemptions, adopted a form-based code, and more. The City of Redmond has already taken most of these actions and is encouraged to review the listed actions again.

Additionally, cities are encouraged to develop a Housing Action Plan and are eligible to receive up to a \$100,000 grant to develop that plan. The Washington Center for Real Estate Research at the University of Washington is tasked with producing a report every two years that compiles housing supply and affordability metrics for each city with a population greater than 10,000. The first report will be completed by October 22, 2024 and will also outline how many cities utilize the incentives/grant funding provided for in the bill. If cities do not take advantage of the incentives in House Bill 1923, it is likely that in future years the Legislature will be more motivated to impose mandates on cities.

Finally, the bill does include one minor mandate requiring cities to not exceed minimum residential parking requirements for housing units constructed within one quarter of a mile of frequent transit service after July 1, 2019. City staff is encouraged to look closely at this new mandate to ensure that the City complies.

Accessory Dwelling Units (ADUs): The Legislature also had a robust discussion around the local regulation of accessory dwelling units (ADUs). The State last updated its ADU statute in the early 1990s. A thinktank organization, Sightline Institute, brought forward legislation that would revise the statute to mandate that cities loosen regulations around the development of accessory dwelling units. Sightline Institute argued that increasing ADUs would allow neighborhoods to

increase density, provide more housing supply, and meet the region's affordable housing needs.

Specifically, [House Bill 1797](#) and [Senate Bill 5812](#) as originally drafted would have removed cities' authority to require on-site parking for ADUs, that an owner occupy either the main home or the ADU, height limitations, square footage limitations, utility hook-up fees, impact fees, and more. Throughout the legislative session, the Association of Washington Cities was joined by many other cities, including the City of Redmond, to oppose this preemption of local control.

However, there were a handful of local elected officials that testified in support of the bill indicating that a state law preempting city authority would provide city councils with the political cover to respond to NIMBYs ("not in my back yard") in local neighborhoods.

Throughout the legislative process, both the House and Senate versions of the bill were amended several times. Specifically, there were multiple amendments offered to grandfather jurisdictions, like Redmond, that have more recently updated their local ADU ordinance.

The Senate version of the bill passed out of the Senate with an amendment that exempted any city with an updated ordinance in place as of the effective date of the bill (July 28, 2019) from the requirements of the bill. For cities that were not grandfathered under this proposal, they would be required to:

- (1) allow either an attached or detached accessory dwelling unit on all single-family lots;
- (2) not have an owner-occupancy requirement; and,
- (3) not require off-street parking within one-half mile of a light right stop or transit stop that is scheduled for service every 15 minutes for at least 10 hours per day. Both Sen. Dhingra and Sen. Kuderer only voted for this version of the bill because they confirmed that the City of Redmond would be grandfathered, and therefore exempt, from the new requirements in the bill.

The House Local Government Committee further amended the bill to take a slightly different approach in grandfathering cities. Under that Committee's proposal, cities would be grandfathered if:

- (1) the city's current ordinance has resulted in an increase in permitted ADUs; or,
- (2) the city updated its ordinance after 2012.

This version of the bill would have grandfathered nearly every city in the state. If not grandfathered, cities with a population over 10,000 would be required to update their ADU ordinance and select four action items off a menu of ten options to integrate into the ordinance. Additionally, in every city, the city may not impose a transportation impact fee on an ADU that is within one-half mile of a transit stop for fixed rail or for bus service that is scheduled at least every fifteen

minutes for no less than ten hours per day. The proponents for the bill chose not to push for the bill given its limited impact.

The companion bill, House Bill 1797, sponsored by Rep. Mia Gregerson, was heard in the House Local Government Committee early in the legislative session. The Committee amended the bill to make the ADU regulations optional, rather than mandatory. Again, once the bill was amended in this manner, the proponents for the bill chose not to push for it to advance. The bill failed to pass out of the House prior to the chamber-of-origin cutoff deadline.

In short, for both the House and Senate versions of the bill, the Legislature was not willing to impose mandatory requirements on cities regarding the siting and regulation of accessory dwelling units.

Homelessness, Mental Health, Drug Dependency, and Human Services

The City of Redmond supported the state's efforts around homelessness, mental health, drug dependency, and human services. This is one area of legislative discussion that remained bipartisan despite the strong Democrat majorities in each chamber. The Legislature made significant progress in this arena:

- **Reforming the State's Mental Health System:** One of the primary objectives of the 2019 Legislature was to reform the State's mental/behavioral health system. The City of Redmond supported the State in this endeavor, recognizing that if the State cannot effectively provide mental/behavioral health services, there are impacts to the Redmond community.

For several years, the State has been reforming the state's mental and behavioral health system to integrate the two, combining substance abuse and mental health services. The Governor is pursuing a 5-year plan to transition away from utilizing the state's Western and Eastern State Hospital as the primary facilities to serve the state's civilly committed population, and to instead utilize a community-based system.

The state hospitals would continue to focus on serving forensic (committed through the judicial system) and hard-to-place civil commitments, while other patients would be served in the community through a combination of smaller, more cost-efficient, state-run programs that will be through state and private community hospitals.

The 2019-21 capital budget dedicates \$119.9 million to these community-based behavioral health beds. This money is split between a competitive process to expand community-based behavioral health services and community-based projects for a variety of behavioral health services including long-term civil commitments, triage, crisis diversion, detox, and adolescent services.

Additionally, the 2019-21 operating budget allocated \$51 million for community capacity to provide behavioral health inpatient and residential treatment services, which includes phasing in funding for community beds to provide long-term commitment services. Funding is also provided for an increase in beds, intensive behavioral health residential programs, and crisis respite services. There is also funding allocated to make improvements at the state hospitals to better accommodate the forensic population and address concerns raised through the Trueblood case.

In addition to investments made through the budget, there were four key bills that passed into law relating to the state mental and behavioral health system:

- [Senate Bill 5444](#) – ensures that those who are forensically committed (through the judicial system) receive timely competency evaluations and restoration services. The bill establishes forensic navigators approved by the Department of Social and Health Services who may be appointed by a court to assist a defendant referred for competency evaluation or restoration services. The bill expands police authority to divert an individual to treatment instead of criminal prosecution to include all individuals regardless of the crime. A patient may choose to receive outpatient competency restoration services, and requirements for outpatient services are provided. The time for inpatient competency evaluation or restoration services. The bill expands police authority to divert an individual to treatment instead of criminal prosecution to include all individuals regardless of the crime. A patient may choose to receive outpatient competency restoration services, and requirements for outpatient services are provided. The time for inpatient competency restoration must be 29 days, instead of 14 days plus any unused time from the competency restoration period. If the court orders a combination of inpatient and outpatient competency restoration, the total period must not exceed 90 days.
- [House Bill 1593](#) – establishes a behavioral health innovation and integration campus within the University of Washington school of medicine to train a behavioral health work force while providing services.
- [Senate Bill 5432](#) – fully integrates the states behavioral and mental health systems as envisioned in previous legislative sessions.
- [House Bill 1394](#) – offer care in community-based facilities that are closer to an individual's home and support network. The bill establishes 24-hour intensive behavioral health treatment facilities as community-based residential treatment facilities for behavioral health patients whose impairment or behaviors require care that cannot be met in other settings. The bill would establish a pilot program for mental health drop-in centers to serve individuals in need of voluntary, short-term, non-crisis services that will focus on recovery and wellness. The Department of Health is

given jurisdiction to license and certify both facilities. The Health Care Authority is directed to work with public and private hospitals and evaluation and treatment facilities to assess their capacity to become licensed or certified to provide long-term mental health placements.

- **Homelessness:** Much of the legislative discussion on homelessness was connected to the investments in affordable housing (above). However, throughout that dialogue, there was an emphasis in ensuring that funds were allocated to low-barrier, low-AMI housing. Furthermore, the Legislature provided a \$30 million increase (a total of \$44.1 million) for homelessness related programs including Housing and Essential Needs. This is an additional \$14.5 million than has been allocated in previous years.
- **Opioid Epidemic:** The Legislature approved [Senate Bill 5380](#) in response to the opioid epidemic. The City of Redmond supported this legislation in accordance with the City's adopted legislative priorities. The final bill makes a series of statutory changes to combat the opioid epidemic including:
 - Ensuring that patients are notified of their right to refuse opioids;
 - Allowing a pharmacist to only partially fill a prescription for opioids if requested by the patient;
 - Increasing warnings around the use of opioids;
 - Expanding access to opioid overdose reversal medications;
 - Improving the prescription drug monitoring program (PMP);
 - Requiring therapeutic courts to allow medication-assisted treatment for participants;
 - Requiring opioid treatment in city and county jails and medication assisted treatment *if* funding is appropriated; and
 - Authorizing a law enforcement assisted diversion pilot program for cities and counties.

The 2019-21 operating budget did not allocate funding to cities and counties to provide medication assisted treatment in local jails. Cities and counties are not mandated to provide that service because funding was not allocated. However, this is an area that will be revisited during the 2020 legislative session.

- **Diversion from Judicial System:** The Legislature approved [House Bill 1767](#) creating a grant program through WASPC to support local initiatives to properly identify persons involved with substance abuse disorders and other behavioral health needs and engages those persons with therapeutic interventions and other services. Throughout the legislative session, the grant criteria and selection process were modified; the final version of the bill is very detailed. City staff are encouraged to review the final bill language. The bill passed into law with strong bipartisan support and is effective on July 28, 2019. The 2019-21 Operating Budget allocates \$2 million to this grant program, with an additional \$400,000 allocated for administrative costs. The City of Redmond supported the creation of this grant program and could potentially be a recipient of funds in future years.

Additionally, in previous legislative session a mental health field response team program was established that authorizes mental health professionals to be embedded to assist law enforcement in helping individuals access services. The City of Redmond received \$84,000 through that program. The 2019-21 Operating Budget allocates and additional \$3 million to “tier 1” jurisdictions that were identified in the *Trueblood* lawsuit (Pierce and Spokane counties and southwest Washington), and an additional \$1 million for existing programs. The City of Redmond has an existing program and would be eligible to access the \$1 million in funding allocated in the Operating Budget.

- **Homelessness Rights Act:** House Bill 1591, sponsored by Rep. Mia Gregerson (D-SeaTac), would have created a civil cause of action codifying rights of people experiencing homelessness, including the right to survive in a nonobstructive manner; the right to shelter oneself from the elements; the right to eat, share, accept, or give food in a public space; the right to operate a motor vehicle or RV, and the reasonable expectation of privacy in one’s personal property. Public space is a broad definition, including plazas, courtyards, parking lots, parks, shopping centers, and more.

The bill was very concerning to cities and law enforcement because it would limit interactions with homeless individuals, limit the ability for the city to maintain order in public spaces, and expand liability. A significantly amended version of the bill passed out of the House Civil Rights and Judiciary Committee.

The amended version of the bill addresses some, but not all, concerns identified by local governments. Under the amended version, homeless persons have a right to engage in a variety of activities in public space; however, these activities may not impede on the ability of state and local governments to manage public health threats or public safety concerns, provide workplaces free of unreasonable workplace hazards, or operate, manage, and maintain public facilities. Additionally, the bill requires that the state, cities, and counties determine whether their policies and laws infringe upon the rights of homeless persons recognized in *Martin v. Boise* or this bill, make appropriate revisions, and recommend appropriate revisions to the legislature.

The bill was referred to the House Appropriations Committee and did not advance any further. The House Civil Rights and Judiciary Committee held a work session toward the end of the legislative session where they indicated a desire to work on the issue prior to the beginning of the 2020 legislative session.

The City of Redmond joined many other stakeholders in expressing concerns with the proposal. It would have limited the City’s authority to regulate public rights-of-way.

Fund and Safeguard State Revenues and Local Options to Better Enable Cities to Address Community Needs

In recent years, the Legislature has swept state-shared revenues to balance the state budget. Fortunately, this year the Legislature largely honored state shared revenues (i.e. liquor profit and excise taxes, marijuana excise taxes, etc.), with one exception - the Public Works Assistance Account. There were several bills introduced that sought to restore funding to the Public Works Assistance Account:

- House Bill 1680, sponsored by Rep. Beth Doglio (D-Olympia), and Senate Bill 5952, sponsored by Sen. Liz Lovelett (D-Arlington), proposed to restore 4.1 percent of state real estate excise tax revenues that are currently being diverted into the Education Legacy Trust Account, back into the Public Works Assistance Account.
- House Bill 1691, sponsored by Rep. Strom Peterson (D-Edmonds), would restore solid waste utility tax revenue to the Public Works Assistance Account that was previously diverted to the Education Legacy Trust Account.
- Senate Bill 5788, sponsored by Sen. Mark Mullet (D-Issaquah), restores solid utility tax revenues and real estate excise tax revenues to the Public Works Assistance Account, and dedicates the restored revenue to fish passage barrier removal and affordable housing.

Despite positive public hearings on these proposals, none of the bills passed into law. Instead, the 2019-21 operating budget swept \$160 million out of the account, leaving only \$95 million left in the account - \$85 million which will be available for competitive application.

The final 2019-21 operating budget allocated the necessary funding for nine additional classes through the Basic Law Enforcement Academy, for a total of 19 classes. This is the amount requested by the Criminal Justice Training Committee to meet the expected law enforcement training needs across the state, and was supported by many cities, including Redmond.

Additionally, [Rep. Gerry Pollet](#) (D-Seattle), House Local Government Committee Chair, introduced [House Bill 2145](#) to lift the 1% property tax cap. However, the bill did not advance this legislative session.

Finally, the Legislature did approve Senate Bill 5581, sponsored by Sen. Christine Rolfes (D-Bainbridge Island), makes a series of statutory changes to respond to the Supreme Court decision made in *South Dakota v. Wayfair, Inc.* earlier this year, which authorizes state sales tax on items sold online by businesses without physical presence in the state. Prior to the decision, Washington State was one of many states that authorizes at least a partial internet sales tax on internet goods. This bill follows the Supreme Court decision and clarifies the conditions of the internet sales tax, implementing a gradual transition into a full-internet sales tax by January 1st, 2020. The

bill also repeals a variety of old statutes governing online sales and incorporates minor changes to definitions for food sales and rental car transactions.

The bill passed early in the legislative session and is anticipated to result in an increase in sales tax revenues for the state and local governments. For cities, it is expected to generate an additional \$13 million statewide over the 2019-21 state fiscal year. The companion bill was House Bill 1890, sponsored by Rep. Amy Walen (D-Kirkland). The City of Redmond monitored this legislation.

Additional Legislative Items

In addition to the City's legislative priorities, the City monitored, supported, and opposed several pieces of legislation. Below are the list of bills impacting cities that were considered this legislative session. Bills are broken down by subject matter.

Those bills in italics passed into law.

Affordable Housing

Housing Finance Commission Legislation: House Bill 1441, sponsored by Rep. Steve Tharinger (D-Sequim), and Senate Bill 5304, sponsored by Sen. Mark Mullet (D-Issaquah), would have created a program within the Housing Finance Commission to issue bonds and loans to local governments to finance infrastructure projects. These bills were introduced at the request of the Housing Finance Commission.

The House version of the bill passed the House 64-31, and advanced unanimously out of the Senate Housing Stability & Affordability Committee. The bill was not brought up for a vote in the Senate and did not advance beyond the opposite chamber cutoff deadline. The Senate version of the bill passed the Senate 47-2 but did not advance in the House. It is likely that this legislation will be considered during the 2020 legislative session. The City of Redmond monitored this legislation.

Increasing REET for Affordable Housing: House Bill 1493, sponsored by Rep. Melanie Morgan (D-Parkland), and Senate Bill 5357, sponsored by Sen. Jeannie Darneille (D-Tacoma), would have allowed cities and counties to impose additional real estate excise taxes (REET) for affordable housing.

As originally drafted, the bill allows cities and counties to impose a .50 % increase in REET revenues – any amount less than .50% could be approved with councilmanic authority, but the full .50% would require voter approval. The bill was amended through the legislative process to instead authorize cities and counties to impose an additional .25 percent REET with councilmanic approval. The respective policy committees advanced both versions of the bill; however, both versions stalled in fiscal committees.

The City of Redmond supported this bill as part of a strategy to oppose House Bill 1590 – i.e. the authority to councilmanically increase the real estate excise tax is preferred over the authority to councilmanically increase the sales tax.

Local Infrastructure Investment Program: House Bill 1938, sponsored by Rep. Mike Steele (R-Chelan), creates a local sales tax credit program to support the development of affordable housing and revitalization efforts. The bill would allow a participating jurisdiction to receive a credit against the state sales tax equivalent to a 4.37 percent sales or use tax on the construction of affordable housing. The bill advanced out of the policy and fiscal committees but did not pass the House prior to the chamber of origin cutoff deadline. The City of Redmond monitored this legislation.

Affordable Workforce Housing Funding Through Lodging Tax Revenues: House Bill 2110, sponsored by Rep. Cindy Ryu (D-Shoreline), would have modified the statutes relating to the expenditure of lodging tax revenues on affordable housing. Current law allows lodging tax revenues to be spent on affordable housing and defines affordable housing as housing for a single person, family, or unrelated persons living together whose income is between 30 percent and 80 percent of the median income, adjusted for household size, for the county where the housing is located.

The bill modifies this definition to instead mean housing for a single person, family, or unrelated persons living together whose income is at or below 80 percent of the median income, adjusted for household size for the county where the housing is located. This would allow lodging tax revenues to be spent on affordable housing on the 0-30 percent median income.

The bill passed the House, and the Senate Committee but was not brought up for a vote in the Senate prior to the opposite chamber cutoff deadline. The City of Redmond monitored this legislation.

Habitat for Humanity Tax Exemption: Senate Bill 5025, sponsored by Sen. Mona Das (D-Kent), incentivizes self-help housing (like that built by organizations such as Habitat for Humanity) by providing a real estate excise tax exemption. The House and Senate debated the most appropriate type of exemption throughout the legislative session, and finally landed on the real estate excise tax exemption. The companion bill was House Bill 1168, sponsored by Rep. Mari Leavitt (D-University Place).

The City of Redmond supported this bill to assist Habitat for Humanity.

Property Tax Exemption/Deferral for Low-Income Seniors, Disabled, and Veterans: Senate Bill 5160, sponsored by Sen. Manka Dhingra (D-Redmond), modifies the qualifying income thresholds for the existing property tax exemption and deferral programs for low-income senior citizens, individuals with disabilities, and veterans. The City of Redmond supports this legislation.

Under current law, qualifying individuals must have a combined disposable income of less than \$40,000 per year. The bill would replace those set amounts with thresholds that are either a combined disposable income or a certain percentage of the county median income (CMI). The new law also changes the disability ranking for an eligible veteran from total disability rating to 80 percent disability.

Exemptions for eligible individuals are provided as follows:

- if disposable income is \$30,000 or less or 45 percent of CMI, all excess levies, the additional state levy, and regular levies on the greater of \$60,000 or 60 percent of assessed valuation of a person's residence are exempted;*
- if disposable income is \$30,001 to \$35,000, or 55 percent of CMI, all excess levies, the additional state levy, and regular levies on the greater of \$50,000 or 35 percent of assessed valuation, at a \$70,000 maximum, are exempted; and*
- if disposable income is \$35,001 to \$40,000, or 65 percent of CMI, all excess levies and the additional state levy are exempted.*

Short Term Rentals: House Bill 1798, sponsored by Rep. Cindy Ryu, requires short-term rental owners and online platforms to register with the Department of Revenue, collect and remit taxes, maintain liability insurance, and comply with certain consumer safety requirements. The bill was signed into law and is effective on July 28, 2019. The City of Redmond monitored this legislation.

Pilot Program to Hire Homeless People: Senate Bill 5261, sponsored by Sen. Hans Zeiger (R-Puyallup), as originally drafted would have required the Department of Commerce to establish a pilot program for cities to provide job opportunities to, and hire homeless people for, local beautification projects. The bill would require the hired homeless people to be paid at least the local minimum wage and be connected with organizations that provide wraparound housing services. The pilot program would sunset July 1, 2022.

The Senate Housing Stability and Affordability Committee amended the bill to require that cities selected to participate in the pilot program have preexisting programming in place, have a higher than average rate of unsheltered homeless persons compared to sheltered persons, and the ability to provide a local match of up to \$250,000. The bill did not advance out of the Senate Ways & Means Committee prior to the fiscal committee cutoff deadline. The City of Redmond monitored this legislation.

Multifamily Housing Property Tax Exemption: Senate Bill 5363, sponsored by Sen. Guy Palumbo (D-Maltby), would have allowed a city or county to extend the amount of time it may provide a multi-family housing property tax exemption to qualifying properties an additional twelve years. The local government must adopt requirements that continue to ensure that the unit remains affordable.

The bill was amended in the Senate Ways and Means Committee to expand the eligible residential targeted areas under the multifamily tax exemption program to include certain unincorporated areas of a county planning for transit-supportive densities and

efficient land use, effective until July 1, 2021. The bill passed out of the Senate, but did not advance in the House. The City of Redmond monitored this legislation.

Notice to increase rent: House Bill 1440, sponsored by Rep. June Robinson (D-Everett), requires a landlord to provide a tenant at least 60-days' notice prior to increasing rent for regular tenancies. Additionally, landlords must provide 30-days' notice prior to increasing rent for subsidized tenancies. The bill passed the House 62-36, and the Senate 29-18. The effective date of the bill is July 28, 2019. The City of Redmond monitored this legislation.

Notice of Demolishing Rental Properties: House Bill 1462, sponsored by Rep. Andrew Barkis (R-Olympia), requires a landlord to provide at least 120 days' written notice to a tenant whenever the landlord plans to demolish or substantially rehabilitate premises or plans a change of use of premises.

The final version of the bill also provides an exemption from the 120 days' notice requirement in jurisdictions that have a relocation assistance program that otherwise provides 120 days' notice. Individuals may only be held liable in civil action up to three times the monthly rent of the property if they violate the 120 days' notice.

The bill passed the House 96-0, and the Senate 44-1. The effective date of the bill is July 28, 2019. The City of Redmond monitored this legislation.

Density Bonus for Affordable Housing on Property Controlled by Religious Organizations: House Bill 1377, sponsored by Rep. Amy Walen (D-Kirkland), as originally drafted would have required cities with a population in excess of 125,000 to offer a density bonus to affordable housing developments being constructed on property owned by religious organizations.

As originally drafted, local governments expressed concerns that the proposal preempted local land use control. These concerns were addressed through amendments to the bill.

The final version of the bill allows a religious organization may request a density bonus from any city, regardless of the city's population. The city may then establish a policy to offer a density bonus that is consistent with local needs.

The religious organization is required to pay all fees, mitigation costs, and other charges required and, if applicable, should work with local transit to ensure appropriate transit services are provided to the affordable housing development. The bill would require the development to be used as affordable housing for at least fifty years.

The bill passed the House 84-12, and the Senate 85-9. The effective date of the bill is July 28, 2019. The companion bill, Senate Bill 5358, was sponsored by Sen. Rebecca Saldana (D-Seattle). The City of Redmond monitored this legislation.

Preempting Local Regulations on Homeless Encampments Hosted by Religious Organizations:

House Bill 1754, sponsored by Rep. Sharon Tomiko Santos (D-Seattle), would have placed new limitations on the ability of counties, cities or towns, and code cities to regulate outdoor encampments, safe parking efforts, indoor overnight shelters, and temporary small houses on property owned or controlled by a religious organization.

The House Housing, Community Development, and Veterans Committee amended the bill to grandfather those municipalities that have existing policies, ordinances, memorandums of understanding, or consent decrees if they do not categorically prohibit the hosting of homeless by religious organizations and do not violate the federal Religious Land Use and Institutionalized Persons Act (RLUIPA).

For those jurisdictions that would not be grandfathered, cities and counties may only adopt regulations to limit outdoor encampments on property owned by religious organizations to no fewer than three months during a calendar year, with a separation of time of no more than six months between encampments, and no fewer than three consecutive months. Simultaneous and adjacent encampments may only be limited if they are within one-half mile of one another.

For safe parking, cities and counties may only limit safe parking to no less than one space per ten parking spaces, restroom access must be provided, and must continue to meet existing on-site parking minimum requirements. For indoor overnight shelters, cities and counties may only require certain fire safety requirements.

These amendments address many of the concerns raised by cities and counties. This version of the bill was never voted on by the House and did not advance beyond the chamber of origin cutoff deadline. A Senate companion was also introduced, Senate Bill 5644, sponsored by Sen. Jeannie Darneille (D-Tacoma). The bill was heard in the Senate Housing Stability and Affordability Committee, but otherwise did not advance.

The City of Redmond recently adopted an ordinance regarding the regulation of homeless encampments hosted by religious organizations. This legislation would have preempted that recently adopted ordinance and would have required the City to adopt a new ordinance that would comply with the revised state law. Legislators were sympathetic to the City of Redmond's position and expressed a strong willingness to grandfather in the City in the various versions of the proposal that were discussed. This is an issue that is likely to return in future legislative sessions.

Homeless Encampment Siting Near Schools: Senate Bill 5882, sponsored by Sen. Curtis King (R-Yakima), would have prohibited cities and counties from siting (either proactively or through inaction) sanctioned or unsanctioned homeless encampments, of any kind, within one thousand feet of a public or private school or an early learning facility. This would include but is not limited to, temporary small homes, outdoor encampments, tiny homes, vehicle resident safe parking and feeding areas for

homeless persons. The Senate Housing Stability and Affordability Committee held a public hearing on the proposal, but it otherwise did not advance. The City of Redmond monitored this legislation.

Environment

Recycling Development Center: House Bill 1543, sponsored by Rep. Jared Mead (D-Mill Creek), was requested by the Department of Ecology. The bill establishes a Recycling Development Center within the Department of Ecology to research, incentivize, and develop new markets and expand existing markets for recycled commodities and recycling facilities. The center would be guided by an advisory board which would include one member to represent cities.

The bill requires city and county solid waste plans to contain a recycling contamination reduction and outreach plan. It also directs the Department of Ecology to create and implement a state recycling contamination reduction and outreach plan, which local governments may adopt in lieu of a local plan, and to provide technical assistance to local governments to reduce recycling contamination.

The bill was amended multiple times through the legislative process before finally passing into law with strong bipartisan support. The companion bill, Senate Bill 5545, was sponsored by Sen. Mona Das (D-Covington). The City of Redmond monitored this bill.

Local Contracts with Recyclers: House Bill 1795, sponsored by Rep. Jared Mead (D-Mill Creek), and Senate Bill 5854, sponsored by Sen. Guy Palumbo (D-Maltby), were brought forward at the request of the Washington Refuse and Recycling Association to respond to China's increased rates for recycling commingled materials.

Under the state's solid waste management laws, local governments are the primary government entity responsible for implementing state solid waste management requirements. Cities and counties adopt local comprehensive solid waste management plans which must be reviewed and revised at least every five years. Through these plans, cities and counties must plan for which materials may be accepted for curbside recycling, whether collected recyclable materials are collected in commingled containers or separate containers, and handling of recycled materials.

Under the proposed bill, cities and counties would have been required to update their local solid waste management plans to include certain materials that are eligible/ineligible to be collected through curbside commingled recycling programs through 2024. After 2024, cities and counties must designate materials as eligible/ineligible to be collected through curbside commingled recycling programs based on a rule that would be developed by Ecology in 2021. Provisions in solid waste or recycling service contracts that require collection of ineligible commingled recycling materials are declared void and unenforceable. This provisions would have usurped

local contracting authority, and preempted numerous negotiations between local governments and the recycling industry.

The House Environment and Energy Committee and the Senate Environment Committee each held a public hearing on the respective House and Senate proposal. At both public hearings, several organizations, including the Association of Washington Cities, expressed strong concerns with the proposal. Both committees chose not to advance the bills prior to the first committee cutoff deadline. The City of Redmond monitored this legislation.

Plastic Packaging Stewardship Program: *Senate Bill 5397, sponsored by Sen. Christine Rolfes (D-Bainbridge Island), as originally drafted would have established a statewide plastic packaging product stewardship program. However, the bill was amended throughout the legislative session to only study the feasibility of a statewide program.*

The final version of the bill requires the Department of Ecology (DOE) to evaluate and assess the amount and types of plastic packaging sold into the state as well as its management and disposal. The City of Redmond supported this legislation as part of its overarching support for product stewardship programs as reflected in the City's adopted legislative priorities.

Paint Stewardship Program: *House Bill 1652, sponsored by Rep. Strom Peterson (D-Edmonds), establishes a stewardship program for proper end-of-life disposal of leftover architectural paint. The bill requires producers of architectural paint to participate in these programs to sell their products in Washington.*

Funding for the stewardship programs would be generated through a container size-based fee added to the sales price of paint. The Department of Ecology is responsible for oversight of the program but is not responsible for the associated collection, reuse, recycling, and transportation costs; these costs would be entirely covered by the container-size fees. The bill was refined throughout the legislative process, but not significantly amended. The bill passed the House 62-35, and the Senate 26-22.

The City of Redmond supported this legislation as part of its overarching support for product stewardship programs as reflected in the City's adopted legislative priorities.

Water infrastructure program: House Bill 1889, sponsored by Rep. Mary Dye (R-Pomeroy), and Senate Bill 5136, sponsored by Sen. Jim Honeyford (R-Yakima), would have established the water infrastructure program to provide competitive grants for projects that increase the availability of water for out-of-stream uses, reduce flood risk, improve fish passage, or reduce stormwater pollution. The bill also requires the Office of Columbia River, the Office of Chehalis Basin, the Fish Barrier Removal Board, and the Department of Ecology (DOE) to review applications to ensure projects meet certain criteria.

DOE must submit ranked project lists to the Legislature before each regular legislative session begins in odd-numbered years. There is no funding/revenue generating source identified in the legislation. Neither the House or Senate version of the bill advanced passed the policy committee cutoff deadline. There will be ongoing dialogue about how to best meet statewide water infrastructure needs in future legislative sessions. The City of Redmond monitored this bill.

Fish barrier Removal Funding: *The Legislature made several investments for culvert removal/retrofit. The final 2019-21 capital budget allocates \$26.5 million to the Fish Barrier Removal Board, \$24.7 million of which is for a specific list of projects selected by the Board in 2019. The 2019-21 transportation budget includes \$100 million to WSDOT for fish passage and the budget includes explicit direction for the Department to coordinate with the Fish Barrier Removal Board to maximize habitat gain by replacing both state and local culverts. While WSDOT has previously worked with local jurisdictions on culvert projects, there was no legislative direction requiring them to prioritize state culverts using a watershed approach to maximize habitat gain. When the Governor signed the 2019-21 transportation budget into law, he indicated that he is directing WSDOT to allocate an additional \$175 million for fish passage out of existing revenues.*

Additionally, the Legislature considered several bills that would have increased funding for fish barrier removal:

- House Bill 1228, sponsored by Rep. Mike Chapman (D-Port Angeles), would have implemented a graduated real estate excise tax to dedicate new revenue to fish passage barriers within the state transportation system. The proposal does not provide revenue for city or county projects. Local governments testified with concerns on the measure, pointing out the inequity of not funding local government projects. The bill inevitably did not advance because the Legislature chose to use graduated real estate excise taxes to fund other projects. The City of Redmond monitored this bill.
- House Bill 2022, sponsored by Rep. Kelly Chambers (R-Puyallup), establishes a Local Barrier Partnership Account to facilitate private/public partnerships for fish passage barrier removal. Funding from the account would be awarded to local governments that have secured funding from a private entity for barrier removal. The funding would be administered through a competitive award process, with priority given to local governments providing matching funds, barriers on important habitats, connectivity of the site with other planned passage removal projects, and more. The bill is similar to the existing adopt a highway program but is for culverts. The bill passed out of committee but did not advance passed the chamber of origin cutoff deadline. The City of Redmond monitored this bill.

Local Stormwater Charges: *Senate Bill 5505, sponsored by Sen. Steve Hobbs (D-Lake Stevens), addresses local stormwater charges, which are paid by the Department of Transportation. As drafted, the bill would require that any fees that are levied by local governments to be used solely for stormwater control facilities as they related*

specifically to state highway runoff, preempting counties from utilizing the funds for other needs.

Additionally, local governments are required to provide an expenditure plan and annual progress report before receiving the WSDOT stormwater fees. These provisions were previously the law until 2014; the bill essentially restored pre-2014 provisions. The bill passed into law and is effective July 28, 2019.

The City of Redmond expressed concerns with this legislation, due to the reporting requirements that did not appear would result in a tangible benefit and would be additional work for city staff. However, out of respect for the Chair of the Senate Transportation Committee and in recognition that the City complied with the reporting requirements prior to 2014, the City chose not to launch a strong effort in opposition.

Model Toxics Control Program: *Senate Bill 5993, sponsored by Sen. David Frockt (D-Seattle), increases the hazardous substance tax to fund the Model Toxics Control Account. The current hazardous substance tax is a .7 percent tax on the wholesale of hazardous substances (i.e. petroleum). Under the amended version of the bill, the hazardous substance tax would shift from the current value-based percentage, to a volumetric tax. The rate is \$1.09 per 42-gallon barrel.*

The current structure of the Model Toxics Control Account is replaced with three different accounts:

- 1. the Model Toxics Control Operating Account,*
- 2. the Model Toxics Control Capital Account, and*
- 3. the Model Toxics Control Stormwater Account.*

Revenue from the tax is allocated to these accounts as follows:

- 1. 60% to the operating account,*
- 2. 25% to the capital account, and*
- 3. 15% to the stormwater account.*

Additionally, \$50 million per biennium is deposited in the Motor Vehicle Fund to be used exclusively for transportation stormwater programs.

The operating account may only be spent in the operating budget to carry out administrative and service activities related to:

- hazardous waste planning;*
- solid waste planning;*
- hazardous waste clean-up;*
- state matching funds required under federal law;*
- financial assistance for local governments; reduction and recycling of household hazardous wastes;*
- oil spill prevention and response;*
- water and environmental health protection programs;*

- air quality programs; or
- plastic or polystyrene foam clean-up.

The capital account may be used for the improvement, rehabilitation, remediation, and cleanup of toxic sites. The stormwater account must be allocated to carry out operating and capital directly related to stormwater projects. The bill passed into law and is effective on July 28, 2019. The City of Redmond monitored this legislation.

Reviews of Voluntary Cleanups: House Bill 1290, sponsored by Rep. Strom Peterson (D-Edmonds), authorizes the Department of Ecology to establish an expedited review process for independent remedial actions, and waive costs for cleaning up properties for affordable housing. Requires the persons requesting an expedited review to cover all costs for Department of Ecology's assistance. The City of Redmond monitored this legislation.

Hydraulic Permit Approval (HPA): House Bill 1579, sponsored by Rep. Joe Fitzgibbon (D-Burien), implements recommendations of the southern resident killer whale task force related to increasing chinook abundance. The bill includes several provisions. Of note to the City, is that the state's hydraulic permitting process is amended; the existing waiver from this permit for bulkheads to protect single family homes is eliminated and those projects will now need to go through the traditional permitting process. The agency was also provided with "stop work" authority to allow them to shut down construction activities in flagrant violation of the need to get a permit. The City of Redmond monitored this legislation.

General Government

Authority to Impose a Head Tax: Senate Bill 5589, sponsored by Sen. Mark Schoesler (R-Ritzville), prohibits cities and towns from imposing a tax based on employee wages, hours, or number of employment positions. The bill would take effect immediately. The bill was heard in the Senate Local Government Committee, but otherwise did not advance. The City of Redmond monitored this legislation.

Sunshine Committee Recommendations: House Bill 1537, sponsored by Rep. Larry Springer (D-Kirkland), is the result of recommendations from the Public Records Exemption Accountability Committee, also known as the Sunshine Committee, and removes existing exemptions from the Public Records Act. The bill makes applications for vacancies in elected office as well as lists of members or owners of timeshare projects, subdivisions, camping resorts, condominiums, land developments, and associated communities subject to disclosure under the Public Records Act. The bill passed the House of Representatives and the Senate unanimously. Senate Bill 5246, sponsored by Sen. Sam Hunt (D-Lacey), contained the provisions of House Bill 1537 and House Bill 1538 (below). The City of Redmond monitored this legislation.

Sunshine Committee Recommendations: House Bill 1538, sponsored by Rep. Larry Springer (D-Kirkland), is the result of recommendations from the Public Records Exemption Accountability Committee, known as the Sunshine Committee. In 2016, the

Committee recommended amending the Public Records Act exemptions for certain personal information, employment information, financial, commercial, and proprietary data, and records related to state procurement. The bill would have implemented those recommendations.

The House State Government and Tribal Relations Committee held a public hearing on the bill where the Washington PUD Association and the Washington Federation of State Employees expressed concerns with the proposal. The Committee amended and approved the bill. The bill then stalled in the House Rules Committee and did not advance prior to the house of origin cutoff deadline. Senate Bill 5246, sponsored by Sen. Sam Hunt (D-Lacey), contained the provisions of House Bill 1537 and House Bill 1538, which also did not advance. The City of Redmond monitored this legislation.

Public Records Reporting Requirements: House Bill 1667, sponsored by Rep. Larry Springer (D-Kirkland), streamlines the metrics that public agencies must use to report to the Joint Legislative Audit and Review Committee (JLARC) on public records request responses. Additionally, the bill makes the local government competitive grant program for public records response improvements, records retention consultation, and Attorney General records consultation permanent, and makes the existing temporary \$1 county auditor document recording fee permanent to fund the grant program.

The Association of Washington Cities requested this legislation. At one point in the legislative session, the bill was amended to direct JLARC to align the reporting metrics with metrics found under the Federal Freedom of Information Act. This alignment would have been burdensome for local jurisdictions. The language was later removed from the bill prior to passage. The companion bill was Senate Bill 5667, sponsored by Randi Becker (R-Roy). The City of Redmond monitored this legislation.

Public Records Act Exemptions: The Legislature approved House Bill 1692, sponsored by Rep. Laurie Jenkins (D-Tacoma), exempting the disclosure of information about state agency employees that have made a harassment complaint, and House Bill 2020, sponsored by Rep. Laurie Dolan (D-Olympia), exempting the disclosure of information related to ongoing and active investigation of employment discrimination. The City should review these bills to ensure compliance.

Advisory Group Meetings Under the OPMA: House Bill 1782, sponsored by Rep. Gerry Pollet (D-Seattle), would extend the scope of the Open Public Meetings Act (OPMA) to include advisory boards, committees, or other entities established to provide recommendations or proposals to a governing body or to conduct official business delegated by a governing body or executive.

The House State Government and Tribal Relations Committee held a public hearing on the bill where concerns were expressed by the Public Hospital District Association, the Association of Washington Cities, and the Washington State Association of Counties. The Committee amended the bill to narrow its scope by excluding inter-agency groups, advisory groups that provide advice rather than recommendations, groups composed of

public hospital district staff, and groups established to discuss or review patient health care information. The amended version of the bill also would have allowed advisory groups to convene in an executive session.

The Committee approved this amended version on a party-line vote. The bill stalled in the House Rules Committee and did not advance prior to the house of origin cutoff deadline. The City of Redmond monitored this legislation.

Utility Service Charges: House Bill 2069, sponsored by Rep. Jeremie Dufault (R-Selah), prohibits a city or town from collecting delinquent utility charges from the owner of the property when the utility service is provided to someone other than the owner (i.e. a tenant). In no case may a city or town require the owner of the property to pay a delinquent utility bill in a tenant's name or have a lien against the property for a tenant's delinquent and unpaid utility charges.

Local governments expressed strong opposition to this bill. Despite several attempts to work with the prime sponsor to identify common ground, a compromise could not be reached. The bill did not advance out of the House prior to the chamber of origin cutoff deadline. Rep. Dufault also introduced a similar version of the bill, House Bill 1705, early in the legislative session, and then redrafted the bill and introduced House Bill 2069.

The City of Redmond joined other cities in expressing concerns with this legislation that would have limited cities' authority to collect delinquent utility charges.

Utility Statement Disclosures: Senate Bill 5024, sponsored by Sen. Bob Hasegawa (D-Seattle), requires cities operating utilities with more than 5,000 customers to disclose state and local tax rates on billing statements. Cities have expressed concerns with the bill, noting that it could require many cities to upgrade their billing systems to accommodate these changes without additional funding or a grandfathering of existing systems. Several stakeholders voiced concerns at the public hearing on the bill.

The bill was amended in the Senate Local Government Committee, and then again on the floor of the Senate to address these concerns. Under the latest version of the bill, local utility districts must disclose the rates of state and local taxes and how those rates are applied to a customer's billed charges. However, these disclosure requirements can be satisfied as part of a regular billing statement, by bill insert, or on a website. The effective date for all affected utility districts to implement the provisions of the bill is 90 days after adjournment. This satisfies concerns raised by utilities, cities and counties.

The House Local Government Committee amended the bill further, clarifying that only requires local utility districts to disclose the rates of each "local" government utility tax and how those rates are applied to a customer's billed charges and eliminates the requirement to disclose the rates of "state" taxes. The bill did not advance out of the

House prior to the opposite chamber cutoff deadline. It is likely that the Legislature will reconsider this issue in 2020. The City of Redmond monitored this legislation.

Personnel

I-1000 Approved: The Legislature approved Initiative-1000, which allows but does not mandate state and local governments to implement affordable action-related policies or procedures to encourage diversity in public employment, higher education, and contracting. The City of Redmond monitored the Initiative. Now that it is law, the City has the option of whether to utilize its provisions.

PERS/TRS 1 Benefit Increase: House Bill 1390, sponsored by Rep. Mari Leavitt (D-University Place), and Senate Bill 5400, sponsored by Sen. Steve Conway (D-Lakewood), would have provided a one-time 3 percent increase to the retirement benefits of retirees in the Public Employees' Retirement System and the Teachers' Retirement System Plans 1, up to a maximum of \$62.50. The bill would apply the one-time increase to eligible retirees on July 1, 2019. This would be extremely costly for cities. The Association of Washington Cities led the charge in opposing the proposal. The bill passed the House Appropriations Committee and was assumed in the House operating budget proposal, but it did not advance further in the legislative process and was not reflected in the final operating budget. The City of Redmond monitored this legislation.

Occupational Disease: House Bill 1913, sponsored by Rep. Beth Doglio (D-Olympia), would alter the current statute governing presumed occupational diseases for certain publicly employed emergency response professions. This legislation would extend existing protections for firefighters to fire investigators and law enforcement personnel and extends the conditions by which the disease is considered presumptive, making firefighters and fire investigators who did not receive a qualifying examination before June 1st, 2020 eligible for presumptive status.

The bill would also expand the list of presumptive occupational diseases. Additions to this list include mesothelioma, stomach cancer, nonmelanoma skin cancer, breast cancer in women, and cervical cancer. Finally, the bill establishes an advisory committee on occupational disease presumptions for assessment going forward. The committee must include two epidemiologists, two preventive medicine physicians, and one industrial hygienist. The committee's decisions must be supported by scientific, field-accepted evidence.

While this is increased liability for local government, it was heavily negotiated and reflects a compromise amongst the stakeholders. The effective date of the bill is July 28, 2019. The companion bill was Senate Bill 5849, sponsored by Sen. Patty Kuderer (D-Bellevue). The City of Redmond monitored this legislation.

Wrongful Injury or Death Claims: Senate Bill 5163, sponsored by Sen. Bob Hasegawa (D-Seattle), expands the beneficiaries of a wrongful death action by removing dependence and residency requirements for parents and siblings. A parent or

sibling may be a beneficiary of a wrongful death action if there is no spouse, domestic partner, or child, without having to show dependent on the deceased and regardless of whether the parent or sibling resided in the United States at the time of death.

Additional changes are made that expand liability under the wrongful death statutes. Throughout the legislative session, the Association of Washington Cities and Washington State Association of Counties testified in opposition. The reasoning for the stakeholder's strong opposition for this legislation derives from the joint liability portion of the bill and the increase in litigation costs due to the additional members that may bring action on behalf of the decedent.

The bill was amended to limit noneconomic damages in a survival action to the decedent's pain and suffering, anxiety, emotional distress, or humiliation. While there was an amendment offered to remove the joint liability provision, the amendment failed. The effective date of the bill is July 28, 2019. The companion bill was House Bill 1135, sponsored by Rep. Sharon Tomiko Santos (D-Seattle). The City of Redmond monitored this legislation.

Public Safety Enhancement Account: *House Bill 2144, sponsored by Rep. Pat Sullivan, transfers \$300 million from the Law Enforcement Officer's and Firefighters' Plan 2 Retirement Fund to the Benefit Enhancement Account. The bill also eliminates the biennial transfer from the state general fund to the Local Public Safety Enhancement Account. The Association of Washington Cities expressed concern with policy change because it increases the risk to the LEOFF retirement fund. However, despite this concern, the Legislature approved the bill. The City of Redmond monitored the legislation.*

Union Dues: *House Bill 1575, sponsored by Rep. Monica Stonier (D-Vancouver), provides that public employers and public employee organization are not liable in claims or causes of action for deducted union fees that were permitted by law and deducted before the Janus v. AFSCME decision. The bill provides additional clarity on how public employees and employers must respond to union dues deductions and revocations. The Legislature approved this legislation; the effective date is July 28, 2019. Cities monitored this legislation; however, as the bill is implemented there will be an impact on city unions.*

Salary & Wage Information: *The Legislature approved House Bill 1696, sponsored by Rep. Laurie Dolan (D-Olympia), which imposes new requirements around the disclosure of wage and salary information. The City should review for compliance. The City of Redmond monitored this legislation.*

Land Use & Planning

Growth Management Hearings Board Decisions: *The Legislature approved Senate Bill 5151, sponsored by Sen. Lynda Wilson (R-Vancouver), which requires the*

development of a rational, searchable website of Growth Management Hearings Board rulings, decisions, and orders. The website is directed to be completed by June 30, 2021. This will be a valuable tool for cities once completed.

Annexation of Unincorporated Islands: House Bill 1357, sponsored by Rep. Beth Doglio (D-Olympia), and Senate Bill 5249, sponsored by Sen. Sam Hunt (D-Olympia), would eliminate the referendum requirement for annexations of unincorporated islands. The bill was brought forward by the City of Lacey and was supported by the Association of Washington Cities and the Washington State Association of Counties.

In the House, while there was no formal opposition expressed against the bill, several legislators on the House Local Government Committee expressed concerns with the proposal. The Committee amended the bill to retain the referendum requirement but increased the number of voters that must sign a petition to initiate a referendum on an annexation to no less than 15% (instead of 10%) of qualified voters that cast votes in the last general state election in the area to be annexed. The bill was never pulled from the House Rules Committee for a vote by the House and died with the House of Origin Cutoff deadline. The Senate version of the bill advanced out of committee but did not pass out of the Senate prior to the chamber of origin cutoff deadline. The City of Redmond monitored this legislation.

Annexation through Interlocal Agreement.: House Bill 1598, sponsored by Rep. Beth Doglio (D-Olympia), allows certain code cities to annex unincorporated territory pursuant to an interlocal agreement. Once the city and county jointly agree on the boundaries of the annexation, both legislative bodies are required to hold a public hearing (jointly or separately) prior to adopting an ordinance.

The House Local Government Committee amended the bill to add a provision that authorizes county and city legislative bodies to adopt an interlocal agreement phasing in the annexed territory. If the annexation occurs by phasing in, a legislative body must then adopt separate ordinances authorizing the annexation at each phase. The bill did not advance out of the House prior to the chamber of origin cutoff deadline.

A similar version of the bill was introduced in the Senate, Senate Bill 5522, sponsored by Sen. Dean Takko (D-Longview). The Senate version of the bill passed the Senate Local Government Committee with an amendment that requires cities to allow the public an opportunity to be heard at the public hearing, rather than only residents or property owners of the area, provides a five-year period limiting any zoning changes for land zoned for residential development, prohibits annexation from proceeding if a special purpose district does not approve an interlocal agreement involving their district, and specifies that cities must include special purpose districts only if the annexation includes areas of the district, rather than impacts the district. The bill did not advance out of the Senate prior to the chamber of origin cutoff deadline. The City of Redmond monitored this legislation.

Transit Density Standards: Senate Bill 5424, sponsored by Sen. Guy Palumbo (D-Maltby), would preempt Sound Transit from adopting any final light rail stations as approved in the ST3 package unless the city or county has adopted minimum density standards near the station. The bill mandates minimum densities of 150 dwelling units per acre in residential zones within half a mile of a proposed light rail station funded by ST3.

Affordable housing and low-income household units are exempt from this minimum density requirement. Any plans, development regulations, or amendments adopted by a city or county are not subject to review by the Growth Management Hearings Board until the next periodic update required under the GMA. The bill was heard in the Senate Housing Stability and Affordability Committee. At the public hearing, local governments and other interests expressed strong opposition to the bill. It did not advance out of committee prior to the policy committee cutoff deadline.

The City of Redmond opposed this legislation because it significantly preempts local control.

Housing Element: Senate Bill 5440, sponsored by Sen. Guy Palumbo (D-Maltby), would require cities to update their housing element of their comprehensive plan. The bill requires local governments to consider all levels of low income in housing need surveys, with special attention to extremely low income needs, and requires them to incorporate these findings into appropriate policies and programs.

Cities with over 80,000 residents are required to implement policies, regulations, and programs that minimize displacement. The bill also requires local governments to develop a multifamily housing program if insufficient housing sites are available for low-income populations. Local governments must submit a review with these findings and proposed plans to implement future housing programs.

The bill, as drafted, does not identify a funding source for these surveys. Local governments expressed opposition to this bill, flagging it as an unfunded mandate. The bill passed out of the policy committee but stalled in the fiscal committee.

The City of Redmond opposed this legislation because it would have been a significant unfunded mandate.

Tiny Houses: Senate Bill 5383, Sen. Hans Zeiger (R-Puyallup), would authorize cities and towns to adopt ordinances regulating the creation of tiny house communities.

The bill prohibits cities and towns from adopting ordinances that prevent entry or require removal of a tiny house. The bill was amended multiple times throughout the legislative session. Through the amendments, provisions were added to require proper utility hook ups for tiny houses, the building code council is directed to adopt standards for tiny houses by December 31, 2019, and tiny homes are defined as being four hundred square feet or less.

The effective date of the bill is July 28, 2019. The City of Redmond monitored this legislation.

Local Project Review Timeline: House Bill 1451, sponsored by Rep. Cindy Ryu (D-Shoreline), would have limited the amount of time that local governments can review project permit applications under RCW 36.70B to 5 days, rather than 14 days. The bill was heard in the House Local Government Committee. Local governments expressed strong concerns with the proposal, and it did not advance beyond the committee cutoff deadline.

A similar bill, Senate Bill 5372, sponsored by Sen. Guy Palumbo (D-Maltby) was also introduced in the Senate. The Senate version of the bill advanced out of the policy committee with an amendment that required a project permit application be deemed complete within five business days of submittal, as opposed to upon submittal. However, the Senate version of the bill did not advance out of the Senate prior to the chamber of origin cutoff deadline. The City of Redmond monitored this legislation.

Land Use Petition Act Amendments: House Bill 1781, sponsored by Rep. Gerry Pollet (D-Seattle), modifies current statutes governing land use petitions. The bill makes a series of changes that provide greater leeway for land use petitioners, including expanding notice requirements for cities and counties, expanding who is considered a “party of record” that may appeal a decision, and removing the requirement that a petitioner must have exhausted administrative appeals before bringing judicial action. Local governments expressed strong concerns with the bill. The House Local Government Committee amended the bill in an effort to address those concerns; however, even with these amendments the bill was problematic. The bill did not advance out of the House prior to the chamber of origin cutoff deadline. The City of Redmond monitored this legislation.

Minimum Urban Density Requirements: Senate Bill 5769, sponsored by Sen. Guy Palumbo (D-Maltby), would have added the requirement that urban growth areas must permit densities of at least 6 units per acre in residential areas, develops a state grant program to assist with planning costs, outlines what types of housing can be built without a conditional use permit, requires comprehensive plans to be consistent with the proposed amendments, and more. The bill was heard in the Senate Local Government Committee, but otherwise did not advance. The City of Redmond expressed concerns with the proposal because it preempted local control.

SEPA Exemption for Shelters & Encampments: Senate Bill 5946, sponsored by Sen. Joe Nguyen (D-White Center), exempts homeless encampments from the State Environmental Policy Act. The bill was strongly supported by the City of Seattle.

The bill was amended throughout the legislative session to apply to shelters that only meet specific criteria. Eligible shelters must house less than two hundred people, may only last up to three years, and may not involve the construction of new permanent

structures. Additionally, shelters must be in a local jurisdiction that has declared a state of emergency on homelessness that is in effect at the time of SEPA exemption and, if the shelter or encampment is located within 1,000 feet of a school or early learning facility, the education facility or affiliate organization must have approved the shelter or encampment.

The bill died at the final step of the legislative process and will likely be reconsidered during the 2020 legislative session. The City of Redmond monitored this legislation.

Business Ecosystems: Senate Bill 5564, sponsored by Sen. Sharon Brown (R-Kennewick), is an Association of Washington Cities priority bill. The bill establishes a competitive program through the Department of Commerce for local jurisdictions to receive annual awards to make public improvement projects that will spur private investment and increase the local property tax values and sales tax revenues within a specific area.

This proposal is similar to the Local Infrastructure Financing Tool (LIFT) and Local Revitalization Financing (LRF) programs that are no longer eligible for new awards. Similar legislation was introduced late in the session last year and faced challenges due to the fiscal impact on the state's operating budget since the program is funded through a credit against the state sales tax.

An amended version of the bill passed out of the Senate Committee on Financial Institutions, Economic Development & Trade to limit the annual state contribution to \$4,965,000 until fiscal year 2022. Projects would still be awarded on a competitive basis; however, the awards are limited to 3 projects, one in each of the following categories: \$1 million for 20 years, \$880,000 for 25 years, \$665,000 for 30 years. Not subject to the 3 projects listed above, \$2.5 million is set aside for awards to rural jurisdictions or designated opportunity zones. However, this bill did not advance this legislative session. The City of Redmond monitored this legislation.

Law Enforcement/Criminal Justice

Use of Police Force: House Bill 1064, sponsored by Rep. Roger Goodman (D-Kirkland), amends to Initiative Measure No. 940, concerning use of police force. The bill passed early in the legislative session. Initiative 940 was approved by voters in November 2018 and contained several provisions pertaining to law enforcement training, the criminal liability standard for use of deadly force, independent investigations of deadly force incidents, and rendering of first aid.

The bill made amendments to the Initiative that were consistent with an agreement reached amongst stakeholders during the 2018 legislative session. The final version of the bill was supported by a large group of stakeholders, including the Washington Association of Sheriffs and Police Chiefs, De-Escalate Washington, and tribal governments. The City of Redmond is supportive of this legislation.

Timeline to Train Law Enforcement Personnel: House Bill 1253, sponsored by Rep. Shelley Kloba (D-Kirkland), and Senate Bill 5944, sponsored by Sen. Barbara Bailey (R-Oak Harbor), would have required all law enforcement personnel to begin basic training at the Basic Law Enforcement Academy within two months of being hired, rather than six months. The bills were intended to help remedy local government concerns about how long it takes to move new hires through the training program. Neither bill advanced; however, the bills did have the intended effect of increasing support for increased funding for the Basic Law Enforcement Academy. The City of Redmond is supportive of this legislation.

Civil Forfeiture Proceedings: House Bill 1269, sponsored by Rep. Matt Shea (R-Spokane Valley), addresses seizure and forfeiture procedures and reporting. The bill proposed to rewrite the state's forfeiture laws and significantly diminishes city forfeiture authority. At the public hearing on the bill, the Washington State Association of Sheriff's and Police Chiefs testified in opposition.

WASPC indicated a willingness to offer a rewrite of the bill that protects city forfeiture authority, if the bill advances. However, instead the bill was amended with clarifying language reinstating language allowing a prevailing party in a court hearing between one or two claimants to the property to recover costs and reasonable attorney's fees. This did not express concerns. The bill was referred to the House Appropriations Committee and did not advance any further. The City of Redmond monitored this legislation.

Civil Forfeiture Burden of Proof: Senate Bill 5060, sponsored by Sen. Bob Hasegawa (D-Seattle), changes the standard of proof in civil forfeiture for drug cases from the preponderance of the evidence to clear, cogent, and convincing evidence. The burden of proof in court is on the seizing agency by a preponderance of the evidence. At the hearing on the proposal, the Washington State Association of Sheriffs and Police Chiefs testified in opposition. The bill did not advance out of committee prior to the committee cutoff deadline. The City of Redmond monitored this legislation.

Municipal Police Districts: House Bill 1458, sponsored by Rep. Brian Blake (D-Aberdeen), would have established municipal police districts. The bill details the creation, management, and dissolution of municipal police districts. The bill would require voters to approve a municipal police district. It does not provide a new revenue source. The House Local Government Committee held a public hearing on the bill, but it did not otherwise advance. The City of Redmond monitored this legislation.

Traffic LFO consolidation: House Bill 1489, sponsored by Rep. Roger Goodman (D-Kirkland), and Senate Bill 5575, sponsored by Sen. Jesse Salomon (D-Shoreline), was introduced at the request of the Attorney General. The bill is commonly referred to as DWLS3.

It creates a program for the alliance of traffic-based financial obligations from multiple courts of limited jurisdiction into a consolidated payment plan in order to help reinstate

driving privileges that are suspended because of failure to comply with a notice of traffic infraction, criminal complaint, or citation for a moving violation. The bill would have honored existing programs, such as the one operated by King County. The Senate version of the bill did not advance. The House version of the bill advanced out of the policy committee but died in the fiscal committee. The City of Redmond monitored this legislation.

Proactive Policing Grant Program: House Bill 1501, sponsored by Rep. Brad Klippert (R-Kennewick), establishes a proactive policing grant program through the Washington Association of Sheriffs and Police Chiefs. Grants would be awarded on a two-year cycle and would be used to meet the individual public safety needs of awarded communities. The bill provides a broad definition of “individual public safety needs.” The bill advanced out of the policy committee but stalled in the fiscal committee. The City of Redmond monitored this legislation.

Weapons in Certain Locations: House Bill 1530, sponsored by Rep. Lauren Davis (D-Shoreline), and Senate Bill 5434, sponsored by Sen. Claire Wilson (D-Federal Way), would have prohibited the possession of firearms on the premises of public libraries, public parks, and licensed child care centers. Additionally, family day care providers are required to secure firearms on the premises in a locked gun safe or unloaded in a locked room with a trigger lock or other disabling device.

The House version did not advance. However, the Senate version of the bill was amended to only apply to licensed child care center, child care center provided-transportation, or other child care center facilities. The amended version of the bill would require a family day care provider to secure firearms on the premises in a locked gun safe or unloaded in a locked room with a trigger lock or other disabling device. The bill passed the Senate 26-21 but did not advance in the House. The City of Redmond monitored this legislation.

Unmanned Aircraft: House Bill 1766, sponsored by Rep. John Lovick (D-Mill Creek), would establish criminal penalties for certain unlawful uses of an unmanned aircraft: 1) conduct surveillance of another person in a private place; 2) operate an unmanned aircraft in a manner which places another person in reasonable fear of bodily injury; or 3) deliver contraband to a person confined in a detention facility. The bill would provide that the state preempts the field of unmanned aircraft regulation; any local laws, ordinances, and resolutions in violation of the state law are void. The bill was heard in the House Innovation, Technology, and Economic Development Committee, but did not advance out of committee. The City of Redmond monitored this legislation.

Firearms and Domestic Violence: *The Legislature approved House Bill 1225, sponsored by Rep. Laurie Jenkins (D-Tacoma), which creates a uniform standard for police officers to remove firearms when responding to a domestic violence call. A firearm seized in these circumstances may not be returned sooner than five days. The City of Redmond monitored this legislation.*

Marijuana Misdemeanors: The Legislature approved Senate Bill 5605, sponsored by Sen. Joe Nguyen (D-Seattle), which allows persons with prior convictions of misdemeanor marijuana possession to apply to the sentencing court for a vacation of their conviction record. Once the court grants the conviction, that conviction is no longer included in the person's criminal history for the purposes of determining a sentence in any subsequent conviction. The City of Redmond monitored this legislation.

Transportation & Public Works

Mobile Food Truck Fire Safety: House Bill 1134, sponsored by Rep. Strom Peterson (D-Edmonds), standardizes fire safety codes and inspections for mobile food trucks. As originally drafted, the bill would have required food trucks to obtain an annual statewide fire permit and stated that a current single fire permit would be valid in any jurisdiction in Washington.

The House Local Government Committee held a public hearing on the bill. At the hearing, the Association of Washington Cities and the Washington Fire Marshals testified in opposition. The Committee significantly amended the bill to address concerns raised at the public hearing.

The amended version of the bill would require the State Building Code Council to adopt fire permit rules for food trucks. All food trucks would be required to be annually inspected by a local fire district and obtain and display a valid state fire permit. The Department of Licensing would be required to create a state fire permit and distribute them to local fire districts throughout the state. The total cost of the permit cannot exceed \$25.

This amended version of the bill would cost \$6 million/biennium to establish and administer the state permit. As a result, the bill was referred to the House Appropriations Committee. The Committee held a public hearing on the bill but chose not to advance the bill prior to the fiscal committee cutoff deadline. The City of Redmond monitored this legislation.

Personal Delivery Devices: House Bill 1325, sponsored by Rep. Shelley Kloba (D-Kirkland), establishes a statewide regulatory framework for personal delivery devices on a sidewalk or crosswalk. As originally drafted, the bill would have preempted local control over the right-of-way.

The bill was amended multiple times throughout the legislative process to address concerns raised by cities, as well as other stakeholders. The final version of the bill maintains local control and outlines a series of requirements that a personal delivery device operator must satisfy in order to operate in the state. The effective date of the bill is July 28, 2019.

The City of Redmond expressed concerns with early versions of this proposal that preempted city control to regulate its rights-of-way. However, the City was neutral on subsequent versions of the bill that honored local control.

TIB, CRAB, FMSIB Funds: House Bill 1508, sponsored by Rep. Jared Mead (D-Mill Creek), and Senate Bill 5521, sponsored by Sen. Dean Takko (D-Longview), makes the contributions to the Transportation Improvement Board, the County Road Administration Board, the Freight Mobility Investment Account, the Complete Streets Grant Program, and the Freight Mobility Multimodal Account permanent through the duration of the Connecting Washington program.

This bill did not pass into law because budget writers indicated they wanted to retain flexibility with Connecting Washington funds. Without this legislation, the appropriations to these accounts need to be included in the budget each biennium. The City of Redmond monitored this legislation.

Motorized Foot Scooters: House Bill 1772, sponsored by Rep. Nicole Macri (D-Seattle), and Senate Bill 5751, sponsored by Sen. Marko Liias (D-Edmonds), establishes a statewide framework for e-scooter programs. Initially, the bill was drafted to outline the specific items that a city may regulate, thereby implying that elements not outlined in the bill cannot be regulated by the city. The bill was amended in both transportation committees and on the House floor, fixing provisions preempting local control outlined by cities. The House version of the bill passed into law. The City of Redmond monitored this legislation.

Public Vehicle Fleet: House Bill 1832, sponsored by Rep. Nicole Macri (D-Seattle), would direct the Department of Enterprise Services to develop a scoping plan, including a costs and savings assessment, for the state and local governments to achieve a fully electric vehicle fleet.

The bill would provide that all vehicles operated by the state must be electric beginning with passenger and light duty vehicles of model year 2023, and medium and heavy-duty vehicles of model year 2026. The bill would also provide that all vehicles operated by local governments must be electric, beginning with passenger and light duty vehicles of model year 2025, and medium and heavy-duty vehicles of model year 2027.

The House State Government and Tribal Relations Committee amended the bill to remove all the requirements that public fleets must be converted to electric by a certain date. The Joint Transportation Committee is charged with completing a study on the electrification of public fleets, which includes: an inventory of existing fleets; a review of currently available electric vehicles; projected costs and economic benefits of converting to an electric fleet; potential financing mechanisms; and an analysis of infrastructure upgrades that would be necessary.

Even with this amendment, the bill did not advance this beyond the fiscal committee cutoff deadline. It is likely this bill will be reintroduced for the 2020 legislative session. The City of Redmond monitored this legislation.

Pavement Condition Reporting: House Bill 2038, sponsored by Rep. Bill Ramos (D-Issaquah), eliminates the pavement condition reporting requirements for cities and towns listed in RCW 46.68.113. The bill passed into law and should provide administrative ease for cities and towns. The City of Redmond monitored this legislation.

Low-income Drivers/Study: House Bill 2068, sponsored by Rep. Lilian Ortiz-Self (D-Edmonds), provides a 40% discount on tolls on I-405, SR 167 and SR 509 to individuals who receive temporary assistance for needy families (TANF) or receive food stamps. Rather than passing this bill into law, the Legislature instead directed the Department of Transportation and the Washington Transportation Commission to conduct a study on the best manner in which to provide low-income tolls on I-405. The City of Redmond monitored this legislation.

MVET Collection: House Bill 2123, sponsored by Rep. Mike Pellicciotti (D-Federal Way), would require Sound Transit to establish a market value adjustment program for the collection of motor vehicle excise taxes (MVET), and issue a credit for the difference between the current MVET amount and the amount that would be calculated in a more recently adopted valuation schedule. The bill includes language that directs Sound Transit to implement this program with the least amount of impact on the ST3, and to identify cost savings to absorb negative fiscal impacts. The bill was heard in the House Transportation Committee but did not advance prior to the fiscal committee cutoff deadline. The City of Redmond monitored this legislation.

MVET Low-income Adjustments: Senate Bill 5075, sponsored by Sen. Patty Kuderer (D-Bellevue), requires regional transit authorities imposing a motor vehicle excise to establish a low-income market value adjustment program for vehicles owned by low-income individuals. The program would begin July 1st, 2019. In addition to the adjustment program, the bill directs transit authorities to provide a one-time credit against the tax for certain eligible vehicles. The bill also requires regional transit authorities establishing a motor vehicle excise tax to fully reimburse the Department of Licensing for the administration and collection of the tax. The bill did not advance out of committee prior to the fiscal committee cutoff deadline. The City of Redmond monitored this legislation.

Prohibition on Imposing Vehicle Tolls: Senate Bill 5104, sponsored by Sen. Tim Sheldon (D-Potlatch), prohibits local governments from imposing vehicle tolls. The amended version of the bill removes port districts from the bill, with the effect being that port districts retain local tolling authority under certain circumstances. The bill did not advance prior to the chamber of origin cutoff deadline. The City of Redmond monitored this legislation.

Van Accessible Parking: Senate Bill 5253, sponsored by Sen. Tim Sheldon (D-Potlach), prohibits parking in van-accessible parking spaces for all vehicles except those transporting wheelchairs or other mobility equipment. Van-accessible parking spaces are similar to accessible parking spaces but have increased width to accommodate wheelchair lifts.

The bill was amended to require that individuals must both have special license plates or placards authorizing accessible parking as well as be parking a vehicle utilizing wheelchairs or mobility equipment to use the van-accessible space. The bill then did not advance prior to the chamber of origin cutoff deadline. The City of Redmond monitored this legislation.

Local Government Procurement: *Senate Bill 5418, sponsored by Sen. Dean Takko (D-Longview), enacts a series of changes to public works bidding and purchasing processes. The bill allows counties and water-sewer districts to procure public works with a unit-priced contract. The bill increases the small works roster process and limited public works project cost thresholds.*

A municipality soliciting competitive bids for public works is required to disclose all bids received if requested by a bidder. A bidder must protest within two business days of when a municipality discloses all bids received or, if no request is made, bid opening. The bill increases public works contract thresholds for water-sewer districts, counties, cities, public utility districts, fire protection districts, and irrigation districts. A second-class city or town can award certain competitive public works contracts to a bid within 5 percent of the lowest bid. The final version of the bill passed the House, 76-22 and the Senate, 40-7. The City of Redmond monitored this legislation.

Tolling/I-405, SR 167 & 509: *Senate Bill 5825, sponsored by Sen. Steve Hobbs (D-Lake Stevens), authorized tolling and the bonding of toll revenue on I-405, SR 167, and SR 167/SR 509. The bill passed into law after many legislative twists and turns. The City of Redmond monitored this legislation.*

Shared Employer Shuttles: Senate Bill 5896, sponsored by Sen. Guy Palumbo (D-Maltby), allows private employer carpool buses, vans and/or other employer transportation service vehicles to use a park and ride lot regardless of the capacity of the lot. Under current law, private employer carpools are not allowed to use carpools park and rides that are at more than 90% of capacity. The bill was amended in committee to be limited to only those park and ride lots that received state funding for its construction. The bill did not advance out of the Senate prior to the chamber of origin cutoff deadline. City of Redmond monitored this legislation.

Regulation of Transportation Network Companies: Senate Bill 5926, sponsored by Sen. Steve Hobbs (D-Lake Stevens), and House Bill 2039, sponsored by Rep. Larry Springer (D-Kirkland), would have established a regulatory framework for transportation network companies, including rideshare companies such as Uber and Lyft. The regulation of transportation network companies currently occurs at the local level.

This bill would establish a statewide framework that preempts the current local policies. As an industry-promoted bill, the proposal presents a great deal of concern to those jurisdictions that are locally regulating transportation network companies. This bill would override existing local ordinances regulating transportation network companies.

A proposed substitute version of Senate Bill would require a fingerprint-based criminal background check, and multistate driving history search, prior to operating as a TNC driver. A TNC driver would be able to operate on a conditional TNC driver permit pending the results of the fingerprint check and multistate driving history search. This would still require the annual third-party check from the underlying bill. The substitute also imposes a 50-cent per trip fee on each prearranged ride to pay for DOL administrative costs, fingerprint background checks and local enforcement activities, as opposed to allows the Department to establish the fee amount.

Even with the substitute, the bill did not advance out of committee prior to the fiscal committee cutoff deadline. Later in the legislative session, the Transportation Committees held a work session on the regulation of transportation network companies. It is likely that this issue will be discussed in the 2020 legislative session. City of Redmond monitored this legislation.

Public Works Bidding Notification: Senate Bill 5958, sponsored by Sen. Liz Lovelett (D-Anacortes), would make clear that any obligation related to notices for competitive bidding arising from a local ordinance or policy is satisfied for a piggybacking entity if certain requirements are met, including that the host agency complies with its statutory contracting requirements and posts the solicitation online. The bill passed into law and is effective on July 28, 2019. City of Redmond monitored this legislation.

Design-Build: The Legislature approved House Bill 1295, sponsored by Rep. Steve Tharinger (D-Port Angeles), which opens up the design-build process for more jurisdictions. The bill does the following:

- Removes limitations on design-build projects between \$2 million and \$10 million;
- Modifies evaluation criteria and reporting requirements for design-build contracts;
- Makes job order contracting available to any public entity;
- Modifies job order contracting restrictions;
- Requires an apprenticeship utilization program for any contract over \$350,000 and exceeding 600 hours in a single trade; and
- Modifies public disclosure exemptions for certain information.

Interim Activities

Bill Implementation: There are several bills that the City of Redmond should look at closely as they are implemented into law:

- HB 1219: The bill allows cities to use REET revenues to fund affordable housing. If the City would like to achieve maximum flexibility in this regard, the City should take action prior to **June 30, 2019**.
- HB 1406: The City can impose a .0073 credit against the state sales tax if it passes a resolution within **6 months** and imposes the credit within **12 months** OR a .0146 percent credit against the state sales tax if it imposes the credit *and* enacts a local housing levy within 12 months.
- HB 1923: The City will have the opportunity to receive up to \$100,000 in grant funding if it chooses to develop a housing action plan or take actions to increase density. Mandatory parking requirements will need to be complied with.
- SB 5418 and HB 5958: These bills make changes to procurement/bidding laws that the City will need to implement.
- HB 2038: removes a pavement reporting requirement; SB 5505: adds a stormwater reporting requirement.
- HB 1667 and HB 1537 make changes to requirements under the Public Records Act that the City will need to comply with.
- House Bill 1543 requires the City to make changes to its solid waste plan.

Interim Work Groups/Task Forces: Either through legislation or budget proviso, there are several task forces/work groups that are occurring over the legislative interim:

- Green Economy: The Department of Commerce is tasked with convening a task force regarding the development of Washington's green economy based on the state's competitive advantages. The work group will focus on developing economic, education, business, and investment opportunities in energy, water, and agriculture. The task force includes one representative from a city government.
- Tax Structure Work Group: The Department of Revenue is tasked with facilitating a tax structure work group. The work group will meet through 2024. The Association of Washington Cities has a representative on the Work Group. [Page 56](#) of the Operating Budget provides significant detail on the activities of the Work Group.
- Preventing Underground Utility Damage: The Utilities and transportation Commission is tasked with convening a work group to address "dig law." The work group is required to include a representative from cities.

- Model Ordinance for Community Based Behavioral Health Facilities: The Department of Commerce is tasked with developing a model ordinance for cities and counties to utilize for siting community based behavioral health facilities.
- Fish Passage Barriers: Funding is allocated to AWC to inventory and assess fish passage barriers associated with city roads located in the *U.S. v. Washington* case area, water resource inventory areas 1-23. The report is due by July 1, 2020.
- Electrification of Public Fleets: Funding is allocated to the Joint Transportation Committee to conduct an analysis of the electrification of public fleets. Three cities should be selected from three populations ranges to be a “representative sample” of the inventory. The Committee is required to get input from the Association of Washington Cities. Report is due September 30, 2020.
- City Transportation Funding Needs: The Legislature authorized funding to continue a study on local transportation needs. The study is already underway and is due June 30, 2019.