# WEEK 7 REPORT ON 2022 SESSION OF THE LEGISLATURE & WEEK 8 COMMITTEE VOTES For WRPA President, Executive Board, Executive Director, Legislative Committee

Doug Levy - 2/27/2022

The Legislature closed in on the 2022 Session finish line during Week 7, forwarding or "killing" opposite-chamber bills, taking committee and Floor votes on several budgets and, at week's end, outing a blockbuster announcement on the transportation revenue package ("Moving Ahead Washington").

Last week finished with Senate and House policy committees taking final votes – or not – on bills that came over from the opposite chamber and needed to move by Close of Business Thursday, Feb. 24, to remain alive. The window for bills that impact the budgets is only a bit less constrained – they must clear fiscal committees by the end of Monday (Feb. 28) to remain in play. Meanwhile, by the end of the day Saturday, at least one Floor vote (if not two) had been taken on the Legislature's 2022 Supplemental Operating, Capital, and Transportation budgets.

If all that sounds predictable, the news that broke Saturday was more of a lightning bolt. House Transportation Committee Chair Jake Fey (D-Tacoma/27<sup>th</sup> Dist.) announced that he will offer an amendment (on Tuesday) to *remove* an uber-controversial export fuel tax from the Moving Ahead Washington revenue bill (SHB 2119/ESSB 5974). That follows a couple of weeks of vocal and increasingly militant opposition to the tax, not just from the petroleum industry but from the states of Oregon, Idaho, and Alaska as well – with Oregon Governor Kate Brown penning an op-ed piece in the *Seattle Times* to express her state's displeasure.

Chair Fey has indicated that to replace an export fuel tax revenue source projected to raise about \$2.06 billion, legislators are considering a 15-year, \$100 million per year transfer of funds from the Public Works Assistance Account ("Public Works Trust Fund -- PTWF"). That diversion has already raised major hackles with the Association of Washington Cities (AWC) and the Washington State Association of Counties (WSAC), especially given the heavy reliance that smaller cities and counties have on the low-interest PWTF loans. But the die appears to be cast for action in the House Tuesday, followed by a House-Senate Conference Committee set of negotiations to address how lawmakers address a net revenue drop of \$500+ million. Those discussions are not likely to impact or change the list of "active transportation" projects and grant programs funded under the carbon-reduction spending portions of Move Ahead WA.

So that's the "macro" state of play. For WRPA, Week 7 was a good one, with positive news from budgets, an important amendment to a "zero emission" bill, and continued momentum for a derelict vessel removal bill. I also made inroads on ensuring local parks are eligible to receive some funding from an "outdoor experiences" grant program being established under **2SHB 2078** (see below for more).

Below is my typical status report on WRPA's Legislative Agenda priorities, "strong support" items, and "support/oppose" bills. That is followed by a list of numerous bills that we in local parks and outdoor recreation care about. A separate Week 8 committee votes list is attached as well.

### **Top Priorities**

\*Provide Local Parks and Recreation Agencies with new Funding Options to Address Vital M&O and Preservation Needs which only became more challenging under COVID-19 - SHB 1025

(*Policy/Fiscal Bill*) I have shared that despite the enormous amount of work we did to move **SHB 1025** out of the House Finance Committee, it "died" in the House Rules Committee. I have also shared that we may need to adjust our strategy going forward. We have seen that passing a bill solely focused on new sales tax authority is very challenging in today's State Legislature.

\*Actively partner with the Recreation & Conservation Office (RCO) to ensure a sound plan is in place for use of a one-time, \$42 million allocation from the Stadium & Exhibition Center Account

(Recreation & Conservation Office in concert with Governor/OFM) This issue has transitioned into an "interim" issue. As I shared previously, the Recreation & Conservation Office (RCO) is working to establish a 16-member Advisory Task Force that will help provide recommendations on the best way to invest a one-time, \$42 million allocation of funds left over from the \$300 million in state bonds used to build the Seahawks Stadium (now Lumen Field). The bond funds grew out of a voter-approved referendum focused primarily on financing the stadium but also including some funds dedicated to local youth athletic facilities.

\*Actively participate in efforts to replace and recover lost revenue for parks and recreation agencies – while protecting existing resources (*Operating Budget*) Here is an update on other items designed to address M&O and overall revenue losses suffered by parks and natural resource agencies:

- Good news both the Senate and House-approved Operating Budgets include **\$15** million to address maintenance and operations (M&O) backlogs at three state natural resource agencies. The funding is divided into \$5 million apiece for State Parks, Department of Natural Resources, and Department of Fish & Wildlife. One difference is that the Senate-approved budget envisions this as an ongoing program while the House version books it as a one-time expenditure. This bodes well for interim discussions we hope to have with RCO about perhaps adding local M&O needs to the mix for 2023.
- Both Operating Budgets have *significant funding to expand outdoor education and "outdoor experiences" for kids in grades K-12 (with a focus on 5<sup>th</sup> and 6<sup>th</sup> graders).* The House puts \$20 million in for the outdoor school/outdoor experiences programming. The Senate allocation is at \$10 million, but with an ongoing funding allocation of \$50 million projected for 2023-25. The bill that makes use of this funding is **2SHB 2078**, scheduled for a Senate Ways & Means committee vote on Monday (today). Last week, I met with the prime sponsor of the bill, Rep. Alicia Rule (D-Blaine/42<sup>nd</sup> Dist.) to urge that local parks agencies be specifically called out as outdoor recreation program providers who would be eligible for the "outdoor experiences" grants contemplated under **2078**. While Rep. Rule is reluctant to make changes to the bill, she *will* write a letter to the Office of the Superintendent for Public Instruction (OSPI) urging that local parks be considered eligible entities for outdoor experience funding.
- Both the Senate-passed and House-approved Operating Budgets include \$160,000 for the Parks & Recreation Commission to engage with the "emerging leaders program" to expand equity in the outdoors. The program trains BIPOC individuals in gaining leadership skills and pursuing professional natural resource-based jobs.
- **E2SSB 5796** by Sen. Rebecca Saldaña (D-Seattle/37<sup>th</sup> Dist.) includes an *increase in the biennial marijuana revenue distributions to cities and counties from \$40 million to \$51.6 million*. It is up for a committee vote Monday (today) in Senate Ways & Means.
- **HB 1672** on Conservation Futures levies *has "died" for the 2022 Session*. It would have removed 1 percent property tax limits for 13 counties that run Conservation Futures programs.

# **Strongly Support**

\*Protect against any diversions or reallocations of Capital Budget grant programs that significantly benefit parks and recreation and the Great Outdoors

(*Capital Budget*) There are no transfers or diversions of dedicated outdoor recreation monies in the Senate-approved **SSB 5651** or the House Committee-passed **SHB 1781.** The state's robust revenue outlook helped take this worry off the table for 2022. One problematic bill we tracked was **SB 5632**, establishing a Washington Water Infrastructure Program. The provision of concern appropriated a minimum of 10 percent of all bonds authorized each biennium, up to a total of \$5 billion. While there is funding for the program in the Senate's Capital Budget, **5632** and the bonding commitments did not advance. See below for more.

# \*Advocate for Key "Healthy & Active Communities" Funding within the State Budget Process

(Capital, Transportation, Operating Budgets) WRPA's "healthy and sustainable communities" initiative has us supporting funding 'buckets' across all three (3) of the state's budgets. We are also closely tracking the progress of **ESSB 5974/HB 2119** and **ESSB 5975/SHB 2118** – the revenue and spending bills that comprise the "Move Ahead Washington" package. More details on that are below. Others on our scope:

- Public Health District, "No Child Left Inside," outdoor education funding -- Operating Budget.
- Bicycle and Pedestrian Grant, Safe Routes to Schools, "Complete Streets" funding in the Transportation Budget.
- 'Target Zero' programs run by the Washington Traffic Safety Commission.
- Dedicated accounts and grant programs in the Capital Budget such as WWRP, YAF, ALEA, NOVA, BFP.

# \*Support legislation (HB 1700) to enhance funding for the Derelict Vessel Removal Program (DVRP) and make the program's funding more sustainable

(Policy bills/Operating Budget) After receiving a positive hearing last Thursday in Senate Ways & Means, **1700** will come up for a committee vote today. **HB 1700** adds up to \$8.6 million in funding to the Derelict Vessel Removal Program (DVRP) by re-directing 25 percent of the Watercraft Excise Tax that is already paid into the General Fund. Lead sponsors are Rep. Dave Paul (D-Oak Harbor/10<sup>th</sup> Dist.) and Rep. Dan Griffey (R-Allyn/35<sup>th</sup> Dist.).

## **Support/Oppose Items**

# \*Efforts to Address Mental Health, Homelessness, Affordable Housing

(*Policy Bills, Budgetary Items*) Our Legislative Agenda expresses support for initiatives by cities and counties, the Washington Low-Income Housing Alliance, and others, toward ongoing funding and tools for growing mental health, homelessness, and affordable housing crises in local communities. Several bills we're tracking:

- Supplemental Budgets for Operating (ESSB 5693/Striking Amendment to 5693), Capital (SSB 5651/SHB 1781), and Transportation (ESSB 5689, Striking Amendment to 5689): The budgets approved by the Senate and House rival the Governor's proposed \$815 million investment in additional affordable, work force, and permanent supportive housing with the House budgets making a more robust commitment. The House puts \$132.6 million toward additional rental assistance funding, the Senate \$77.6 million. Both budgets put \$290 million in "rapid rehousing" acquisitions. The House puts an additional \$100 million into the Housing Trust Fund, the Senate \$71 million. The Senate puts \$47 million (spread across two budgets) toward addressing encampments on Washington State Department of Transportation (WSDOT) owned rights-of-way, while the House is at \$32 million. The House contributes \$158 million (across two budgets) toward supportive housing under ESHB 1866, and an additional \$40 million into shelter capacity. The Senate Capital Budget devotes \$86 million into shelter for individuals in crisis while the House is at \$72 million. Without a doubt, both budgets put an astonishing level of investment into all these efforts.
- ESHB 1866, assisting those receiving community support services through medical assistance programs to receive supportive housing: I noted above the \$158 million in funding associated with this bill. 1866 is up for a Senate Ways & Means committee vote Monday (today).
- **2SHB 1905**, reducing homelessness for youth discharged from a publicly funded system of care: This bill, too, is on the Monday committee vote list for Ways & Means. **1905** calls on the Department of Children, Youth, and Families to develop and implement a rapid response team to support youth exiting a publicly funded system of care.
- ESHB 1643, exempting from the Real Estate Excise Tax (REET) a sale of transfer of real property for affordable housing to a non-profit, housing authority, public corporation, county, or municipal corporation: Let's make it a trifecta! Like the two bills above, this legislation, too, is scheduled for a Senate Ways & Means committee vote Monday (today).
- E2SSB 5662, inter-governmental coordination to address homeless encampments on WSDOT-owned rights-of-way: This bill was almost unrecognizable after numerous amendments last Thursday in House Housing, Human Services & Veterans. It will *not* be moving forward.

**5662** began as a Governor-request bill directing that state agencies coordinate inter-governmental efforts on encampments with local agencies. As amended last week, the inter-governmental coordination office was eliminated. So, too, was language on reducing the number of people camped in WSDOT rights-of-way. The Governor's office will now look to Operating and Transportation Budget funding to continue work on encampments.

- SHB 1880, providing a state sales tax credit for "Housing Benefit Districts": This bill did not make it out of House Finance last week and is "dead" for the Session. 1880 would have provided a state sales tax credit to four cities (Renton, Everett, Shoreline, Tacoma) for land acquisition and infrastructure work associated with Transit-Oriented Development/affordable housing projects.
- **Governor-request "missing middle" bill SHB 1782:** While this bill did not pass off the House Floor by the cutoff deadline, the House-approved budget attempts to incentivize middle-missing zoning and housing types with a \$7.5 million grant program through the Department of Commerce.
- **Bill on Accessory Dwelling Units (ADUs) ESHB 1660:** After clearing the House on a 50-48 vote, **ESHB 1660** passed the Senate Housing & Local Government Committee last Thursday on a 6-5 vote. Numerous amendments are being prepared for the bill if it does reach the Senate Floor. Additionally, it is our understanding that Senate Democrats and the bill sponsor (Rep. Sharon Shewmake, D-Bellingham/42<sup>nd</sup> Dist.) are working on a "Striking Amendment" to make several changes to the legislation. As it is now, **ESHB 1660** is of concern to cities. Section 3(2)(c) of the bill requires cities to allow both attached and detached ADUs to be allowed on the same single-family-zoned lot which can include lots that already contain duplex housing. The concern by the Association of Washington Cities (AWC) and individual cities is that such density doesn't work on all single-family lots.
- HB 1738, changing the total amount of outstanding indebtedness of the Washington State Housing Finance Commission: This bill passed out of Senate Housing & Local Government last Thursday by a 6-5 vote. 1738 increases the Commission's debt limit from 8 percent to 14 percent.
- ESB 5832, expanding the multifamily tax exemption program to include converting existing multifamily units: This bill had a hearing last Monday in House Finance, but never came up for a committee vote and is likely "dead" for the Session. In counties with a population of 300,000 or more, 5832 would have expanded the Multi-family Property Tax Exemption (MFTE) program to include the conversion of existing market rate units to affordable housing.
- **ESHB 1841**, **incentivizing rental of accessory dwelling units to low-income households**: This is another bill on the list for a Monday Ways & Means Committee vote. **ESHB 1841** is a tax-incentive-based measure that grants a property tax exemption for ADUs rented to someone whose income is at or below 60 percent of the Area Median Income (AMI).
- ESSB 5428, concerning the application of the state environmental policy act (SEPA) to temporary shelters and transitional encampments: On a 7-6 vote last Thursday, the House Environment & Energy Committee approved this bill. ESSB 5428 exempts temporary shelters or transitional encampments from the requirements of the State Environmental Policy Act (SEPA) –if a series of conditions are met. One of those is that the shelter or encampment must be in a jurisdiction that has declared a homelessness emergency.

# \*"Big Tent" Outdoor Recreation Coalition

(Budgetary, Policy Items) The Coalition is holding Friday morning information-sharing calls during Session and takes part in weekly "Outdoor Recreation Caucus" meetings every Thursday. The Big Tent has also put together a letter to budget-writers to advocate for key outdoor recreation sector investments it wants to see.

#### Other Bills WRPA is Tracking

Two bills we have fielded significant feedback on:

• **2SHB 1918, reducing emissions from outdoor power equipment:** Very good news to report for **1918,** on which both WRPA and Washington State Parks have spent significant time. This bill passed out of House Finance last Friday on a 16-1 vote, looking very different than it did before the committee vote. An amendment by Ranking Member Ed Orcutt (R-Kalama/20<sup>th</sup> Dist.) removed

- Section 3 of the bill and leaves <u>only</u> a sales tax exemption for zero-emission outdoor power equipment purchases through 2032. The rest of **1918**, dealing with procurement of new equipment and purchases after Jan. 1, 2025, is eliminated. Both state and local government folks had concerns over how realistic the purchasing requirements were.
- SSB 5673/SHB 1595, installing signs on or near bridges to provide information to deter jumping and to warn individuals of the dangers of cold-water shock drowning: These bills have "died" for the 2022 Session, as neither made it to a Floor vote. Lewis County lawmakers introduced the bills in response to a tragic bridge-jumping and cold-water shock drowning in their District last year. 1595/5673 encourage local agencies to post signage on or near bridges regarding the dangers of bridge jumping and cold-water shock downing. The legislation also includes explicit language to ensure there is no "legal duty" for local governments, whether they post signage or not.

### **Others**

- Transportation new-revenue package ESSB 5974/SHB 2119, SSB 5975/HB 2118 "Move Ahead Washington": Move Ahead WA includes \$1.23 billion for active transportation programs and projects, financed with carbon-reduction monies. The package would permanently dedicate nearly one-fourth (24 percent) of all "Climate Commitment Act" carbon-reduction dollars towards active transportation investments. It includes \$290 million in Safe Routes to Schools grants, \$216 million for a new School-Based Bicycle Education program, \$278 million for Bicycle-Pedestrian Safety grants, \$293 million in designated bicycle and pedestrian projects, \$146+ million for the "Complete Streets" program administered by the Transportation Improvement Board (TIB), and \$50 million for a new "Connecting Communities" grant programs to help organizations in disadvantaged communities that have been disproportionately impacted and cut off by prior transportation investments.
- **2SSB 5332, off-road and wheeled All-Terrain Vehicles (ATVs):** This bill by Sen. Mike Padden (R-Spokane Valley/4<sup>th</sup> Dist.) is up for a committee vote today in House Transportation. It would clarify equipment requirements for wheeled ATVs.
- SB 5504, extending current Discover Pass free days from State Parks to all state recreation sites and lands: This bill by Sen. Judy Warnick (R-Moses Lake/13th Dist.) is in the House Rules Committee, awaiting one last Floor vote to send it to the Governor's desk. It has already cleared the Senate on a unanimous vote.
- SB 5608, concerning free access to state parks and public lands: This bill is "dead" for the 2022 Session. It would have repealed the Discover Pass program and replaced it with a \$30.553 million transfer from the General Fund.
- SB 5632, relating to investments in critical water infrastructure projects: This bill "died" as well, having never received a vote in Senate Agriculture, Water, Natural Resources and Parks. 5632 expressed legislative intent for appropriating a minimum of 10 percent of *all* Capital Budget bonds authorized each biennium -- up to a total of \$5 billion. That was a major concern for WRPA.
- SB 5633/HB 1895, DNR-Request Keep Washington Evergreen: These WRPA-supported bills are not referenced at all in the Operating Budgets and thus they are "dead" for the 2022 Session. They called for identifying and mapping the state's most threatened working forests, developing a strategic plan, and identifying existing voluntary tools and incentives that can be used to help preserve them.
- SB 5865, adding recreational target shooting in designated areas to the Recreational Immunity statute: This bill had a hearing but never came up for a committee vote in Senate Agriculture, Water, Natural Resources, & Parks. It is "dead" for the 2022 Session. The legislation would have added recreational target shooting areas to the portion of state law that grants recreational immunity to private landowners who allow the public to utilize their lands free of charge for recreational pursuits.
- 2SHB 1099 and 2SHB 1117, integrating climate response and salmon recovery into Growth Management Act comprehensive planning: Both bills are up for Monday votes in the Senate Ways & Means Committee and both are provided some funding in the House-approved budget. There remains speculation that the Legislature may pass one of the measures, but not both. Both bills have "null-and-void" clauses requiring that revenue be provided to pay for them if they are to take effect.

- **HB 1607, concerning the Safe Routes to Schools program:** This legislation directs that the State General Fund (*rather than the Transportation Budget*) fund this popular program beginning Jan. 1, 2025. **1607** remains in Appropriations and has "died" for the 2022 Session.
- **HB 1647, concerning the Building for the Arts program:** We *support* this bill, which would increase funding for the BFA program from \$12 million a biennium to \$18 million a biennium while increasing the state match from 20 percent to one-third (33.33 percent). **HB 1647** cleared Senate Ways & Means unanimously last Tuesday and is now in Senate Rules.
- **HB 1672, concerning local property tax levies for Conservation Futures programs:** This bill "died" after a hearing in House Finance.
- **HB 1707, requiring Personal Flotation Devices (PFDs) on human-powered vessels:** This bill by House Community & Economic Development Chair Cindy Ryu (D-Shoreline/32<sup>nd</sup> Dist.) "died" on the House Floor Calendar. It would have required that those operating stand-up paddleboards, canoes, or kayaks wear a Personal Flotation Device (PFD) at all times they are underway.
- **HB 1823, environmental leadership through outdoor recreation and climate change investments:** This legislation would have renamed the Carbon Emission Reduction Account within the Climate Commitment Act, calling it the "Outdoor Recreation & Climate Adaptation Account." It also would have re-directed \$125 million a biennium into the new account and included provisions beneficial to trail users, recreational boaters, and others. It is "dead" for the 2022 Session.
- **HB 1824, concerning outdoor recreation affordability:** This bill would have repealed the Discover Pass program. **1824** is "dead" for the Session.
- **HB 1870, concerning certain wheeled ATVs:** This bill never came up for a House Transportation Committee vote and is "dead" for the Session. **1870** would have defined the equipment needed for an ATV to be a "qualifying Washington All-Terrain Vehicle" (WATV).
- **HB 1882, concerning better Washington outdoor recreation leadership and development:** This bill never received a hearing and is "dead" for the Session. It would have established a Joint Select Committee on Better Washington Outdoor Recreation Leadership.
- HB 1915, HB 1969, SB 5687, SB 5974, expanding the use of traffic safety cameras to enforce speed zones: Cities such as Tacoma and Spokane are hoping for expanded authority to use traffic-safety cameras to enforce speed limits in school zones, hospital zones, public parks zones, and at intersections beset by accidents and collisions. SB 5687, which includes provisions allowing traffic-safety cameras to enforce speed limits in school zones, is up for a House Transportation Committee vote today (Monday). Neither HB 1915 nor HB 1969 had the votes to get out of the House Transportation Committee, but Committee Chair Jake Fey helped include traffic camera speed enforcement provisions in Section 424 of the "Move Ahead Washington" revenue bill, ESSB 5974. d
- 2SHB 1918, regarding the use of zero-emission power equipment: See listing above.
- **HB 1925, county park infractions:** This WRPA-*supported* bill has "died" for the Session. It would have authorized the issuance of civil infractions for violations of rules or regulations within county parks facilities. It never came up for a House Local Government committee vote.
- SHB 1967, property tax exemptions for Farmers Markets: This bill is scheduled for a committee vote today (Monday) in Senate Ways & Means. It enables churches that host Farmers Markets to retain underlying property tax exemptions.
- HB 2058, concerning the preservation and protection of facilities owned by the state parks and recreation commission that are listed on the Washington heritage register or the national register of historic places: This bill prime-sponsored by Capital Budget Chair Steve Tharinger (D-Dungeness/24th Dist.) is due for a committee vote today in Senate Ways & Means. WRPA supports 2058, exempting State Parks facilities on the National Historic Register from leasehold excise tax.
- **HB 2074, concerning fees collected from out-of-state residents who register off-road vehicles in Washington:** This bill passed unanimously last Monday and will be heard Tuesday afternoon in the Senate Transportation Committee. It is prime-sponsored by Vancouver Rep. Sharon Wylie (D-49<sup>th</sup> Dist.). **2074** would require a resident of a state that borders Washington that does not impose sales and use tax on off-road vehicles (Oregon) to pay a filing fee and a service fee if registering an ORV in Washington State.
- **2SHB 2078, establishing the outdoor school for all program:** This bill would utilize the allocation of either \$10 million (Senate) or \$20 million (House) in the Operating Budget. It awaits a committee vote Monday (today) in Senate Ways & Means Committee.