WEEK 9/END-OF-SESSION REPORT ON 2022 SESSION OF THE LEGISLATURE For WRPA President, Executive Board, Executive Director, Legislative Committee

Doug Levy - 3/14/2022

Legislators put a wrap on the 2022 Session during Week 9, finishing on time as they approved supplemental budgets, a significant "Move Ahead" transportation package, and a variety of policy bills.

"Move Ahead Washington," approved via final-day votes in both the House and Senate, deserves a closer look. The 16-year, \$16.99 billion package stands out for many reasons. It devotes more money to the transportation system than any other revenue package before it – even including 2015's "Connecting Washington." It was constructed without an increase in fuel tax, and with billions of dollars from the Operating Budget. It directs more funding to the combination of transit, active transportation (\$1.3 billion alone), and "green" transportation than it does to highways and roadways. Lawmakers adopted it in an election year – something we haven't seen in a few decades. It contains no new bonding, meaning it did not need a 60 percent approval to pass off the House and Senate Floor. And, directly related to that last point, it was developed and passed without significant involvement by the minority party – though you can certainly argue it incorporates some of the ideas Republicans promoted for how to best finance transportation Circa 2022 (using the state General Fund and avoiding a new gas tax, to name two prime ones).

As for the other area of spirited, animated, and sometimes fiery last-week debate between majority Democrats and minority Republicans, look no further than the 2022 Supplemental Operating Budget – which takes state spending for the biennium from \$59 billion up to \$64.1 billion. Democrats touted investments in education, housing and homelessness prevention, behavioral health, salmon recovery, and more. Republicans rued the fact that a final budget did not include any broad-based tax relief and did not set aside more reserves for the next "rainy day" economic downturn. I've attached comments on the 2022 Session by the Governor and the House Minority Leader that will reinforce the contrasting views on the budgets and everything else.

On a WRPA-specific level, Week 9 put the finishing touches on a solid-if-unspectacular Session. The Governor is expected to sign bills to significantly ramp up funding for the Derelict Vessel Removal Program and outdoor schools/outdoor programs. A bill on zero-emission outdoor equipment, which had already been "skinnied down," did not move forward. Several positive affordable housing and homelessness prevention bills are on the Governor's desk. And there are funding opportunities for trails and sidewalks in the Move Ahead package.

We will look back on the 2022 Session as one where we did not get our local funding options bill to the finish line, but also as one where important doors may have been opened on outdoor programming and maintenance and preservation needs (*I will explain further below*).

So, what follows is my report on how WRPA's Legislative Agenda priorities, "strong support" items, and "support/oppose" bills ended up. Beneath that is a recap of numerous bills that we in local parks and outdoor recreation care about. It was an interesting 2022 Session for sure – the second in a row, and hopefully last, where much of the "action" was remote in nature.

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*) As previously reported, **SHB 1025** "died" in the House Rules Committee. We will adjust our strategy going forward and look for different ways to partner on and package up our funding needs. Stay tuned as we take some new paths!

*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) The Recreation and Conservation Office (RCO) largely punted on this item, establishing a 16-member Advisory Task Force to help guide its decision-making on how best 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 Task Force/Work Group will include local parks directors from Western and Eastern Washington, as well as local elected officials, members of area sports teams, and representatives of School's Out Washington and the Trust for Public Lands. We should receive an announcement and a list of names soon.

*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 that focused on M&O and overall revenue needs for parks and natural resource agencies and the outdoors:

- \$15 million to address maintenance and operations (M&O) backlogs at three state natural resource agencies. This funding was in the final Operating Budget (ESSB 5693) for the most part. In the end, the \$5 million portion for State Parks included a \$3.75 million allocation plus approval of \$1.25 million in maintenance funding already being requested by the agency. The \$5 million apiece for the departments of Natural Resources and Fish & Wildlife is more straightforward. Importantly, the Legislature's budget books this as an ongoing program one of those "door openers" I referenced above. It is our hope that M&O funding for local needs through the RCO can be joined with M&O funding for natural resource agencies when the 2023-25 Operating Budget is put together.
- Expand outdoor education and "outdoor experiences" for kids in grades K-12 (with a focus on 5th and 6th graders): The final Operating Budget uses a Senate allocation of \$10 million, but also assumes ongoing funding of \$50 million projected for 2023-25. This is important "door-opener" No. 2 for WRPA. Part of the funding in the bill that makes use of this funding 2SHB 2078 -- will be in the form of "outdoor experience" grants for outdoor program providers. I am working with the prime sponsor (Rep. Alicia Rule, D-Blaine/42nd Dist.) on a letter to the Office of the Superintendent of Public Instruction (OSPI) that will help ensure local parks are eligible for the "outdoor experiences" grants that are part of 2078. Incidentally, 2078 headed to the Governor's desk after the House voted 92-5 last Tuesday to concur with Senate amendments to the bill.
- \$160,000 for the Parks & Recreation Commission to engage with the "emerging leaders program" to expand equity in the outdoors: This funding is in the final Operating Budget. The program will train BIPOC individuals in gaining leadership skills and pursuing professional natural resource-based jobs. It is designed, too, to train more people overall for careers in the outdoors.
- E2SSB 5796 increasing in the biennial marijuana revenue distributions to cities and counties from \$40 million to \$51.6 million: This the one local government revenue relief bill I have reported on. In the end, through 5796, cities and counties will receive an increased share of marijuana excise tax distributions -- albeit a smaller one than in earlier versions. Most of the substantive provisions of E2SSB 5796 were removed as the Legislature opted for more study on how to restructure marijuana revenues. However, a House Floor Amendment inserted a more straightforward per capita formula for marijuana excise tax distributions to cities and counties. That Floor Amendment, and the final version of the Operating Budget, results in a \$45.59 million distribution to local governments. That is up from the \$40 million a biennium currently going to cities and counties but less than the extra \$11.6 million local governments would have received through earlier versions of 5796.
- **HB 1672 on Conservation Futures levies**: This bill has "died" for the 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*) As I have reported, there were no major transfers or diversions of dedicated outdoor recreation monies in the 2022 Capital Budget. One transfer that will sting for cities and counties came in the Move Ahead Washington transportation package, though it does not really affect outdoor recreation. In the **ESSB 5974** revenue bill for Move Ahead WA, there will be a \$57 million a year, 15-year diversion of Public Works Assistance Account ("Public Works Trust Fund") monies. That is a disappointment to local governments, but less of a hit than the \$100 million a year/15-year diversion in the House-passed version,

*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 also closely tracked **ESSB 5974** and **SSB 5975** – the revenue and spending bills that comprise the "Move Ahead Washington" package. More details on that are below. Others on our scope – and where funding ended up:

- Public Health District, "No Child Left Inside," outdoor education funding -- Operating Budget. No change in Public Health or NCLI funding. Outdoor education receives the above-referenced \$10 million, with a further assumption of \$50 million in 2023-25.
- Bicycle and Pedestrian Grant, Safe Routes to Schools, "Complete Streets" funding in the Transportation Budget. Move Ahead WA includes: \$290 million for Safe Routes to Schools; \$216 million for a new School-Based Bicycle Education Program; \$278 million for bicycle and pedestrian safety grants; \$313 million in designated bicycle and pedestrian project; \$146 million for Complete Streets; 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. The Supplemental Transportation Budget includes initial-year funding for each of these programs.
- 'Target Zero' programs run by the Washington Traffic Safety Commission. The Legislature created highway safety and rural roadway safety funds in the Move Ahead Washington package and included some new funding for the Washington Traffic Safety Commission in the Supplemental Transportation Budget.
- Dedicated accounts and grant programs in the Capital Budget such as WWRP, YAF, ALEA, NOVA, BFP. For the most part, these remain status quo in a supplemental budget year. There is an increase of \$418,000 in the Aquatic Lands Enhancement Account (ALEA) for a Dash Point State Park pier project.

*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*) The Legislature passed this bill at the tail end of Week 8 and delivered it to the Governor last Thursday. **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. The first-year funding for the bill - \$4.284 million – is in the Operating Budget. Rep. Dave Paul (D-Oak Harbor/10th Dist.) and Rep. Dan Griffey (R-Allyn/35th Dist.) were the lead sponsors of **1700**.

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. On bills we tracked:

• Supplemental Budgets for Operating (ESSB 5693), Capital (SSB 5651), and Transportation (ESSB 5689): The investment levels from the final Operating and Capital budgets are staggering and unprecedented for Supplemental Budgets. See next page for specific allocations.

Operating Budget allocations include: An additional \$8.6 million for the **988 behavioral health crisis** and suicide-response line; \$4.2 million for **regional behavioral health mobile crisis** teams; \$8 million for **mental health field response** grants; \$55 million for **homeless service provider stipends**; \$45 million in the Operating Budget and another \$7 million in the Transportation Budget to **transition those in state rights-of-way encampments into permanent housing**; \$45 million in **rental assistance** and eviction prevention; \$27 million for the **Landlord Mitigation** program.

Capital Budget, some final numbers: \$220 million for "rapid rehousing" acquisitions; \$113 million added to the Housing Trust Fund; \$72 million for sheltering individuals in crisis; \$26 million for behavioral health community capacity grants; \$14.9 million for homeless youth facilities.

- ESHB 1866, assisting those receiving community support services through medical assistance programs to receive supportive housing: Added to what I have listed above, this bill is bolstered by \$44.8 million in Operating Budget funds and \$60 million in Capital Budget funds, to provide rapid response Permanent Supportive Housing. 1866 headed to the Governor last Wednesday after the House concurred 87-9 with Senate amendments to the bill.
- 2SHB 1905, reducing homelessness for youth discharged from a publicly funded system of care: This bill passed the Legislature and awaits the Governor's signature. 1905 directs the Department of Children, Youth, and Families to develop and staff 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, city, or county: This one headed to the Governor after the House voted 97-1 last Tuesday to concur with Senate amendments.
- HB 1738, changing the total amount of outstanding indebtedness of the Washington State Housing Finance Commission: This bill awaits the Governor's signature. 1738 increases the State Housing Finance Commission's debt limit from the current 8 percent to 14 percent.
- ESHB 1841, incentivizing rental of accessory dwelling units to low-income households: This

*"Big Tent" Outdoor Recreation Coalition

(Budgetary, Policy Items) The Coalition's work is done for the Session. The next big moment will come this summer, with an event or events to mark the BTORC's 10th anniversary.

Other Bills WRPA is Tracking

Two bills we have fielded significant feedback on:

- 2SHB 1918 & SSB 5543, sales tax exemptions for zero-emission outdoor power and landscaping equipment: Last week, I reported that lawmakers would pass one of these bills to grant sales tax exemptions for zero-emission outdoor power equipment. I was wrong. In the end, they didn't pass either one. 5543 never came up for a Ways & Means Committee vote last Monday and 1918 suffered the same fate two days later. You will recall that mandatory purchasing requirements had been stripped out of 1918 in the House Finance Committee.
- 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 "died." They encouraged (but did not require) local agencies to post signage on or near bridges regarding the dangers of bridge jumping and cold-water shock downing. The legislation also ensured local governments would not incur any new liability, whether they posted signage or not.

- Transportation new-revenue package ESSB 5974, SSB 5975 "Move Ahead Washington" and Supplemental Transportation Budget (ESSB 5689): Move Ahead WA includes \$1.293 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. I provided Move Ahead WA 16-year funding levels for these programs above. In the Supplemental Budget (ESSB 5689): Complete Streets \$3 million; Bicycle-Pedestrian Grants \$13.5 million, along with \$9.5 million for newly selected projects; Safe Routes to School -- \$11 million, and \$10.7 million in grants to newly selected projects. Target Zero does not receive new funding, but the Traffic Safety Commission receives \$535,000 to raise public awareness of new slow-down and move over legislation (HB 2033) and \$400,000 for bicycle safety grants under the Cooper Jones program.
- **2SSB 5332, off-road and wheeled All-Terrain Vehicles (ATVs):** After passing easily out of the Senate and unanimously out of House Transportation, this bill "died" on the House Floor Calendar. It would have clarified 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.) awaits the Governor's signature. It ensures that Discover Pass free-use days will be the same among State Parks, Department of Fish & Wildlife, and Department of Natural Resources.
- **SB 5505, property tax exemptions for Farmers Markets**: This bill reinstates a property tax exemption for churches that host Farmers Markets on their sites. It unanimously cleared both the Senate and House and awaits the Governor's signature.
- **SB 5608, concerning free access to state parks and public lands:** This bill "died." It would have repealed the Discover Pass program and replaced it with a \$30.553 million General Fund transfer.
- SB 5632, relating to investments in critical water infrastructure projects: This bill "died" without receiving a vote in the Senate Agriculture, Water, Natural Resources and Parks Committee. 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 "died." They called for identifying and mapping the state's most threatened working forests, developing a strategic plan, and identifying voluntary tools and incentives to help preserve them.
- ESSB 5693 Update on one-year free Discover Pass program: One "didn't happen" to flag involved a provision and \$31 million in funding from the Senate-passed Operating Budget to enable free Discover Passes for the next year. State Parks worried about the considerable administrative hassles involved in implementing such a program. Legislators removed it from the final budget.
- SB 5865, adding recreational target shooting in designated areas to the Recreational Immunity statute: This bill "died." It would have added recreational target shooting areas to the recreational immunity statute for private landowners allowing the public free use of their lands.
- E2SHB 1099, integrating climate response into Growth Management Act comprehensive planning: This one appeared headed for the Governor as Thursday began and after negotiators developed a compromise version. 1099 then passed the Senate 28-21 (the Senate President rejected a challenge that a newly included Real Estate Excise Tax (REET) incentive was outside the scope of the bill). However, as legislators chewed up time on budget bills, and as Republican Members delivered dozens of speeches critical of the Operating Budget, time ran out on 1099. As negotiated, 1099 required local governments to add a greenhouse gas emission reduction sub-element to GMA plans. It had a "null and void" clause requiring adequate funding. Negotiators added provisions giving cities and counties an alternative to the GHG reductions if they used "missing middle housing" provisions. Use of those provisions would have enabled cities to qualify for a state REET financial incentive.
- **HB 1607, concerning the Safe Routes to Schools program:** This bill "died." It would have had the State General Fund (*rather than the Transportation Budget*) fund this popular program.
- **HB 1647, concerning the Building for the Arts program:** This WRPA-*supported* bill just needs to be signed by the Governor. It increases 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 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 "died." It would have required those operating stand-up paddleboards, kayaks, and canoes to wear a Personal Flotation Device (life jacket) at all times.
- HB 1823, environmental leadership through outdoor recreation and climate change investments: This legislation "died." It renamed the Carbon Emission Reduction Account within the Climate Commitment Act, calling it the "Outdoor Recreation & Climate Adaptation Account." It redirected \$125 million a biennium to investments for trail users, recreational boaters, and others.
- **HB 1824, concerning outdoor recreation affordability:** This bill would have repealed the Discover Pass program. **1824** "died" early in the Session.
- **HB 1870, concerning certain wheeled ATVs:** This bill also "died." **1870** would have defined the equipment needed for an ATV to be a "qualifying Washington All-Terrain Vehicle" (WATV).
- HB 1882, better Washington outdoor recreation leadership and development: This bill "died."
 It established a Joint Select Committee on Better Washington Outdoor Recreation Leadership.
- Traffic Safety Cameras providing cities new authority to use them for speed violations ESSB 5974: Heading into the 2022 Session, with a couple of exceptions, cities could only use traffic-safety cameras for infractions in school zones, at railroad crossings, or at dangerous intersections. That authority is now expanded, even though stand-alone bills to provide it were not successful. Sections 423-424 of the Move Ahead WA revenue bill, ESSB 5974, provide that the cameras may now be used to enforce speed violations on or within "(*D*) roadways identified in a school walk area as defined in RCW 28A.160.160; (E) public park speed zones, as defined in (b)(ii) of this subsection; and (F) hospital speed zones, as defined in (b)(ii) of this subsection." Definitions of those zones are laid out as well.
- 2SHB 1918, regarding the use of zero-emission power equipment: See listing above.
- **HB 1925, county park infractions:** This WRPA-*supported* bill "died." It authorized county parks to issue civil infractions for violations of rules or regulations within their facilities.
- HB 2058, concerning preservation and protection of facilities owned by State Parks that are listed on the Washington heritage register or the national register of historic places: This bill by House Capital Budget Chair Steve Tharinger (D-Dungeness/24th Dist.) ended up being listed in the final *Operating* Budget. That enabled 2058 to emerge from the Rules Committee on the last day of Session. After 2058 advanced to the Floor Calendar, Senators passed it unanimously and sent it to the Governor. WRPA *supported* this measure to exempt State Parks facilities on the National Historic or State Historic Registers from leasehold excise tax.
- HB 2074, concerning fees collected from out-of-state residents who register off-road vehicles in Washington: This bill awaits a final signature into law from the Governor. 2074 requires a resident of a state that borders Washington and 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: See above.