



## Skagit County - Government Relations Report February 20, 2021

Monday is the second legislative deadline, February 22, 2021, when all bills must have advanced out of a policy and fiscal committee to remain under consideration. Bills designated as “*Necessary to Implement the Budget*” are exempt from cutoff deadlines and advance in coordination with budget proposals.

Once bills advance out of a policy and, if referred, a fiscal committee, they are referred to the Rules Committee in their respective chambers. Bills remain in the Rules Committee until they are selected to be brought up for a vote of the entire chamber of the House of Representatives or Senate. Over the next two weeks, the Legislature will focus on passing bills out of their house of origin. Once a bill passes out of one chamber, it then moves to the second chamber and the process repeats.

As previously reported, the legislative process has key deadlines that bills need to meet to remain under consideration. Below is an outline of the deadlines for this year’s legislative process:

<b>Session Cutoff Calendar</b>	
February 15, 2021	Policy Committee Deadline
February 22, 2021	Fiscal Committee Deadline
March 9, 2021	Chamber-of-Origin Deadline
March 26, 2021	Opposite Chamber Policy Committee Deadline
April 2, 2021	Opposite Chamber Fiscal Committee Deadline
April 11, 2021	Opposite Chamber Deadline
April 25, 2021	Session adjourns - Sine Die

## Legislative Priorities

### Skagit County Morgue

Skagit County is requesting \$135,000 in the capital budget for the construction of a new county morgue. This project would greatly increase caseload capacity for the County and provides regional benefit, including increased capacity for soft-tissue donation. Sen. Keith Wagoner (R- Sedro-Woolley) is sponsoring this request in the Senate and Rep. Dave Paul (D- Oak Harbor) is sponsoring the bill in the House. Capital budget forms have been approved and submitted by the project sponsors to capital budget leadership in both chambers. The Legislature is not expected to release their budgets until after March 17<sup>th</sup>, the next revenue forecast.

### Didg<sup>w</sup>álič Wellness Center



Skagit County is a strong advocate for statewide and regional investments in behavioral health. The County supports the Swinomish Tribe's request for \$9 million in capital budget funding to expanding the existing didgwálic Wellness Center. The request is part of Phase III of the Wellness Center, which includes the addition of detox, emergency housing, transitional and workforce housing components. The Swinomish Tribe has submitted request forms for this project. We anticipate hearing more on this request as budgets are released.

#### Re-Appropriate Funds for Sedro-Woolley E&T

Skagit County received \$1.5 million in the 2017-19 biennium and \$6.6 million in the 2019-2021 biennium in funding for the Skagit County Evaluation and Treatment Center. Sen. Keith Wagoner (R-Sedro-Woolley) and Rep. Carolyn Eslick (R-Sultan) relayed that they will ensure these funding amounts are reappropriated; both legislators sit on their respective chamber's appropriations committee.

#### Levy Certification Timing

Skagit County is putting forward [House Bill 1309](#), which would better align the dates by which the County must certify property tax levies and budget adoption. Currently, the County must adopt the budget before certifying property tax levies for all taxing districts, making compliance impossible. Rep. Carolyn Eslick (R-Sultan) is sponsoring the proposal with Rep. Ramel (D-Bellingham) cosponsoring. The Association of County Assessors have adopted this bill as one of their top priorities for the session and will be strongly supporting the bill. The bill was amended with agreed-upon clarifying language from the Department of Revenue on February 4<sup>th</sup>. Rep. Greg Gilday (R-Camano) agreed to pull the bill to the floor from the House Rules Committee on behalf of the County. The bill is now awaiting floor debate.

#### ***Other Items***

GTHGA is monitoring the following priority items on your behalf. We will provide updates on these items as legislative action occurs. We will continue to be in contact with you on legislative proposals relevant to these items.

#### REET 2 Flexibility

Skagit County requests that the Legislature allows temporary authority for jurisdictions to use REET 2 revenue for affordable housing operations and maintenance. This provision is included in [House Bill 1069](#), sponsored by House Local Government Chair Rep. Gerry Pollet (D-Seattle). The bill was heard in the Finance Committee on Monday, January 25<sup>th</sup>. The bill has been amended to include limitations on the REET 2 flexibility provisions, only allowing either \$100,000 or 35% percent of REET 2 funds, whatever is greater, to be used for operations and maintenance on existing capital projects. The bill is currently in the Rules Review committee, the step before being pulled to the floor for debate. The bill must pass off of the House floor before March 9<sup>th</sup> to continue being considered; we anticipate this bill will advance once legislators are on the floor next week.

#### COVID Relief and Recovery

The COVID-19 pandemic has significantly impacted local governments and the communities they serve. Funding provided to counties for COVID-19 response is used for essential programs, including local public health, emergency rental assistance, emergency homelessness assistance, and small business economic relief. Skagit County requests that the Legislature continue to provide sufficient funding to maintain COVID-19 response and other essential county functions.



### *Public Health Restructure Proposal*

Democrats have introduced two key proposals relating to restructuring local public health jurisdictions: [House Bill 1152](#) / [Senate Bill 5173](#), sponsored by Rep. Marcus Riccelli (D- Spokane) and Sen. June Robinson (D- Everett), and [House Bill 1110](#), also sponsored by Rep. Riccelli. [House Bill 1152](#) was introduced as Governor-request legislation establishing regionalized, state-administrated comprehensive public health districts while [House Bill 1110](#) expands Local Board of Health membership to include community representation and prevent elected officials from making up the majority of board composition. Bill proponents and public health stakeholders have been meeting weekly to determine an amenable path forward for both parties. The bill has been amended once to accommodate stakeholder concerns, passing out of committee on Thursday, February 11<sup>th</sup>.

At the request of counties, the new proposal retains Local Health Jurisdictions (LHJs); instead, a new, regionalized layer of public health administration called Comprehensive Health Services Districts is established. Comprehensive Districts are intended to provide regional coordination between LHJs, identify and administer shared services, and act as a liaison between LHJs. Each Comprehensive District has a board. A county with a population over 800,000 may form its own Comprehensive Health Services District by resolution or ordinance; however, for these counties, the relationship and coordination between the county's Comprehensive District and LHJ is unknown. The bill also incorporates prescriptive Local Board of Health reorganization provisions included in [House Bill 1110](#), including the requirement that elected officials do not constitute the majority of the board. Non-elected members of LHJ boards are not authorized to make decisions regarding changes to permit, license, and application fees. Finally, the bill establishes a workgroup to work out administration of services, funding, and formation of Comprehensive Districts. For a detailed summary of these changes, please see our report from February 14<sup>th</sup>, 2021.

We learned late this week that a new version of the proposal will be released before the bill is debated on the floor, though language is not finalized. WSALPHO has relayed that regionalization components will be changed to respond to stakeholder concerns. The workgroup is eliminated, instead utilizing the existing Foundational Public Health Policy Board that will act as a policy advisor to the FPHS Steering Committee. Local board of health composition changes are retained, including requiring a non-elected board majority.

### *Funding Proposals*

Despite pushback, legislators remain dedicated to moving FPHS funding proposals forward. The funding proposal introduced in conjunction with House Bill 1152, [Senate Bill 5149](#), sponsored by Sen. June Robinson (D- Everett) has been referred to the Ways and Means Committee. The proposal imposes a covered lives assessment on health carriers, Medicaid managed care organizations, and third-party administrators to be deposited in the Foundational Public Health Services Account. The assessment gradually increases up to \$3.07 per member per month by FY 2026 to generate up to \$200 million/fiscal year. [Senate Bill 5020](#), sponsored by Sen. Karen Keiser (D- Kent), has also advanced. This proposal assesses a penalty against drug manufacturers on revenue generated from prescription drug price increases that are unsupported by clinical evidence. Revenue generated from the penalty will be deposited into the Foundational Public Health Services Account. [Senate Bill 5371](#), sponsored by Sen. Robinson, is also moving; this bill imposes a statewide sweetened beverage tax modeled after Seattle's existing tax. The bill allocates 40 percent of the funding to FPHS and 60 percent of the funding to a newly created state health equity account to reduce health disparities.



Technically, bills must advance past their fiscal committees by Monday, February 22<sup>nd</sup> to continue to be considered. However, we anticipate both the public health restructure proposal and funding proposal to be “Necessary to Implement the Budget” (NTIB) and thereby not subject to legislative cutoff dates.

#### Governor Signs COVID-19 Relief Proposal

House and Senate Democrats jointly introduced a proposal allocating federal funding for COVID-19 pandemic relief: [House Bill 1368](#), sponsored by Appropriations Chair Rep. Timm Ormsby (D-Spokane), and [Senate Bill 5344](#), sponsored by Ways and Means Chair Sen. Christine Rolfes (D-Bainbridge Island). The bill provides \$2.2 billion in total and appropriates funding for the remainder of the current fiscal year (June 30, 2021). Distributions are provided for childcare, rent relief, food assistance, developmental disability and senior programs, medical and health care assistance, education, and public health activities, including testing and vaccine distribution. This bill was signed by the Governor on Friday, February 19<sup>th</sup>. It remains to be seen whether legislators will appropriate funding from the Rainy-Day fund to provide further COVID assistance.

#### Operating Budget – Tax Proposals

Democrats are exploring various tax increase proposals, including a capital gains tax, a wealth tax, and a statewide payroll tax. The Senate Ways & Means Committee approved and amended version of [Senate Bill 5096](#), sponsored by Sen. June Robinson (D-Everett), which imposes a 7% capital gains tax beginning January 1, 2022. [Click here](#) to read an article on the political nuances of this proposal. Democrats will release their budget proposals in mid-March – those proposals may or may not include tax increases.

Meanwhile, this month both the House and Senate Republican caucuses released operating budget proposals for the 2021-23 biennium that balance the state’s budget by using money from the budget stabilization account (i.e. “rainy day fund”), revenue transfers from other accounts, and by implementing various efficiencies. House Republican budget writer, Rep. Drew Stokesbary (R-Auburn), introduced a [budget proposal](#) that utilizes \$1.8 billion from the budget stabilization account and captures revenue from various policy shifts, including merging LEOFF1 and TRS1 pension systems and cutting agency budgets by 10%. The proposed operating budget is \$55.4 billion. Similarly, Senate Republican budget writer Senator Lynda Wilson (R-Vancouver) introduced a [budget proposal](#) that utilizes \$1.78 billion from the budget stabilization account and transfers \$721 million to the transportation budget. The proposed operating budget is \$55.5 billion and funds the working families tax credit among other investments.

#### Support Capital Budget Funding for:

- Heritage Grant Program
- Washington State Housing Trust Fund
- Washington State Recreation and Conservation Office Grants
- Brian Abbot Fish Barrier Removal Board



## Upcoming Events

### Appropriations (House) - Virtual, - 2/22 @ 9:00am

- SHB 1099 - Exec Session - Improving the state's climate response through updates to the state's comprehensive planning framework.
- SHB 1117 - Exec Session - Promoting salmon recovery through revisions to the state's comprehensive planning framework.
- SHB 1152 - Exec Session - Establishing comprehensive health services districts. (Oppose)
- SHB 1412 - Exec Session - Concerning legal financial obligations.

### Ways & Means (Senate) - Virtual, - 2/22 @ 9:30am

- SSB 5368 - Exec Session - Encouraging rural economic development.

### Transportation (House) - Virtual, - 2/22 @ 1:30pm

- HB 1502 - Exec Session - Concerning the procurement and design of electric ferries by counties. (Support)

## Bill Summaries

Outlined below are relevant bills GTHGA is tracking for the County. Bills that are in the “lobbying” category are those that GTHGA is taking action to either advance or stall; bills that are marked as “monitoring” are those that GTHGA is keeping track of but not actively lobbying. Bills that are marked as “alive” will continue being considered while “dead” bills will no longer be considered, unless declared NTIB.

### Alive – Lobbying

<u>Bill Details</u>	<u>Status</u>	<u>Sponsor</u>	<u>Position</u>
<a href="#"><u>2SHB 1069</u></a> <b>Local gov fiscal flexibility</b> Concerning local government fiscal flexibility.	H Rules R	Pollet	Support
<a href="#"><u>SHB 1152 (SB 5173)</u></a> <b>Comp health districts</b> Supporting measures to create comprehensive public health districts.	H Approps	Riccelli	Oppose
<a href="#"><u>SHB 1309</u></a> <b>Levy certification dates</b> Concerning the dates of certification of levies.	H 2nd Reading	Eslick	Support
<a href="#"><u>HB 1502</u></a> <b>Electric ferries/counties</b> Concerning the procurement and design of electric ferries by counties.	H Transportation	Pollet	Support



**Alive – Monitoring**

<u>Bill Details</u>	<u>Status</u>	<u>Sponsor</u>	<u>Position</u>
<a href="#"><u>ESHB 1056</u></a>	<b>Public meetings/emergencies</b>	S State Govt & EI	Pollet
	Concerning open public meeting notice requirements and declared emergencies.		
<a href="#"><u>SHB 1070</u></a>	<b>Housing/local tax revenue</b>	H Rules R	Ryu
	Modifying allowed uses of local tax revenue for affordable housing and related services to include the acquisition and construction of affordable housing and facilities.		
<a href="#"><u>SHB 1099</u></a>	<b>Comprehensive planning</b>	H Approps	Duerr
	Improving the state's climate response through updates to the state's comprehensive planning framework.		
<a href="#"><u>SHB 1117</u></a>	<b>Comp. planning/salmon</b>	H Approps	Lekanoff
	Promoting salmon recovery through revisions to the state's comprehensive planning framework.		
<a href="#"><u>SHB 1202</u></a>	<b>Police misconduct/civil rem.</b>	H Exec Action	Thai
	Addressing meaningful civil remedies for persons injured as a result of police misconduct, including by allowing for an award of attorney fees in addition to damages and injunctive and declaratory relief.		
<a href="#"><u>SHB 1232</u></a>	<b>GMA/affordable housing plans</b>	H Rules R	Barkis
	Planning for affordable housing under the growth management act.		
<a href="#"><u>SHB 1241</u></a>	<b>Growth management act plans</b>	H Rules R	Duerr
	Planning under the growth management act.		
<a href="#"><u>SHB 1298</u></a> (SB 5221)	<b>Accessory dwelling units</b>	H Rules R	Vick
	Concerning regulation of accessory dwelling units located outside of urban growth areas.		
<a href="#"><u>SHB 1332</u></a> (SB 5402)	<b>Property tax deferral/COVID</b>	H FINDPS	Sullivan
	Concerning property tax deferral during the COVID-19 pandemic.		





<a href="#"><u>SHB 1333</u></a>	<b>Rural public facilities/tax</b> Providing an extension to the local sales and use tax for public facilities in rural counties.	H FINDPS	Tharinger
<a href="#"><u>ESHB 1368</u></a> (SB 5344)	<b>Federal funding/COVID-19</b> Responding to the COVID-19 pandemic through state actions supported by federal funding.	Del to Gov	Ormsby
<a href="#"><u>HB 1410</u></a>	<b>Home foreclosure/taxes</b> Protecting taxpayers from home foreclosure.	H Exec Action	Volz
<a href="#"><u>2SHB 1412</u></a>	<b>Legal financial obligations</b> Concerning legal financial obligations.	H Approps	Simmons
<a href="#"><u>HB 1494</u></a>	<b>Antidisplacement/prop. tax</b> Providing housing safety, security, and protection for Washington families by creating the antidisplacement property tax exemption.	H Finance	Harris-Talley
<a href="#"><u>SB 5042</u></a>	<b>GMA actions effective date</b> Concerning the effective date of certain actions taken under the growth management act.	S 2nd Reading	Salomon
<a href="#"><u>SSB 5149</u></a> (HB 1201)	<b>Found. public health funding</b> Funding foundational public health services.	S Ways & Means	Robinson
<a href="#"><u>SSB 5275</u></a>	<b>Intense rural dev. areas</b> Enhancing opportunity in limited areas of more intense rural development.	S 2nd Reading	Short
<a href="#"><u>SSB 5368</u></a>	<b>Rural economic development</b> Encouraging rural economic development.	S Ways & Means	Short
<a href="#"><u>SSB 5390</u></a> (SHB 1157)	<b>Housing supply</b> Increasing housing supply through the growth management act and housing density tax incentives for local governments.	S Ways & Means	Lias
<a href="#"><u>SB 5463</u></a>	<b>Residential prop valuation</b> Exempting a portion of the valuation of residential property from property taxation.		Wilson



**Dead – Lobbying**

<u>Bill Details</u>	<u>Status</u>	<u>Sponsor</u>	<u>Position</u>	
<a href="#"><u>HB 1025</u></a> (Dead) (SB 5006)	<b>Local parks funding options</b> Concerning local parks funding options.	H Finance	Wicks	Support
<a href="#"><u>SB 5006</u></a> (Dead) (HB 1025)	<b>Local parks funding options</b> Concerning local parks funding options.	S Ways & Means	Van De Wege	Support

**Dead – Monitoring**

<u>Bill Details</u>	<u>Status</u>	<u>Sponsor</u>	<u>Position</u>	
<a href="#"><u>HB 1110</u></a> (Dead)	<b>Local boards of health</b> Concerning the composition of local boards of health.	H HC/Wellness	Riccelli	
<a href="#"><u>SHB 1157</u></a> (Dead) (SSB 5390)	<b>Housing supply</b> Increasing housing supply through the growth management act and housing density tax incentives for local governments.	H Finance	Bateman	
<a href="#"><u>HB 1201</u></a> (Dead) (SSB 5149)	<b>Found. public health funding</b> Funding foundational public health services.	H Finance	Riccelli	
<a href="#"><u>HB 1308</u></a> (Dead)	<b>Apprenticeship utilization</b> Expanding apprenticeship utilization requirements.	H Cap Budget	Riccelli	
<a href="#"><u>HB 1337</u></a> (Dead)	<b>Accessory dwelling units</b> Concerning accessory dwelling units.	H Local Govt	Gregerson	
	<b>Property tax revenue growth</b>	H Finance	Duerr	





[HB 1362](#)  
(Dead)

Modifying the annual regular property tax revenue growth limit.

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[HB 1407](#)  
(Dead)

**Fees of county officers**                      H Civil R & Judi                      Volz  
Concerning fees of county officers.

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[HB 1414](#)  
(Dead)

**Marijuana licensing/zoning**                      H Commerce & Gam                      Goehner  
Aligning marijuana licensing decisions by the liquor and cannabis board with local zoning ordinances.

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[HB 1440](#)  
(Dead)

**Small wireless facilities**                      H Comm & Econ De                      Boehnke  
Bringing innovation and investment to Washington's economy by streamlining the requirements for deployment of small wireless facilities.

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[SB 5221](#)  
(Dead)  
(SHB  
1298)

**Accessory dwelling units**                      S Housing & Loca                      Gildon  
Concerning regulation of accessory dwelling units located outside of urban growth areas.

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