



Skagit County - Government Relations Report April 18, 2021

Seven days remain in the 2021 Legislative Session. Budget negotiators are fervently working to complete the final operating, capital, and transportation budgets – all anticipated to be released mid-week. Meanwhile, legislators are working to resolve differences in versions of the bills approved by each chamber through the concurrence process.

There are many “Necessary to Implement the Budget” issues that are outstanding: a transportation revenue package, cap & invest, low carbon fuel standard, responding to the *Blake* decision regarding the possession of controlled substances, and more. As is typical around this time of session, there are a flurry of rumors about a special session – either to follow immediately, or late this fall to tackle some of these challenging issues where reaching agreement seems nearly impossible in the remaining week.

For a bill to pass the Legislature, the differences in the two versions of the bill approved by each chamber need to be reconciled. The chamber of origin may: 1) concur in the amendments made by the opposite chamber; 2) ask the opposite chamber to recede from the amendments; or 3) may request a conference, where a small group of legislators work to develop a compromise version of the bill. If the two chambers cannot reach an agreement prior to April 25, the bill does not pass.

The Governor has begun signing bills into law. Once a bill passes the Legislature, it is delivered to the Governor to be signed into law, veto, or partially veto (he has the authority to remove entire sections of a bill, but not specific sentences). After the Legislature approves a bill, the Governor has five days, excluding Sundays, to act on it, unless the Legislature is within five days of adjournment, in which case the Governor has 20 days to act. Unless indicated otherwise in the legislation, bills will be effective law beginning on July 25.

Session Cutoff Calendar

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. As previously reported, both the House and Senate proposed capital budgets fully funded the Morgue: the House provided slightly more for the project, \$139,000, while the Senate provided the requested \$135,000. The negotiated capital budget will be released early next week.

Didgwálic 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. As previously reported, both the House and Senate proposed budgets provide a significant amount of funding for the project: \$4.5 million in the House proposed capital budget and \$3.295 million in the Senate proposed capital budget. We will see the final funding amount when the negotiated capital budget is released early next week.

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 and, due to COVID-19 delays, has requested re-appropriation of these funds. The House and Senate capital budgets both re-appropriate both E&T allocations. We have confirmed this with capital budget staff.

Levy Certification Timing

Skagit County put 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 certify property tax levies for all taxing districts before adopting the budget, making compliance impossible. Rep. Carolyn Eslick (R- Sultan) sponsored the proposal with Rep. Ramel (D- Bellingham) cosponsoring. The bill cleared the Legislature unanimously and has now been signed by the Governor. It will go into effect July 25th (90 days after the end of legislative session).

Other 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 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. This bill has passed the Legislature and is awaiting signature by the Governor.

.09 Tax Credit



WSAC is coordinating a final effort to pass [House Bill 1333](#), sponsored by Rep. Steve Tharinger (D-Dungeness), which renews the .09 rural county tax credit for economic development until 2054. This bill was introduced by Jefferson County this session and was advancing smoothly. Unfortunately, the bill lost momentum on the Senate floor at opposite chamber cutoff. The Senate proposed operating budget included funding for the proposal, assuming passage, giving the bill the possibility of being considered “necessary to implement the budget” and therefore not subject to legislative cutoffs. WSAC has asked individual counties to weigh in with their Senators to push for the passage of this bill. If it advances in the Senate, it will need to return to the House for concurrence as it is assumed an amendment will hang on the floor. Commissioner Janicki reached out to Sen. Lovelett this week to request advancement of this bill.

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

Despite facing difficulties in the Senate, democrats continue to advance the Governor-request public health restructuring bill: [House Bill 1152](#), sponsored by Rep. Marcus Riccelli (D- Spokane), passed the Legislature. [House Bill 1152](#) was introduced as Governor-request legislation establishing regionalized, state-administrated comprehensive public health districts. The underlying bill eliminated local public health jurisdictions and gave the state oversight over the newly formed regional comprehensive public health districts. The bill was amended six times throughout the legislative process, changing structure significantly. The final version of the bill was amended on the Senate floor. The bill will now move to the Governor’s desk for signature.

The bill as passed the Legislature includes two main components: establishing the Public Health Advisory Board and making changes to local boards of health composition. The Public Health Advisory Board must monitor, develop goals for, and evaluate the public health system. The Advisory Board is housed in the Department of Health and includes WSALPHO representation from medium (400,000 – 600,000) and small counties (under 200,000) from both sides of the state – excluding the largest counties in the state. Local board of health composition changes are retained from the previous version of the bill: elected official and non-elected official membership must be equal. Counties with a pre-existing advisory board remain exempt from changes to local board of health membership. All other counties must change the composition of their local boards of health by July 1, 2022.

Funding Proposals

As previously reported, both the House and Senate proposed operating budgets provide additional investment in Foundational Public Health Services, fully covering the cost of implementing this bill. The House provides one-time funding totaling \$100 million, while the Senate provides an ongoing \$150 million a year for foundational public health services. The Senate proposal gradually increases: \$50 million in 2022, \$100 million in 2023, and \$150 per year in 2024 and 2025, funded out of the



general fund. Final budgets will be released early next week; at this point, we are not sure which funding level will be included.

State v. Blake Legislation

In the final weeks of session, the Legislature continues to grapple with how to respond to the *Blake* decision which found the statute making the possession of controlled substances unconstitutional, thereby legalizing the possession of controlled substances. The Senate debated, amended, and voted on [Senate Bill 5476](#). As amended, the bill would make possession of controlled substances, counterfeit substances, and legend drugs a gross misdemeanor (prior to *Blake* these were felonies). Prosecutors are directed to divert a misdemeanor case to treatment if it is a person's first or second violation and are encouraged to do so if it is a subsequent violation. Meanwhile, the Health Care Authority is charged with establishing a substance use recovery services advisory committee to make recommendations for implementation of a substance use recovery services plan. By December 1, 2021, the director of the Health Care Authority is tasked with providing a progress report on the development of the plan. The sponsor of the bill, Sen. Manka Dhingra, voted against her own bill because possession of controlled substances at personal use levels did not remain decriminalized; she argued that the criminal justice system is not the solution to substance abuse. A mix of republicans and democrats approved the bill 28-20. **The bill is scheduled for a public hearing in the House Appropriations Committee on Monday, April 19 at 9:00am.**

Meanwhile, the House introduced [House Bill 1578](#) this week. The Health Care Authority is charged with establishing a substance use recovery services plan. The bill makes possession of controlled substances at a personal use level a civil infraction and requires the individual to be referred to a BHASO for evaluation and services. Possession is a gross misdemeanor for those under 21, or in amounts more than personal use amounts that are identified in the bill. The bill establishes personal use amounts of controlled substances and directs the Health Care Authority to review personal use amounts annually, starting on December 1, 2021. Additionally, each BHASO in the state is directed to develop a community-based outreach and intensive case management program to provide intake, assessment, and referral services to individuals with substance use disorder. Beginning July 1, 2022, law enforcement must receive training regarding interaction with persons with substance use disorders, including referral to services.

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.

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, - 4/19 @ 9:00am



SB 5476 - Public Hearing - Addressing the State v. Blake decision. (Remote testimony.)

Appropriations (House) - Virtual, - 4/21 @ 9:00am

SB 5476 - Exec Session - Addressing the State v. Blake decision.

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 in the following lists are considered “alive.”

Lobbying

<u>Bill Details</u>	<u>Status</u>	<u>Sponsor</u>	<u>Position</u>
<u>E2SHB 1069</u> Local gov fiscal flexibility Concerning local government fiscal flexibility.	H Spkr Signed	Pollet	Support
<u>E2SHB 1152 (SB 5173)</u> Comp health districts Supporting measures to create comprehensive public health districts.	H Passed FP	Riccelli	Concerns
<u>SHB 1225</u> School-based health centers Concerning school-based health centers.	Del to Gov	Stonier	Support
<u>SHB 1309</u> Levy certification dates Concerning the dates of certification of levies.	C 42 L 21	Eslick	Support
<u>SHB 1502</u> Electric ferries/counties Concerning the procurement and design of electric ferries by counties.	H Spkr Signed	Pollet	Support

Monitoring

<u>Bill Details</u>	<u>Status</u>	<u>Sponsor</u>	<u>Position</u>
<u>ESHB 1070</u> Housing/local tax revenue Modifying allowed uses of local tax revenue for affordable housing and related services to include the acquisition and construction of affordable housing and facilities.	C 27 L 21	Ryu	
Housing/revenue source	S 2nd Reading	Ormsby	



[E2SHB
1277](#) (SB
5279)

Providing for an additional revenue source for eviction prevention and housing stability services.

[ESHB
1332](#) (SB
5402)

Property tax deferral/COVID

Del to Gov

Sullivan

Concerning property tax deferral during the COVID-19 pandemic.

[ESHB
1368](#) (SB
5344)

Federal funding/COVID-19

C 3 L 21

Ormsby

Responding to the COVID-19 pandemic through state actions supported by federal funding.

[ESHB
1410](#)

Home foreclosure/taxes

S Passed 3rd

Volz

Protecting taxpayers from home foreclosure.

[SB 5279](#)
([E2SHB
1277](#))

Housing/revenue source

S Housing & Loca

Robinson

Providing for an additional revenue source for eviction prevention and housing stability services.

[2SSB
5368](#)

Rural economic development

H Passed 3rd

Short

Encouraging rural economic development.

[ESB
5476](#)

State v. Blake decision

H Approps

Dhingra

Addressing the State v. Blake decision.