
CITY OF GIG HARBOR

2021 LEGISLATIVE SESSION

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PURPOSE

- Overview of the 2021 Legislative Session
- Outcome of Gig Harbor's 2021 State Legislative Priorities
- Other Bills of Interest
- Next steps

OVERVIEW OF 2021 LEGISLATIVE SESSION

- Democrats hold majority in both House of Representatives (57-41) and Senate (28-21)
- First year of the two-year legislative biennium - 105 days
- Focused on adopting operating, capital, and transportation budgets
- Legislation that did not pass will “carry over” to 2022 session for consideration
- Nearly 1,500 bills introduced, 341 passed the legislature
 - 23% passage rate, 80% of those passed were sponsored by D’s
 - In 2019, 2208 bills introduced; 481 passed (22% passage rate)
 - 32% less introduced, 29% less passed
- Consequential session: capital gains, cap and trade, low carbon fuel standard

OVERVIEW OF 2021 LEGISLATIVE SESSION 2021 OPERATING BUDGET SUMMARY

- The state operating budget funds all state agency operations
- State fiscal year runs July 1, 2021 - June 30, 2023
- March revenue forecast showed rebound from pandemic, combined with federal funding
 - \$59.2 billion total budget - \$3.2 billion increase in investment compared to last biennium
- Next revenue forecast: June 2021

OVERVIEW OF 2021 LEGISLATIVE SESSION 2021 CAPITAL BUDGET SUMMARY

- The state capital budget funds public and nonprofit construction projects (excluding transportation) throughout the state
- Total capital budget: \$6.3 billion
 - Includes federal stimulus funds: \$589 million
- 222 local community projects funded at an average of \$725,000 per project
- \$82 million in bond capacity left for the supplemental budget

OVERVIEW OF 2021 LEGISLATIVE SESSION 2021 TRANSPORTATION BUDGET SUMMARY

- Transportation revenues have been heavily impacted by the pandemic. Less gas purchased, and fewer tolls paid
- I-976 overturned – Allowed legislature to appropriate \$453 million back into the 2021-23 budget
- Shortfall continues – COVID-19 creates a significant gap, in addition to the overall need for fish culvert funding and new project funding
- Federal funds utilized to continue Connecting Washington projects and to replace state-owned culverts
 - This budget fully funds the state's culvert obligation

OVERVIEW OF 2021 LEGISLATIVE SESSION DEVELOPMENT OF TRANSPORTATION REVENUE PACKAGE

- The revenue shortfall creates increased pressure to develop a package. A significant amount of progress was made this session:
 - Senate – “Forward Washington”: Draft transportation package/project list was shared in 2019 and 2020; it was revised and shared twice more this session
 - House – “Miles Ahead Washington”: Chair Fey held over 90 session with different stakeholder groups to identify the main priorities and needs for transportation. A package/project list was released this session.
 - Linkage to carbon policy - low carbon fuel standard, and cap and trade.

OUTCOME OF GIG HARBOR'S 2021 STATE LEGISLATIVE PRIORITIES

- Gig Harbor Sports Complex – partial success
- Highway 16 Congestion Improvements – partial success
- Multifamily Property Tax Exemption – partial success
- Policy Document Items – partial success

GIG HARBOR SPORTS COMPLEX

- Total request of \$3 million from three separate capital budget sources
 - \$2 million from the Local Community Projects category – did not receive
 - \$500,000 from the Washington Wildlife Recreation Program Local Parks category – did not receive
 - \$500,000 from the Land and Water Conservation Fund – **received**
- Why not more?
 - Capital budget smaller than originally expected; smaller than Governor proposed
 - Huge pressure; most communities anticipated problems in operating budget and instead sought capital
 - Delegation prioritized other projects

HIGHWAY 16 CONGESTION IMPROVEMENTS

- Congestion relief study – priority since 2016; study funded in 2017; completed in 2019
- 2021 session is the third session we've requested funding for three projects:
 - Metering on Burnham Drive for entrance to roundabout - \$500,000
 - Adding a turn lane for west bound SR 16 at Wollochet - \$400,000
 - Adding a slip lane for east bound off ramp at Wollochet - \$550,000
- Widening Wollochet identified as a long-term need - \$18m
- All four projects funded in the Senate proposal; top three funded in the House proposal
- Mayor Kuhn testified before House and Senate a total of three times this session
- Legislature did not pass a revenue package

MULTIFAMILY TAX EXEMPTION

- The City's goal was to ensure it had access to the local-option property tax exemption for affordable housing
- The Legislature began debating extension and expansion of the current program in 2020
- SB 5287 introduced last session; negotiated all session long
 - As introduced would have been unworkable for small cities like Gig Harbor; we opposed
 - As passed, the bill still allows Gig Harbor to utilize the program
 - There are lengthy legislative requirements that must be satisfied, and the authority expires at the end of 2026
- The Department of Commerce will be undertaking a study on implementation of the new law – presumably this will lead to additional discussions about whether to extend again

POLICY DOCUMENT ITEMS

- Open Public Meetings Act Flexibility – HB 1056 did not pass
- Main Street Program – HB 1279 passed; budget provides an additional \$1 million for the program
- Federal Funding Allocation
 - CARES Act - \$2.2 billion via HB 1368
 - American Rescue Plan Act via operating and capital budgets
 - \$4.25 billion total
 - \$1 billion set aside
- Culvert Funding
 - State fully funds its responsibility through federal funds
 - Cities are directed to the Brian Abbot Fish Barrier Removal Board program
 - \$400,000 provided to complete an inventory

RESPONDING TO OTHER OPPORTUNITIES & RISKS

- Blake decision – SB 5476
 - Supreme Court threw out criminal possession statute – SB 5476 makes it a misdemeanor
 - Diversion is required; funding is provided:
 - \$45 million for grants to counties to assist with resentencing
 - \$23 million for grants to counties to assist with LFO refunds
 - Nearly \$80 million for additional treatment, outreach, housing, therapeutic courts
- Siting Shelters – HB 1220
 - Must allow transitional and permanent supportive housing in any zone allowing residential or hotels
 - Indoor emergency shelters and emergency housing must be allowed in any zone allowing hotels, or in a majority of the zones within one-mile of transit
- Utility Liens – HB 1421 did not pass

RESPONDING TO OTHER OPPORTUNITIES & RISKS

- GMA
 - HB 1099 – adding climate change to the GMA
 - HB 1117 – adding salmon recovery to the GMA & net ecological gain
 - HB 1241 – changing the update cycle from 8 to 10 years
 - SB 5368 – annexation reform
 - Legislative task force
- Additional Budget Items
 - \$3 million for 5 additional BLEA classes
 - \$250,000 for DNR to provide grants to local law enforcement to assist in enforcing vessel registration

NEXT STEPS

- Special session to adopt a transportation revenue package?
- Redistricting Commission meeting through the year – recommendations to the Legislature in early 2022
- Legislature meets for pre-session committee days in September & December
- Governor's proposed supplemental budgets in early December
- 2022 legislative session begins January 10

QUESTIONS?

It is a privilege to represent the City of Gig Harbor!

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