



City of Lake Forest Park

End-of-Session Report

June 1, 2023

Overview of the 2023 Legislative Session

The 2023 Legislature convened for a 105-day session that was conducted in person for the first time since the onset of the COVID-19 pandemic. This year's session was the first of the two-year legislative cycle, and legislators were keen to resume their policymaking work at the Capitol campus. Over 2,100 pieces of legislation were introduced this session, and the Legislature approved 485 bills.

The Legislature also enacted the Capital, Operating, and Transportation budgets for the 2023-25 biennium.

On the final evening of the legislative session, the House of Representatives debated a compromise version of [Senate Bill 5536](#) sponsored by Senator June Robinson (D- Everett), concerning possession of controlled substances. The bill did not pass, and Washington's current law on drug possession will expire at the end of June. Governor Inslee called for a special session of the Legislature to give lawmakers another opportunity to set forth a statewide policy before the current statute expires. Legislators from all four caucuses negotiated a compromise bill that was debated on May 16th and ultimately passed the Legislature with bipartisan support. See below for more details on this policy.

The Association of Washington Cities has provided a summary of legislative action related to the AWC priorities, available on the [AWC website](#).

Budget Highlights

2023-25 Biennial Operating Budget: The state's Operating budget funds all state agency operations, including K-12 education, higher education, human service programs, and more. The 2023-25 biennial Operating budget appropriates \$69.8 billion, a net increase of \$2.4 billion. Approximately \$412 million in Climate Commitment Act revenues are budgeted for policy-level items in the budget. An ending fund balance of \$1.4 billion in general funds is projected for the 2023-25 biennium, and total reserves are projected at \$3.6 billion.

The Legislature considered the changing fiscal environment in developing the biennial Operating budget. Federal funding streams that were temporarily enhanced due to the COVID-19 pandemic are beginning to phase out as the declaration of federal public health emergency expired on May 11th. Inflation and forecasts indicating slower than average revenue growth over the next two biennia also factored into the budget considerations.

The Operating budget makes significant investment in the K-12 education system, higher education, behavioral health, health care, long-term care, child welfare, carbon reduction, public safety, and housing and homelessness supports. Highlights of investments related to local governments include:

Public safety:

- \$3.4 million for six additional Basic Law Enforcement Training Academy (BLEA) classes, for a total of 23 classes in both 2024 and 2025
- \$11.3 million for six additional BLEA classes beginning in 2024 at three new regional training academies (Pasco, Skagit County, and Clark County)
- \$3 million for grants to local law enforcement for vehicle pursuit management technology
- \$5.3 million for cities and counties to assist with alternative response team programs
- \$115.8 million to assist with vacating and resentencing under the *State v. Blake* decision and refunding legal financial obligations
- \$29.6 million for therapeutic courts

Behavioral health:

- \$108.7 million for forensic mental health and continued implementation of the *Trueblood* settlement
- \$21.5 million for crisis triage, relief, or stabilization centers
- \$44 million for the recovery navigator program
- \$44.4 million for behavioral health mobile crisis response teams
- \$69.3 million for 988 crisis response

Housing and homelessness:

- \$150 million for the new Covenant Homeownership Program
- \$150 million to transition individuals living in encampments to housing
- \$130 million for the Housing and Essential Needs program
- \$111 million for emergency housing and rental assistance

Climate and Energy

- \$138 million for community electric vehicle charging infrastructure
- \$10 million to support municipalities in siting and permitting clean energy projects
- \$6 million to increase capacity for urban forestry programs
- \$35 million for utility assistance through the existing low-income home energy assistance program (LIHEAP) network

2023-25 Biennial Capital Budget: The Capital budget funds brick-and-mortar construction, excluding transportation. The 2023-25 biennial Capital Budget authorizes total expenditures of \$9 billion. Of this amount, \$4.7 billion is financed with general obligation bonds. Additionally,

\$95.4 million in bond capacity is reserved for a supplemental capital budget. The Capital budget reappropriates \$7.6 billion for projects that were previously authorized but not yet completed.

Housing, behavioral health, and infrastructure are key areas of investment in the enacted Capital budget.

Housing

- \$400 million for the Housing Trust Fund
- \$60 million for Connecting Homes to Infrastructure program (CHIP) grants to local governments
- \$50 million to match private investment for grants to support transit-oriented development

Behavioral health

- \$211 million for behavioral health capacity grants, including \$133 million for 18 projects across the state that will provide regional behavioral health and substance use services.

Infrastructure and built environment

- \$400 million for the Public Works Assistance Account
- \$68 million for the Stormwater Financial Assistance program
- \$115 million for Remedial Action Grants
- \$670 million for the Water Pollution Control Revolving Loan program
- \$25 million for the Community Economic Revitalization Board
- \$200 million for broadband grants and loans
- \$95 million for Salmon Recovery Funding Board grants and \$25 million for riparian area grants
- \$120 million for the Washington Wildlife and Recreation program
- \$48.4 million for the Fish Barrier Removal Board
- \$150 million for various clean energy and energy efficiency efforts

2023-25 Biennial Transportation Budget: The Transportation budget funds capital facilities investments as well as operating programs for the transportation system in the state. The budget includes total appropriations of approximately \$13.5 billion, including approximately \$970 million in Climate Commitment Act funding. CCA funds are appropriated to support carbon-reducing projects and programs, such as multi-modal facilities, public transit, and transportation electrification efforts.

Highlights of importance for local governments include:

- \$1 billion for fish passage
- \$287 million for the Transportation Improvement Board, including \$14.6 million for Complete Streets grants and \$9 million in preservation funding for cities
- \$70.8 million for Safe Routes to Schools grants
- \$72.2 million for Pedestrian and Bicycle Safety programs
- \$45.7 million for the Freight Mobility Strategic Investment Board
- \$11.5 million to address homeless encampments within state-owned rights-of-way in coordination with local governments

The 2023-25 Transportation budget also modified the phasing for many projects included in the 16-year Move Ahead Washington transportation package passed by the Legislature in 2022. The updated project list can be viewed [here](#).

For additional detail on aspects of the three biennial budgets relevant to local governments, refer to the Association of Washington Cities [budget matrix](#).

Lake Forest Park Top Priorities

Lyon Creek Fish Barrier Removal

The City requested funding to complete the construction of a new culvert to replace the city owned barrier near State Route 104 on Lyon Creek. Since the City is now represented by the 1st legislative district, we hosted a tour in November 2022 to show the 1st district legislators the work that has been done to date on restoring fish passage on Lyon Creek and the remaining barriers that need to be addressed. All three legislators were motivated to help the City continue to remove the barriers on Lyon Creek. Senator Derek Stanford, Rep. Davina Duerr and Rep. Shelley Kloba sponsored the City's capital budget request of \$1.77 million.

The House proposed capital budget did not include any funding for the City's request, or any other fish barrier removal projects. The House Capital Budget Chair was reluctant to fund fish barrier projects outside the recommended list that is developed biannually by the Brian Abbot Fish Barrier Removal Board. This has been his position for years and makes it difficult to secure fish passage funding outside the FBRB process. The Senate proposed capital budget included the full funding for the City's project, along with the 3% fee that would be charged by the Department of Commerce for administering the grant. We advocated that the final budget include the Senate level of funding. Rep. Duerr and Rep. Kloba followed up with the House Capital Budget Chair several times to convey the value of this project to their district and request that the funding be included in the final budget. Ultimately, the efforts paid off.

The final capital budget includes \$1.82 million for the Lyon Creek Culvert in Lake Forest Park! This is not only a higher funding level than the average appropriation, but also funding for a locally owned culvert outside of the preferred pathway of competing for awards through the Brian Abbot Fish Barrier Removal Board. This success would not have been possible without the support and persistence of the City's legislators.

State Route 104 Investments

The City's request around State Route 104 was three-fold. First, we requested \$900,000 to address the funding gap for the SR 104 Roundabout. Our state legislators sponsored the transportation budget request and were informed early on that there was no new revenue for projects. There were higher than anticipated revenues from the first Climate Commitment Act auction, but that funding is legislative restricted to projects and programs that reduce carbon emissions. Unfortunately, the final transportation budget does not include new funding for the State Route 104 roundabout.

The second component of the SR 104 priority was a general request for bicycle/pedestrian improvements. The transportation budget allocates \$51.9 million toward the WSDOT Pedestrian/Bicycle Safety program which administers grants to local governments. Once the City identifies the specific improvements to be made to this corridor, there are grant opportunities to pursue.

Finally, the City requested the state invest in the maintenance of SR 104. The Move Ahead WA package from 2022 made significant investments in maintenance and preservation of state highways but the 2023-25 state budget defers some of that maintenance funding. However, now that WSDOT knows how much funding they have available for funding maintenance and preservation in the next two years, they will be updating their plans. The best way to ensure SR 104 is prioritized for maintenance is to work with the WSDOT Regional Administrator, which GTH can help facilitate.

City Financial Challenges

Three proposals were introduced this session that would have lifted the one percent limit factor on property tax for local governments, but none were passed. [SB 5618](#) sponsored by Senator Patty Kuderer (D- 48th LD), revised the property tax cap for local governments to account for inflation and population growth up to three percent. The bill was heard, but not advanced out of committee. [HB 1670](#) sponsored by Representative Timm Ormsby (D-3rd LD), would have revised the property tax cap for local governments from one percent to three percent, but did not contain provisions related to inflation or population growth. The bill did not advance out of the House Rules Committee. [SB 5770](#) sponsored by Senator Jamie Pedersen (D- 43rd LD) was introduced late in the session and took a similar approach to Senate Bill 5618, adjusting the property tax limit to account for inflation and population growth up to three percent. The bill did not receive any action in its referred fiscal committee.

North King County Crisis Receiving Center

The Cities of Lake Forest Park, Bothell, Kenmore, Kirkland, and Shoreline formed the Regional Crisis Response Agency (RCR) to provide consolidated and standardized regional mobile crisis response services for the five-city region. A key component in the continuum of behavioral health care is *somewhere to go*, a crisis stabilization facility. The cities have been coordinating for several years to provide a facility for the region and over the last year have been advocating at the state level for the necessary funding. Leading up to and throughout the legislative session, GTH participated in routine coordinating meetings with the government affairs team at Connections Health Solutions and the contract lobbyist for the other cities. To our great surprise and delight, the facility received full funding via state grants and other sources just prior to the legislative session. This meant that the session was focused on policies that would support the prompt delivery of the project. The main policy we supported was [Senate Bill 5120](#), sponsored by Senator Manka Dhingra (D- Redmond), which creates a licensing pathway for 23-hour crisis relief centers. Prior to passage of this bill, there was no licensing process for the type of facility envisioned in North King County. These facilities are open 24 hours per day, seven days a week, offering behavioral health to adults for no more than 23 hours and 59 minutes at a time. The centers will accept walk-ins and drop-offs from first responders and individuals referred through the 988 system and have a no-refusal policy for individuals dropped off by law enforcement.

Other Legislative Priorities

City Tools and Resources

State-shared revenues: The enacted 2023-25 Operating budget maintains or increases the amounts of state-shared revenues compared to the current biennium.

- Liquor Revolving Account (liquor profits): \$98.9 million (same)
- Liquor Excise Account (liquor taxes): \$89.4 million (increase of \$2.1 million)

- Cannabis Excise Tax: \$50.5 million (increase of \$4.9 million)
- Municipal Criminal Justice Assistance Account: \$51.2 million (increase of \$6 million)

Infrastructure funding: The Legislature considered legislation that would have created a Public Works Revolving Trust Account in the State Treasury to be used for loans or grants to local governments for financing public works projects through the Public Works Board. If the legislation had been approved, the measure would have gone before the voters to amend the state Constitution. The policy did not receive enough support to advance this session. However, as noted above, the enacted budgets appropriate funding for infrastructure needs. Highlights include:

- \$400 million for the Public Works Assistance Account
- \$68 million for the Stormwater Financial Assistance program
- \$115 million for Remedial Action Grants
- \$670 million for the Water Pollution Control Revolving Loan program
- \$25 million for the Community Economic Revitalization Board
- \$200 million for broadband grants and loans
- \$120 million for the Washington Wildlife and Recreation program
- \$48.4 million for the Fish Barrier Removal Board
- \$287 million for the Transportation Improvement Board
- \$70.8 million for Safe Routes to Schools grants
- \$72.2 million for Pedestrian and Bicycle Safety programs
- \$45.7 million for the Freight Mobility Strategic Investment Board

REET for affordable housing: Local governments supported [HB 1628](#) sponsored by Representative Frank Chopp (D- 43rd LD), which would have modified the state real estate excise tax (REET) and allow a county or city to impose an additional 0.25 percent REET for the construction of affordable housing, but the bill did not pass this session. A significant opposition effort was undertaken by the real estate community to stop the bill and it did not advance out of its assigned fiscal committee.

Recyclable Materials and Solid Waste

Responsible environmental management of batteries: [E2SSB 5144](#) sponsored by Senator Derek Stanford (D- 1st LD) requires each producer selling or distributing covered batteries in Washington to participate in and fund an approved battery stewardship organization. Each battery stewardship organization must submit a plan for covered portable batteries to the Department of Ecology for approval by July 1, 2026, or within six months of program rules. Battery stewardship programs must provide for the collection of all covered batteries. Local government facilities may collect batteries at their own expense and must process them in a manner that meets the same standards as those implemented by battery stewardship organizations.

Did not pass: [House Bill 1131](#), commonly referred to as the *Washington Recycling and Packaging Act*, requires producers of certain paper products and packaging to participate in and fund the operations for a producer responsibility organization to collect and manage the packaging from consumers. The bill was pulled from the Rules committee but was not brought to

the House floor for a vote prior to the House of Origin cutoff deadline. This was the second year this concept was considered and underwent significant changes from the initial introduction last year. With major policy shifts like this bill is proposing, it often takes several years to strike a balance between proponents and opponents. Since this is the first year of the biennium, this bill will automatically be reintroduced next session for consideration.

Housing

Enacting policies and budgets that meaningfully address the housing shortage was a top priority for the Legislature this session. Policy makers were guided by a report by the Department of Commerce stating that Washington State needs about one million additional homes by 2044 to adequately accommodate projected population growth. Of those one million homes, approximately 525,000 of those units need to be either affordable to households at or below 50 percent of area median income or affordable to extremely low-income households. Legislators cited these data points in committee hearings throughout the legislative process to underscore the urgent need for housing policy solutions.

In addition to the budget investments in housing and homelessness supports outlined above, the Legislature also included the following housing-related items in the Operating budget:

- \$18 million to help address the Document Recording Fee revenue shortfall for local governments to implement homeless services
- \$45.6 million to increase homeless service grantee contracts
- \$5 million for eviction prevention, including tenants' right to counsel
- \$4 million in one-time funding for the Homeless Prevention and Diversion Fund
- \$2 million for the Homeless Student Stability program
- \$1 million for the Washington Youth and Families Fund
- \$5 million for civil legal information, advice, and representation for tenants at risk of eviction

The Legislature considered several policy approaches aimed at bringing more housing to market, tenant protections and other policies aimed at keeping individuals housed, and boosting homeownership. Additionally, Governor Inslee introduced a proposal to issue bonds to generate \$4 billion for affordable housing and other types of housing to address homelessness over a six-year period. The concept was given serious consideration by the Legislature but would have required voter approval. Instead, legislators chose to increase its support for housing through budget appropriations and passed several policy bills to respond to the housing shortage.

Bringing more housing to market:

Condominiums: [SB 5058](#) sponsored by Senator Mike Padden (R- 4th LD), and [E2SSB 5258](#) sponsored by Senator Sharon Shewmake (D- 42nd LD), work in tandem to reduce barriers to condominium and townhouse development, which was viewed as an avenue for increasing homeownership opportunities for first-time homebuyers and seniors seeking to downsize into a more manageable property. Senate Bill 5058 exempts buildings with 12 or fewer units that are no more than two stories from condominium liability. Senate Bill 5258 contains several provisions aimed at boosting construction and homeownership of condominiums and townhomes. It modifies the requirements for claims regarding construction defects and makes the qualified warranty program available to developers subject to the Uniform Common Interest Ownership Act. It exempts certain sales of condominiums and townhomes from the real estate excise tax

(REET) and creates the Down Payment Assistance Account for buyers purchasing a condominium or townhome. The REET exemption does not apply to sales of condominiums and townhomes that are constructed in buildings qualifying for the multi-family property tax exemption.

Middle housing types: [E2SHB 1110](#) sponsored by Representative Jessica Bateman (D- 22nd LD) requires cities to authorize minimum housing development densities in residential zones depending on their population size, ranging from a minimum of two to at least six units per lot. The bill provides an alternative to the density requirements by allowing cities to implement the requirements in at least 75 percent of lots zoned single-family if the remaining portion of lots meet certain criteria. Under the alternative density option, any areas at high risk of displacement may be excluded from the 75 percent of lots subject to minimum density requirements. Cities may allow accessory dwelling units to achieve the unit density required and can limit the areas subject to the density requirements in accordance with water supply capacity. Cities may apply objective development regulations currently applied to single-family residences in accordance with existing ordinances intended to protect critical areas and public health.

While the bill had bipartisan backing that carried it to the finish line, local governments took varying and nuanced positions on the legislation. The prime sponsor held stakeholder discussions with the Association of Washington Cities and individual cities which resulted in key changes, including allowing the Department of Commerce to approve comprehensive plans from cities with land use regulations that are substantially similar to the bill's provisions and providing for an alternative compliance pathway. The Association of Washington Cities arrived at a supportive position in the waning weeks of the legislative session.

The Operating budget appropriates \$2 million for grants to implement the bill.

Accessory Dwelling Unit regulations: [EHB 1337](#) sponsored by Representative Mia Gregerson (D- 33rd LD) requires cities and counties planning under the Growth Management Act to allow the construction of at least two accessory dwelling units (ADUs) per lot within urban growth areas. Local governments are prohibited from imposing certain regulations or restrictions on ADU construction, including gross floor area requirements and roof height limits. The bill prohibits owner-occupancy requirements as well as off-street parking requirements within one-half mile walking distance a major transit stop. Local governments may restrict the use of ADUs for short-term rentals and prohibit the construction of ADUs on lots not served by public sewers. Of the two proposals mandating the allowance of ADU construction, local government stakeholders generally preferred the other bill, [SB 5235](#), because it was less prescriptive, but the Legislature ultimately chose this bill as the vehicle for enacting ADU policy.

Use of existing buildings for residential purposes: [ESHB 1042](#) sponsored by Representative Amy Walen (D- 48th LD) prohibits cities from imposing certain restrictions on existing buildings zoned for commercial or mixed use. Cities must allow the addition of housing units at a density up to 50 percent more than what is allowed in the underlying zone if built entirely within the building's envelope and cannot impose additional parking requirements. Cities may not prohibit the addition of housing units in any specific part of a building except ground floor commercial retail spaces along a major pedestrian corridor. The bill advanced quickly in its house of origin despite concerns raised by local governments regarding provisions contained in the original draft. The Senate amended the bill to address many of the concerns.

SEPA exemption for housing: [2SSB 5412](#) sponsored by Senator Jesse Salomon (D- 32nd LD) expands the infill development categorical exemption from the State Environmental Policy Act (SEPA) to include housing development. All project actions that propose to develop residential housing units within the incorporated portions of urban growth areas or middle housing within the unincorporated areas of urban growth areas are categorically exempt from SEPA. Before adopting the categorical exemptions, jurisdictions must satisfy certain criteria, including that the development is consistent with development regulations under the comprehensive plan and that the city or county has prepared an environmental analysis that considers the proposed use or intensity of use in the area and that analysis has been conducted regarding multi-modal transportation impacts. The Association of Washington Cities was a strong proponent of the legislation as it reflected a policy recommendation of the AWC Housing Solutions Work Group. The Operating budget appropriates \$20 million for grants to assist with updating comprehensive plans, including the requirements contained in this bill.

Consolidating local permit review processes: [2SSB 5290](#) sponsored by Sen. Mark Mullet (D- 5th LD), requested by the Governor's Office, establishes a consolidated permit review program for local governments to issue final decisions for residential permit applications within specified time frames. Local governments are required to exempt project permits for interior alterations from site plan review under certain conditions. The bill requires local governments to refund a proportion of the permit fees if they have not issued a final decision by the established time period. The requirements take effect after January 1, 2025. A grant program is established in the legislation to support local governments' transition from paper to digital permit filing systems. The Operating budget provides \$3 million for grants to assist local governments with implementation of the bill.

Did not pass: Not reaching the finish line this session was [SB 5466](#) sponsored by Senator Marko Lias (D- 21st LD), which would have required cities planning under the Growth Management Act to allow multi-family housing projects within transit station areas to be developed at transit-oriented density maximum floor area ratios. The bill was introduced at the request of the Governor's Office and the Seattle-area business community was the primary proponent. Local governments held mixed perspectives on the bill. Some were supportive of its policy goals while others expressed concern about the floor area ratios and potentially broad application based on the many types and frequencies of public transit service as outlined in the original draft. The Puget Sound Regional Council created a map illustrating the areas where such development would be allowed according to the availability of transit service as defined in the bill that indicated almost the entire Central Puget Sound region would be subject to its provisions, raising alarm among many stakeholders. The bill was amended late in the process to include an affordability requirement for housing development that did not receive broad support from the construction and real estate industries, which had been supportive of the legislation. A compromise to address stakeholder's diverging perspectives on the bill could not be reached by the time the Legislature adjourned.

Another bill aimed at increasing housing construction, [HB 1245](#) sponsored by Representative Andrew Barkis (R- 2nd LD), also failed to pass this session. The bill would have required cities planning under the Growth Management Act to allow the splitting of a single residential lot into two residential lots. While there was momentum behind this legislation as a viable tool to foster

more infill residential development, it was unclear how the policy would interact with the middle housing and accessory dwelling unit bills.

Affordable housing:

Incentives for Accessory Dwelling Units Rented to Low-Income Households: [E2SSB 5045](#) sponsored by Senator Patty Kuderer (D-48th LD), authorizes King County to offer a property tax exemption for accessory dwelling units that are rented to households whose adjusted income is at or below 60 percent of median household income. Rent charged to the tenant must not exceed 30 percent of the tenant's monthly income, and the ADU must not be occupied by a person under the age of 60 who is an immediate family member of the taxpayer.

Surplus public property for affordable housing: [HB 1695](#) sponsored by Representative Emily Alvarado (D- 34th LD) updates the definition of affordable housing for a public benefit purpose in the context of local governments' authority to dispose of surplus public property for public benefit. As outlined in the legislation, affordable housing refers to rental housing, including rent and utilities, whose cost does not exceed 30 percent of the household's monthly income. For permanently affordable homeownership, the total cost of mortgage principal and interest, property taxes, homeowner's insurance, homeowner's association fees, and land lease fees must not exceed 38 percent of the household's monthly income.

Waiving municipal utility connection charges for affordable housing: [SHB 1326](#) sponsored by Representative Julio Cortes (D- 38th LD) authorizes municipal utilities to establish a program to waive connection charges for properties used by a non-profit organization, housing authority, local agency, or other organization that provides emergency shelter, transitional housing, permanent supportive housing, or affordable housing. Any waived connection charges must be funded through general funds, grant dollars, or another identified revenue stream.

Local governments supported [HB 1628](#) sponsored by Representative Frank Chopp (D- 43rd LD), which would have modified the state real estate excise tax (REET) and allow a county or city to impose an additional 0.25 percent REET for the construction of affordable housing, but the bill did not pass this session. A significant opposition effort was undertaken by the real estate community to stop the bill and it did not advance out of its assigned fiscal committee.

Tenant protections and housing retention:

Flexibility on affordable housing and mental health funding: [SSB 5604](#) sponsored by Senator June Robinson (D- 38th LD) allows all jurisdictions to use revenue from the affordable and supportive housing sales tax for rental assistance, and allows counties to use chemical dependency and mental health services tax revenue for modifications to existing facilities to address health and safety needs. Local governments may retain up to 10 percent of the affordable and supportive housing tax for administrative costs.

Relocation assistance for tenants of closed manufactured/mobile home parks: [HB 1771](#) sponsored by Representative Brandy Donaghy (D- 44th LD) extends the time period in which tenants have to take necessary actions to receive relocation assistance from within 90 days of receiving the initial cash assistance to until the park closure date. Tenants who reinstall their home within 12 months are also eligible to receive the remainder of eligible assistance.

Sale or lease of manufactured/mobile home communities: [E2SSB 5198](#) sponsored by Senator Noel Frame (D- 36th LD) sets forth notice requirements when a landlord plants to close or convert a manufactured/mobile home community (MHC). It requires landlords to provide two years' notice for closure or conversion of an MHC and written notice of opportunity to compete to purchase when selling or leasing the MHC.

Foreclosure protections: [HB 1349](#) sponsored by Representative Tina Orwall (D- 33rd LD) modifies the timeline for referral to pre-foreclosure mediation to provide that a borrower may be referred to mediation no later than 90 days before the date of sale is listed in the Notice of Trustee Sale, instead of no later than 20 days from the date the Notice is recorded. The bill makes it unlawful to seek or receive financial compensation for locating or purporting to purchase surplus funds held by a court or county resulting from a foreclosure where the fee is in excess of five percent of the value reasonably expected to be recovered.

Tenant protections: Two bills concerning tenant protections were approved. [HB 1074](#) sponsored by Representative My-Linh Thai (D- 41st LD), requires landlords to provide documentation substantiating the cost of any damages withheld from a tenant's deposit. The bill was passed in both chambers on party-line votes. [ESSB 5197](#) sponsored by Senator Patty Kuderer (D- 48th LD) modifies several aspects of the eviction process, including allowing remote participation by any party in forcible and unlawful detainer actions, and allowing tenants who provide a pledge of financial assistance letter to satisfy an unlawful detainer judgment and have their tenancy restored.

Did not pass: Three proposals concerning residential rent practices were considered, but not passed, this session. [HB 1388](#) sponsored by Representative Nicole Macri (D- 43rd LD) would have prohibited landlords from charging excessive rent or higher rent based on the terms of payment or whether the lease was month-to-month or longer term. [HB 1389](#) sponsored by Representative Alex Ramel (D- 40th LD) would have prohibited landlords from increasing rent in an amount greater than the rate of inflation or three percent, up to a maximum of seven percent above the existing rent. [HB 1124](#) sponsored by Representative Strom Peterson (D- 21st LD) would have required landlords to provide at least 180 days' notice for rent increases of more than five percent. The bills were supported by low-income housing advocates, but strongly opposed by landlords.

Boosting homeownership:

Creating the covenant homeownership account: [2SHB 1474](#) sponsored by Representative Jamila Taylor (D- 30th LD) establishes and funds the Covenant Homeownership Program to provide down payment and closing cost assistance to economically disadvantaged households. The Covenant Homeownership Program is funded through a \$100 document recording fee collected by county auditors. The Department of Commerce must contract with the Washington State Housing Finance Commission to create a Special Purpose Credit Program to provide down payment and closing cost assistance to economically disadvantaged homebuyers. An oversight committee is established in the bill and the Housing Finance Commission must complete an initial study of the new program by March 2024 and every five years after. The bill passed on party lines in both the House and Senate. Support from the real estate community for the underlying policy despite the imposition of the document recording fee was important for the bill's momentum.

Public Safety

The Legislature grappled with controversial policies in the public safety arena that were outstanding from the 2021 legislative session. The primary issues were peace officer vehicular pursuits and new legislation in response to the *State v. Blake* Supreme Court decision, which struck down Washington's law on possession of controlled substances as unconstitutional. The latter issue presented an especially urgent matter for the Legislature, as the 2021 law classifying possession of controlled substances as a misdemeanor is set to expire at the end of June 2023.

Peace officer vehicular pursuits:

In 2021, the Legislature passed legislation requiring probable cause, rather than reasonable suspicion, to believe that a person in the vehicle has committed certain offenses for an officer to engage in a vehicular pursuit. Law enforcement agencies expressed concern about this higher threshold and continued to do so, prompting follow-up legislation in the 2022 session to restore the standard of reasonable suspicion. The policy was not supported by police reform advocates and did not pass during the short session.

Policy dialogue around the vehicular pursuits issue continued to be contentious this session. The Washington Association of Sheriffs and Police Chiefs and many local governments advocated for restoration of the reasonable suspicion standard, citing examples of individuals who had eluded police apprehension since the 2021 law went into effect. Police reform advocates held the position that vehicular pursuits represent a danger to the public and noted that the number of people injured or killed from vehicular pursuits has decreased since 2021. The Chair of the Senate Law and Justice Committee refused to hold a hearing on [ESB 5352](#) sponsored by Senator John Lovick (D- 44th LD), out of concern that reverting back to the reasonable suspicion threshold would result in more dangerous pursuits.

Senate Bill 5352 was ultimately passed by the Legislature, its forward progress aided by a suspension of the rules in the Senate that brought the bill up for floor debate just in time for the house-of-origin cutoff. It lowers the evidentiary threshold for engagement in vehicular pursuits from probable cause to reasonable suspicion for specific crimes: a violent offense, a sex offense, a vehicular assault offense, an escape offense, driving under the influence, or a domestic violence assault offense. The pursuit must be necessary for the purpose of identifying or apprehending the person, and the fleeing person must pose a serious risk of harm to others. Its companion bill, [HB 1363](#) sponsored by Representative Alicia Rule (D- 42nd LD), was advanced by its assigned policy committees but because the Senate version advanced out of its chamber of origin, it became the vehicle for enacting the final policy.

Proposals establishing a work group on the vehicular pursuits issue were also introduced and considered this session but did not pass. [SB 5533](#) sponsored by Senator John Lovick (D- 44th LD), would have directed the Criminal Justice Training Commission (CJTC) to convene a work group to develop a model vehicle pursuit policy and establish a grant program for modern vehicle pursuit technology. [HB 1586](#) sponsored by Representative Roger Goodman (D- 45th LD), would have directed the CJTC to convene a work group to develop legislative policy recommendations on vehicular pursuits and establish a grant program similar to what was proposed in SB 5533. While the Legislature did not approve either of these bills, \$3 million was

appropriated in the 2023-25 Operating budget to fund a law enforcement technology grant program for modern vehicle pursuit management technology.

State v. Blake/possession of controlled substances:

The Senate took the lead on introducing policy approaches to the possession of controlled substances issue. Four proposals were introduced, and all would have repealed the current statute classifying drug possession as a misdemeanor and requiring law enforcement to make referrals to substance use assessment and treatment on two occasions before charges may be filed. Aside from that common thread, the four bills differed in their perspectives on how the offense should be classified and handled through the justice system.

[SB 5536](#) sponsored by Senator June Robinson (D- Everett), was chosen to advance in the legislative process. As passed by the Senate, the bill classified possession of controlled substances as a gross misdemeanor and contained provisions outlining the procedure for pretrial diversion and vacation of convictions. The bill passed the Senate by a narrow margin of 28-21, with a bipartisan mix of votes on both sides of the tally. In the House, the bill was amended to reduce the crime of possession down to a simple misdemeanor, which carries a sentence of up to 90 days in jail, rather than the gross misdemeanor sentence of up to 364 days. The House version also added the crime of drug use in a public place as a misdemeanor. The House passed the bill 54-41, with a few Democrats joining the Republicans in voting against it. The Senate refused to concur with the House's amendments, so the bill then went to conference.

The conference committee's recommendation went back to classifying possession as a gross misdemeanor as passed by the Senate, with the addition of classifying use in a public place as a gross misdemeanor as passed by the House. The bill was brought up for floor debate in the House on the final evening of the legislative session. The conference committee's recommendation was defeated by a vote of 43-55, with 15 Democrats joining the Republicans in opposing the bill. Following adjournment of the regular session, Governor Inslee called for a special session to begin on May 16th.

Legislators from all four caucuses met with one another and impacted stakeholders to draft a compromise bill. On May 16th the House and Senate convened for a special session to debate and vote on a [striking amendment](#) to Senate Bill 5536. The Senate passed the bill 43-6, with three Democrats and three Republicans voting in opposition. The House passed the bill 83-13, with nine Democrats and four Republicans voting in opposition, and two Representatives excused. In summary, the bill:

- Establishes knowing possession of a counterfeit or controlled substance as a gross misdemeanor. It also establishes use of a counterfeit or controlled substance in a public place as a gross misdemeanor. Both are subject to a sentence of up to 180 days, a fine of no more than \$1,000, or both, for the first two offenses. If a defendant has two or more prior convictions after July 1, 2023, the potential confinement increases to up to 364 days in jail and/or a fine of \$1,000.
- Diversion is required if the individual is only charged with possession or public use of an unlawful substance and if the individual does not have any criminal convictions after the effective date of the bill. Otherwise, pre-trial diversion, as well as other therapeutic court alternatives, are optional. The prosecutor must agree on any diversion option, including pre-trial diversion. If the prosecutor agrees, the court must approve the defendant's

request if the individual has no other criminal offenses after the effective date of the bill and is only charged with possession or public use. Unless these criteria are met, the court has the discretion to approve the pre-trial diversion even if the prosecutor is supportive. The bill is ambivalent on diversion methods – law enforcement assisted diversion (LEAD), recovery navigator program (RNP), or an arrest and jail alternative program.

- Individuals must substantially comply with treatment for 12 months or by completing recommended treatment/services, whichever comes first.
- Local governments are preempted from regulating drug paraphernalia other than harm reduction services.
- Opioid treatment programs, recovery residences, substance use disorder treatment facilities, and harm reduction programs are added to the list of essential public facilities. Safe injection sites are specifically excluded from the definition of essential public facilities.
- The bill establishes a grant program for LEAD and funds the program at \$5 million for the 2023-25 biennium.

A side-by-side comparison of the House, Senate, conference committee, and special session striker versions of the bill can be viewed [here](#).

Additional Issues

Apprenticeship utilization requirements: [ESHB 1050](#) sponsored by Representative Marcus Riccelli (D- 3rd LD) requires public works contracts awarded by a municipality estimated to cost more than \$2 million to include specifications that no less than 15 percent of the labor hours be performed by apprentices beginning Jul 1, 2024. Beginning July 1, 2026, until July 1, 2028, apprenticeship utilization requirements apply to public works contracts estimated to cost over \$1.5 million. Beginning July 1, 2028, apprenticeship utilization requirements apply to public works contracts estimated to cost over \$1 million.

Climate change in comprehensive planning: [E2SHB 1181](#) sponsored by Rep. Davina Duerr (D-1st LD), is Governor-request legislation that amends the Growth Management Act to add a goal of climate change and resiliency to the list of elements required in comprehensive plans. It requires jurisdictions to identify actions to reduce greenhouse gas emissions and vehicle miles traveled. Jurisdictions required to review their comprehensive plans by June 30, 2025, must implement the bill's requirements. The policy for integrating climate change into the Growth Management Act has been introduced in previous legislative sessions but did not make it to the finish line. The bill's provisions were refined over time through stakeholder engagement until it reached its final form. Although the building industry still had reservations about the bill, it was able to build enough support to finally pass this session.

The Operating budget provides \$41 million for grants to assist with implementation.

Preventing Utility Shutoffs for Non-payment During Extreme Heat: [ESHB 1329](#) sponsored by Representative Sharlett Mena (D- 29th LD), by request of the Attorney General's Office, prohibits utilities from involuntarily terminating water or electric service to a residential user during days for which the National Weather Service has issued certain heat-related alerts. Utilities are required to promptly make a reasonable attempt to reconnect service to a dwelling upon receipt of a reconnection requests for a day in which there are heat-related alerts in effect. Utilities are authorized to require a payment plan prior to reconnecting service. The Attorney

General's Office was amenable to amending the bill's provisions as the bill progressed through the legislative process to address concerns from utilities regarding the technical details on temperature readings, repayment plans, and other items.

State Leadership Announcements

On May 1st, Governor Jay Inslee announced that he would not seek a fourth term. He is one of only two Washington Governors to have served three consecutive terms. On May 2nd, Attorney General Bob Ferguson announced that he had initiated an exploratory campaign for a potential gubernatorial bid. Additionally, on May 10th, Commissioner of Public Lands Hilary Franz also announced that she will campaign for Governor. On June 1st, Senator Mark Mullet (D-Issaquah) announced he will also be running for Governor. Mullet was the lead Democrat for the Senate Capital Budget this past session.

On the final day of the legislative session, House Minority Leader J.T. Wilcox (R- 2nd LD) and Deputy Minority Leader Joel Kretz (R- 7th LD) announced that they would be stepping down from their leadership positions. On April 24th, the House Republican Caucus met and elected new leaders. Representative Drew Stokesbary (R- 31st LD) and Representative Mike Steele (R- 12th LD) were selected to be the new Minority Leader and Deputy Minority Leader, respectively. Representative Stokesbary has been the House Republican lead on the Operating budget for the last four years and Representative Steele has been the House Republican lead on the Capital budget for the last two years.

Lake Forest Park Bill Tracking List – Bills that Passed the Legislature

Bill #	Abbrev. Title	Short Description	Status	Sponsor
ESHB 1042	Use of existing buildings	Concerning the use of existing buildings for residential purposes.	C 285 L 23	Walen
ESHB 1050	Apprenticeship utilization	Expanding apprenticeship utilization requirements.	C 342 L 23	Riccelli
E2SHB 1110 (SSB 5190)	Middle housing	Increasing middle housing in areas traditionally dedicated to single-family detached housing.	C 332 L 23	Bateman
E2SHB 1181 (SSB 5203)	Climate change/planning	Improving the state's response to climate change by updating the state's planning framework.	C 228 L 23	Duerr
ESHB 1329 (SSB 5366)	Utility shutoffs/heat	Preventing utility shutoffs for nonpayment during extreme heat.	C 105 L 23	Mena
EHB 1337	Accessory dwelling units	Expanding housing options by easing barriers to the construction and use of accessory dwelling units.	C 334 L 23	Gregerson

2SSB 5120	Crisis relief centers	Establishing 23-hour crisis relief centers in Washington state.	C 433 L 23	Dhingra
E2SSB 5144	Batteries/environment	Providing for responsible environmental management of batteries.	C 434 L 23	Stanford
ESB 5352 (SHB 1363)	Vehicular pursuits	Concerning vehicular pursuits.	C 235 L 23	Lovick

Lake Forest Park Bill Tracking List – Bills that Died

Bill #	Abbrev. Title	Short Description	Status	Sponsor
2SHB 1025 (Dead)	Police/private actions	Creating a private right of action for harm from violations of the state Constitution or state law by peace officers.	H Rules C	Thai
SHB 1078 (Dead)	Urban forest management	Concerning urban forest management ordinances.	H Approps	Duerr
SHB 1080 (Dead)	Body worn cameras	Concerning body worn cameras.	H Rules 3C	Taylor
HB 1099 (Dead)	Public works wages	Requiring certain wages in public works contracts to be at least the prevailing wage in effect when the work is performed.	H Cap Budget	Berry
2SHB 1131 (Dead) (SSB 5154)	Solid waste management	Improving Washington's solid waste management outcomes.	H Rules C	Berry
E2SHB 1167 (Dead)	Residential housing	Concerning residential housing regulations.	H Rules 3C	Duerr
SHB 1185 (Dead)	Lighting products	Reducing environmental impacts associated with lighting products.	H Rules R	Hackney
ESHB 1245 (Dead) (SSB 5364)	Lot splitting	Increasing housing options through lot splitting.	H Rules 3C	Barkis
HB 1276 (Dead) (SSB 5235)	Accessory dwelling units	Concerning accessory dwelling units.	H Housing	Pollet
SHB 1351 (Dead) (SB 5456)	Minimum parking requirements	Prohibiting the imposition of minimum parking requirements except under certain circumstances.	H Rules R	Reed
SHB 1363 (Dead) (ESB 5352)	Vehicular pursuits	Concerning vehicular pursuits.	H Rules R	Rule
ESHB 1387 (Dead)	Law enf. applicant pool	Requiring the criminal justice training commission to establish a program to recruit and train a pool of applicants who	H Rules 3C	Ramos

		may be employed by certain law enforcement agencies in the state.		
2SHB 1445 (Dead)	Law enf. misconduct	Concerning law enforcement and local corrections agency misconduct through investigations and legal actions.	H Rules C	Hansen
HB 1446 (Dead) (SSB 5361)	Law enf. officers/increase	Incentivizing cities and counties to increase employment of commissioned law enforcement officers.	H Local Govt	Stokesbary
HB 1517 (Dead) (ESSB 5466)	Transit-oriented development	Promoting transit-oriented development.	H Housing	Reed
HB 1553 (Dead)	Batteries/environment	Providing for responsible environmental management of batteries.	H Env & Energy	Street
2SHB 1586 (Dead)	Vehicular pursuits work grp.	Requiring the criminal justice training commission to establish a work group and grant program related to vehicular pursuits.	H Rules R	Goodman
HB 1611 (Dead)	Local government permitting	Concerning local government permitting.	H Finance	Reed
2SHB 1628 (Dead)	Real estate excise tax	Increasing the supply of affordable housing by modifying the state and local real estate excise tax.	H Rules R	Chopp
HB 1670 (Dead)	Property tax limit factor	Raising the limit factor for property taxes.	H Rules R	Ormsby
SB 5059 (Dead)	Prejudgment interest	Concerning prejudgment interest.	S Ways & Means	Kuderer
SSB 5154 (Dead) (2SHB 1131)	Solid waste management	Improving Washington's solid waste management outcomes.	S Ways & Means	Rolfes
SSB 5190 (Dead) (E2SHB 1110)	Middle housing	Increasing middle housing in areas traditionally dedicated to single-family detached housing.	S Ways & Means	Trudeau
SSB 5235 (Dead) (HB 1276)	Accessory dwelling units	Concerning accessory dwelling units.	S Rules 3	Shewmake
SSB 5303 (Dead)	Public works trust account	Creating the public works assistance revolving account.	S Rules 3	Mullet
SSB 5361 (Dead) (HB 1446)	Law enf. officers/increase	Incentivizing cities and counties to increase employment of commissioned law enforcement officers.	S Ways & Means	Holy
SSB 5366 (Dead) (ESHB 1329)	Utility shutoffs/heat	Preventing utility shutoffs for nonpayment during extreme heat.	S Rules X	Nguyen
SB 5418 (Dead)	Definition of public work	Expanding the definition of public work.	S State Govt & E	Conway
SB 5456 (Dead)	Minimum parking requirements	Prohibiting the imposition of minimum parking requirements except under certain circumstances.	S Loc Gov, Land	Frame

(SHB 1351)				
ESSB 5466 (Dead) (HB 1517)	Transit-oriented development	Promoting transit-oriented development.	S Rules 3	Liias
SB 5467 (Dead) (HB 1613)	Controlled sub. possession	Encouraging treatment for possession of certain counterfeit drugs or controlled substances.	S Law & Justice	Salomon
SSB 5533 (Dead)	Model vehicle pursuit policy	Concerning the creation of a model vehicle pursuit policy.	S Ways & Means	Lovick
2E2SSB 5536 (Dead)	Controlled substances	Concerning controlled substances, counterfeit substances, and legend drug possession and treatment.	C 1 L 23 E1	Robinson
SB 5568 (Dead)	Liquor revenue/local gov.	Restoring liquor sales revenue distributions to local governments.	S Labor & Comm	Wagoner
SSB 5609 (Dead)	Housing approval	Establishing housing approval requirements that will eliminate Washington's housing shortage.	S Ways & Means	Braun
SB 5618 (Dead)	Local property tax limit	Increasing the local property tax revenue growth limit.	S Loc Gov, Land	Kuderer
SB 5770 (Dead)	Property tax	Providing state and local property tax reform.	S Ways & Means	Pedersen