

Hedrick Weekly – Sine Die Edition

Week of March 4-7, 2024

What Can the Governor Do

The 2024 Washington State Legislature adjourned for the year at 5:50pm on Thursday, March 7. Bills that have passed the legislature are now in the queue for Governor Inslee for his action if they have not been acted upon already. In Washington State the governor has 4 options to take action on bills passed by the legislature. The governor can (1) sign the bill into law, (2) veto the bill in its entirety, (3) exercise a partial veto by removing single sections of a bill (sub-section level of bills that contain an appropriation), or (4) take no action at all and the bill becomes law (not a pocket veto as at the federal level). Bills that are delivered to the governor with more than five days before the Legislature adjourns have five days to be acted upon. Bills delivered at fewer than five days before the Legislature adjourns have 20 days to be acted on by the governor (this is how the state constitution contemplates a veto override). Governor Inslee has 20 calendar days (but for Sundays) to take action on bills passed by the 2024 legislature. The last day for Governor Inslee to take action on bills is Saturday, March 30. Unless explicitly placed in the bill, bills take effect 90 days from the end of the session in which it is passed or for this session June 5, 2024. Any bills that did not pass are truly dead and those concepts will require new bills be introduced next year.

Hitting 500 on Initiatives

When initiatives are passed by the Legislature, unlike bills, the governor does not take any action. They will take effect 90 days after the end of session. Of the 6 Initiatives filed to the Legislature, the Legislature took action on 3 and will not be on the ballot this Fall. Democrats decided to take up the measures after much hand wringing and ultimately determined they could take the political risk of reiterating current state law to allow parents to review their school children's educational materials (Initiative 2081) and to prohibit state and local governments from imposing income taxes (Initiative 2111). Washington state has no income tax. More controversial was to lift restrictions on vehicular pursuits by police officers. Initiative 2113 ultimately passed which returns the evidentiary standard for a vehicular pursuit for property crimes including auto theft to "reasonable suspicion" rather than "probable cause." This is the last remnant of the state's policy pursuit law to be restored since the 2021 legislature prohibited vehicular pursuits altogether. The legislature has modified the police pursuit law in each of the last 3 sessions successively reversing components of the total prohibition each time. Provisions in the law that police must have additional training, contact a commanding officer prior to engaging pursuits, and make contact with law enforcement agencies in vicinity jurisdictions are all still intact and in current law.

The three other measures which cost taxpayers and make money for the state will be fought out at the polls this November. Initiative 2109 to repeal the state's capital gains tax, Initiative 2117 to scrap the state's Climate Commitment Act, and Initiative 2124 to allow certain people to opt out of the state's long-term care insurance program all go to the voters in November. The initiatives all certified by the Secretary of State's office were filed by Let's Go Washington founded by Redmond billionaire Brian Heywood, a former hedge fund manager who spent \$6 million of his own money to organize and collect over 2.6 million signatures for the six initiatives to qualify for the legislature's consideration or go to a vote of the people.

Budgets – Operating, Transportation, Capital

Lawmakers passed a state supplemental operating budget that makes changes to the two-year, \$69.2 billion operating budget they approved in 2023. Legislators approved additional funding for Medicaid, assistance for food, and K-12 enrollment caseloads as well as mandatory investments to satisfy the State Supreme Court’s Trueblood ruling which found the state has unlawfully delayed competency evaluations for people detained in jails. Under the supplemental budget, \$4.1 billion or 12 percent of total revenue will remain in reserves for the two-year budget.

A supplemental transportation budget also was passed adding about \$1.1 billion to the \$13.5 billion transportation budget passed in 2023. The state transportation budget is wrought with an eroding tax base, complexities with project delivery and major cost overruns on several of the state’s mega-highway projects. The budget includes a controversial new procurement review process which subjects some major highway projects, including the North Spokane Corridor, to a brand-new mandatory review by the Capitol Projects Advisory Review Board (CPARB). Requirements in the transportation budget would also automatically pause these projects for review by the legislature if they receive bids 5 percent or \$10 million over Washington State Department of Transportation (WSDOT) estimates. The prescreening mandate requires CPARB to review certain projects before WSDOT may advertise or post a request for qualifications. Even more uncertainty exists about the new and untested review as CPARB’s work has included review of individual capital projects after their completion, the advisory board has had limited to no involvement with pre-screening mega transportation projects. Several organizations with high stakes in the completion of the North Spokane Corridor and possibly WSDOT themselves will ask for the governor to veto the subsection and remove the procurement review process entirely.

Lawmakers added \$1.3 billion in capital construction funding for projects all over the state, including investments in the Housing Trust Fund, grants for community behavioral health projects and investments to expand affordable childcare access. Approximately \$130.5 million of this year’s supplemental capital budget is funded with general obligation bonds.

What Didn’t Happen

Perhaps more importantly than what the Legislature did this session is what they did not do. Majority Democrats introduced a liny of bills that started with a lot of rhetoric and fanfare but failed to garner enough support for passage. Bills to stabilize rents for tenants, create a new real estate transfer tax, make striking workers eligible for unemployment insurance benefits, adopt the California small off-road engine and equipment (SORE) standards, allow more transit-oriented development, place interest on legal awards prior to the judgment date, create a new state agency to investigate price gouging by oil companies, change policy on how companies cash out and honor gift cards, create a major extended producer recycling and bottle return program, prohibit certain hospital and physician group mergers, and creating an independent prosecutor’s office to investigate police officers did not pass. Most of these concepts if not all will be back next year in similar legislation assuming Democrats maintain their strong legislative majorities. Labor unions, environmentalists, trial attorneys and housing advocates continue to be persuasive with Democrats and press aggressive legislative agendas that consume a lot of the legislature’s attention and conversely business advocates who oppose these bills until dead.

Clean Energy

Governor Inslee makes clean energy and environmental policy his top priority every year and the 2024 Legislature gave the 3-term, lame duck governor some major victories this year. After a hard fought 2 years the legislature finally passed legislation (HB 1589) to prohibit a large natural gas utility from providing natural gas service to any commercial or residential location. The bill only applies to Puget Sound Energy (PSE) the large dual electric and natural gas utility that serves customers throughout western Washington. PSE developed the bill to consolidate its load to strictly electric power and comply with the state's Clean Energy Transformation Act and the Climate Commitment Act. A provision that would have modified existing requirements for regulated utilities "obligation to serve" was removed and paved the political pathway for the bill to pass, the bill most likely would have died otherwise.

Several other of the governor's environmental priorities passed by the legislature are SB 6058 which facilitates the "linkage" of Washington's carbon market under state's cap and trade law with the California-Quebec carbon markets, HB 2301 creating grant programs related to food waste reduction, HB 1185 which phases out the sale of most mercury-containing lights beginning January 1, 2029, and SB 5931 which will designate 6PPD as a priority chemical used in tires as a priority consumer product under Safer Products for Washington (SPWA).

Health Care

In health care the legislature passed legislation to allow out-of-state health care providers to provide telehealth services to in-state patients, clarifying that health care providers can provide reproductive health care or gender-affirming treatment without professional discipline under the Uniform Disciplinary Act, adding magnetic resonance imaging technologists to those who may be certified as a radiologic technologist, change requirements relating to the regulation of physician assistants, modifies the requirement for health carriers to cover the same preventive services without cost sharing as required by federal law, allows prescribers to request that the label for a prescription for abortion medication include the prescribing and dispensing health care facility name, instead of the practitioner's name, and imposes regulatory requirements on pharmacy benefit managers. As an outgrowth of the Covid pandemic era, legislation was passed granting the state secretary of Health to issue a standing order for any biological product, device, or drug for purposes of controlling and preventing the spread of, mitigating, or treating any infectious or noninfectious disease or threat to the public health.

Firearms

The legislature passed a suite of bills addressing firearms including HB 2021 which authorizes the State Patrol to dispose of forfeited firearms through a transfer to a museum or historical society, or destruction. HB 1903 creating a civil infraction for the failure to report the loss or theft of a firearm to local law enforcement within 24 hours, and SB 6246 requiring a court to prohibit a person whose felony charges are dismissed based on incompetency to stand trial from possessing a firearm, HB 2118 requires firearm dealer employees to be 21 or older, to undergo fingerprinting and a background check prior to selling or transferring any firearms and SB 5444 adds locations at which it is a gross misdemeanor for any person to enter while knowingly possessing a weapon. These location include public libraries; transit stations and rail passenger facilities.

Change - The Year Ahead

The legislature will reconvene next January after what is shaping up to be significant election year for the makeup of the legislature. There are several leadership positions and key ideological moderates that are not coming back to Olympia next year. At this time 16 legislators have made it public they will not run for their seats in 2024, including Senate Majority Leader Andy Bill (D-Spokane). Senate Democrats will need to elect a new Majority Leader after the 2024 general election. Other Senate members not returning to Olympia include long-time members Senator Sam Hunt (D-Olympia), Senator Karen Keiser (D-Des Moines), and Senator Lynda Wilson (R-Vancouver) who are all retiring. Others such as Senator Mark Mullet (D-Issaquah) is running for Governor and Senator Kevin Van De Wege (D-Port Angeles) is running for Commissioner of Public Lands.

In the House Representatives Marcus Riccelli (D-Spokane), Jessica Bateman (D-Olympia), Paul Harris (R-Vancouver), and Bill Ramos (D-Issaquah), and Mike Chapman (D-Hoquiam) are all running for the beforementioned opening Senate seats in their districts. Other House members are seeking high office such as Representative Kelly Chambers (R-Puyallup) running for Pierce County Executive and Representative Jacqueline Maycumber (R-Coleville) running for open 5th Congressional District seat. Other House members are retiring including House Minority Leader Representative J.T. Wilcox (R-Roy), and Representative Joe Kretz (R-Wauconda).

Additionally, a number of members are seeking other offices, but will return to the Legislature should they lose in November. These members include Senator Manka Dhingra (D-Redmond) running for Attorney General, Senator Patty Kuderer (D-Bellevue) running for Insurance Commissioner, Senators Drew MacEwan (R- Kitsap County) and Senator Emily Randall (D-Bremerton) both running for the open 6th Congressional seat and Senator Rebecca Saldaña (D-Seattle) running for Commissioner of Public Lands.

Key Dates:

Governor's Bill Action Complete	March 30
Effective Date of Legislation	June 5
Start of the Fiscal Year 2025	July 1
State Primary Election	August 20
State General Election	November 4
Pre-file of bills for 2025	December 9
Governor's Budget Release	December 17
2025 Washington State Legislature	January 6, 2025