



# Legislative Update

**City Council & Utility Board Study Session  
August 17, 2021  
Item #1**





# Government Relations Team



- Anita Gallagher, Assistant to the City Manager for Policy Development and Government Relations
- Clark Mather, Community and Government Relations Manager
- Logan Bahr, State Relations Manager
- Rosa McLeod, Government Relations Analyst



# Agenda



- General Government state legislative updates
- TPU state legislative updates
- General Government update on federal priorities
- TPU update on federal priorities
- Wrap-up and next steps on legislative agenda development

# ● ● ● 2021 General Government State Priorities



## Systems Transformation

- Several police reform bills enacted consistent with the City's recent efforts and Council's priorities, including the Office of Independent Investigations and duty to intervene.
- Outstanding issues for continued work: independent prosecutions, civilian oversight of law enforcement, clarification on enacted legislation.

## Controlled Substances: *Blake Decision* Legislation

- Possession of a controlled substance or legend drug without a prescription is a state misdemeanor until July of 2023. Requires diversion for first two encounters with law enforcement. No ongoing funding for local governments.

# ● ● ● 2021 General Government State Priorities



## **Northwest ICE Processing Center**

- Legislation banning for-profit detention centers was passed by the Legislature and took effect immediately upon signature by the Governor.

## **Affordable Housing and Homelessness**

- Funding for foreclosure and eviction prevention programs: \$1 B for rental and utility assistance; \$187 M for the Foreclosure Fairness Program.
- MFTE: 12-year extensions now possible for multi-family buildings that offer or extend set-asides for affordable units.
- Expanded authorized uses for affordable housing sales tax.
- Significant investment in housing and sheltering grant programs; \$175 M for Housing Trust Fund.

# ● ● ● 2021 General Government State Priorities



## Transportation Revenue Package

- Both House and Senate frameworks for the transportation revenue package included \$180 M for Fishing Wars Memorial Bridge and \$9 M for the Puyallup Avenue Corridor projects.
- House project list also included \$15 M for Schuster Parkway project.
- Future of transportation revenue package is uncertain but remains a high priority.
- Transportation budget did include \$2.3 M for Tacoma-Puyallup multi-use trail.

## Fiscal Flexibility in Response to the Pandemic

- Temporary fiscal flexibility on REET 2; permanent flexibility on mental health/substance use disorder sales tax for Tacoma.

# 2021 General Government State Priorities



## Capital Budget Request

- \$2 M for the Links to Opportunity Project

## Community Partner Priorities

- Metro Parks: \$515,000 for Gas Station Park
- Tacoma Housing Authority: \$4.25 M for Arlington Drive operations
- Funding for higher education, public schools, Pierce Transit, Port of Tacoma, and other community partners

## Support/Oppose/Monitor List

- Low-carbon fuel standard, cap-and-invest, wildfire mitigation, expanded liquor license authority, tax increment financing



## Power

### Clean Fuel Standard, HB 1091

- Limits greenhouse gas (GHG) emissions from transportation fuels to 20 percent below 2017 levels by 2035.
- Creates “compliance obligations” on fuels which exceed certain emission standards.
- Electric utilities generate “credits” for residential electric vehicle charging or fueling.
- Utilities may use credit revenue for transportation electrification investments.





## Power

### Conservation Target Flexibility, HB 1446

- Adds new language to the Energy Independence Act.
- Allows a waiver of penalties if a utility is unable to meet its conservation targets due to events beyond its control.
- Thank you – Rep. Jake Fey!

# ● ● ● 2021 TPU State Priorities

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## Water

### Public Works Trust Fund

- Fund can be used for loans and grants for public capital asset construction, preconstruction, and emergency purposes.
- Funded at \$129 million.

# ● ● ● 2021 TPU State Priorities

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## Rail

### Freight Rail Investment Bank

- Lincoln Track Upgrades (2021) - \$318,000
- Locomotive Facility (2021) - \$868,000
- Yard Tracks Upgrade (2021) - \$465,000

## ● ● ● Other Notable Issues

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### **Climate Commitment Act, SB 5126**

- Establishes a cap and invest program.
- It is a market-based, economy-wide approach to reduce emissions which includes a limit or cap on carbon emissions and tradable allowances.
- Electric utilities are provided free allowances through 2045 to mitigate a utility's "cost burden" of the cap-and-invest program.

## ● ● ● Other Notable Issues

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### **Bonneville Power Administration B&O Tax Exemption, SB 5008**

- Exempts returned BPA funds and credits from B&O taxes if the utility invests in low-income weatherization or ratepayer assistance programs.

### **Zero-Emission Vehicle Forecasting, HB 1287**

- WSDOT to develop ZEV forecasting tool; requires certain utility forecasts; and revisions to the building codes.

## ● ● ● Other Notable Issues

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### **Assistance for utility customers**

- \$325 million for rental and utility assistance (HB 1386).
- Increased document recording fee, with a new allowable use for utility costs (HB 1277).
- \$100 million in federal funding for low income utility assistance.
- Operating budget provides \$1 billion for rental and utility assistance.

## ● ● ● Looking Ahead

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- Healthy Homes and Clean Buildings Act, building decarbonization legislation, HB 1084
- Limiting municipal lien authority, HB 1421
- Dedicated COVID-19 financial assistance for utility customers
- Clean Fuel Standard & Climate Commitment Act rulemaking and other clean-up
- Utility disconnect moratorium
- Transportation revenue package



# ● ● ● 2021 General Government Federal Priorities

## **Responding to the COVID-19 Crisis**

- Congress responded to the urgent need for direct assistance and directed \$350 billion to state and local governments in CSLRF
  - \$61 million to City over 2 years
  - Utility customer assistance a priority for GG and TPU

## **Criminal Justice System Transformation**

- Washington State continues to lead on criminal justice reform.
  - George Floyd Justice in Policing Act passed the House but has stalled in the Senate.
  - Families bill: \$5 billion for gun violence prevention and alternatives to incarceration
  - Biden Administration's new focus on gun manufacturer and illegal sellers accountable.





# ● ● ● 2021 General Government Federal Priorities

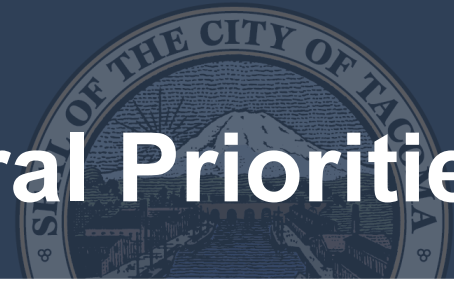
## **Affordable Housing and Homelessness**

- ARPA supplemental funding to HOME, CDBG, Emergency housing vouchers and rental assistance programs.
- Affordable Housing Credit & Improvement Act of 2021
- Biden Administration's commitment to interagency work on combating housing discrimination.

## **Economic Security**

- Minority Business Resiliency Act of 2021 included in the Infrastructure Investment & Jobs Act

# ●●● 2021 General Government Federal Priorities



## Infrastructure

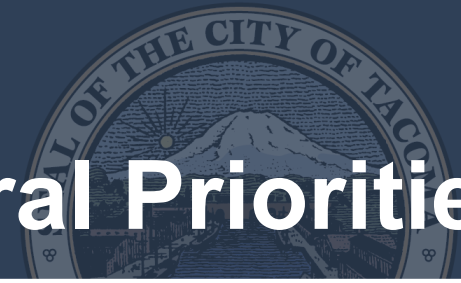
- Surface Transportation Reauthorization: Historic Investments
  - \$715 billion Invest in America Act passed by the House of Representatives, July 1, 2021
  - \$1 trillion bipartisan Infrastructure Investment & Jobs Act passed by the Senate August 10, 2021
  - Next steps: House will vote on budget resolution August 23rd
- *City of Portland v FCC* Ninth Circuit Court Decision

## FY22 Congressionally Directed Spending

- Links to Opportunity Streetscape Project: \$2 million
- E. 64th Street Phase II: \$5.6 million
- Safe Routes to Schools, Edison & Whitman Elementary Schools: \$1 million
- Puyallup Avenue Transit/Complete Streets Improvement Program: \$2 million
- Fishing Wars Memorial Bridge: \$2 million
- Pedestrian Accessibility Project: \$3 million



# 2021 General Government Federal Priorities



## Human Dignity and Safety

- H.R. 6 – American Dream and Promise Act passes March 2021, but stalls in the Senate where a 60 vote majority is needed to advance legislation.
- The Senate budget reconciliation bill includes possible pathway to citizenship.
  - House will take up this bill August 23rd
- Biden Administration ends "Remain in Mexico" policy

## Climate Justice

- U.S. rejoins Paris Agreement February 2021
- Historic level of funding for climate research and resiliency programs in Senate budget reconciliation bill
  - Grid modernization
  - Clean energy research and funding
  - EV funding
  - Environmental remediation



# 2021 TPU Federal Priorities



## TPU-Wide

- Infrastructure financing tools
- Supporting programs to assist lower-income residents

## Water

- \$2 million grant for advanced meter program
- Howard Hanson Dam – Additional Water Storage Project
- Supporting new infrastructure funding for Tacoma Water

## Rail

- Ongoing engagement about new rail funding in infrastructure package

# 2021 TPU Federal Priorities



## Power

- Hydropower funding and comparable tax incentives proposed and moving through Congress
- Sen. Murray requests \$1 million to continue multi-family/public charging pilot program
- Thanks to Sen. Cantwell, Columbia River Treaty provisions added to Senate infrastructure legislation
- Clean school bus program proposed by Sen. Murray in Senate infrastructure legislation



# Calendar

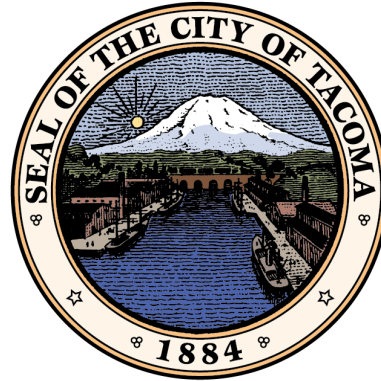


- **August 17, 2021:** Joint Study Session briefing to Public Utility Board and City Council for state and federal legislative updates
- **September 28, 2021:** Draft legislative agenda presentation to City Council
- October, 2021—Draft legislative agenda presented to Public Utility Board
- **October 12, 2021:** Federal priorities discussion with City Council
- **October/November, 2021:** Citywide legislative agenda presentation to Joint Study Session of the Public Utility Board and City Council
- **November 17, 2021:** Public Utility Board adoption of TPU agenda
- **November 23, 2021:** City Council consideration of Resolution to adopt the 2022 citywide state and federal priorities



# Contact Information

- Anita Gallagher, Assistant to the City Manager for Policy Development and Government Relations
  - [agallagher2@cityoftacoma.org](mailto:agallagher2@cityoftacoma.org) 253-331-3614
- Clark Mather, Community and Government Relations Manager
  - [cmather@cityoftacoma.org](mailto:cmather@cityoftacoma.org) 253-260-0440
- Logan Bahr, State Relations Manager
  - [lbahr@cityoftacoma.org](mailto:lbahr@cityoftacoma.org) 253-439-8128
- Rosa McLeod, Government Relations Analyst
  - [rmcleod@cityoftacoma.org](mailto:rmcleod@cityoftacoma.org) 253-381-1126



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