

We are now wrapping up the seventh week, and the second major cutoff of the session. At this point, all bills must be heard and passed out of the fiscal and transportation committees by Friday, 2/24, or they are dead for the session. This cutoff applies to bills unless they are necessary to implement the budget. The process will now move to a significant amount of floor action, where bills can be voted on by their respective bodies in order to move to the other body for consideration.

### ***Nationstar negotiations continue***

We have continued to meet with stakeholders in an effort to address the recent decision in *Jordan v. Nationstar*. We have two bills (HB 2057 / SB 5797) which we continue to push forward as the negotiations continue. We expect to see another draft next week.

### ***Ways & Means moves the Governor's tax proposals***

The Senate Ways & Means unexpectedly moved three of the Governor's tax proposals on 2/24. The committee moved the bills "without recommendation" and without notice. It is anticipated that the bills will be brought before the Senate for a vote, in an effort to see how much support there really is for the proposals. The bills that moved were:

1. SB 5111—implementing a new capital gains tax;
2. SB 5127—implementing a carbon tax;
3. SB 5113—increasing the current B&O tax rates on services from 1.5% to 2.5%.

### ***House passes its education package, no funding identified***

On 2/22, the House Democrats passed their proposed education package to address the final pieces of the *McCleary* decision. The bill (HB 1843) passed along party lines of 50 to 47. As a reminder, the House's package would provide additional state investment of \$7.6 billion in K-12 education over the next two biennia. That includes \$1.6 billion in the 2017-19 biennium for school employee compensation. The proposal also funds class size reduction, increases beginning salaries for new teachers, and provides relief for districts that rely on local property taxes to help recruit and retain educators. The package does not identify the specific funding mechanism, which would need to be passed separately.

### ***Senate releases updated education funding package analyses***

After it was announced that there was an error in the estimated impacts of the Senate Republican education funding package released earlier this month, the Senate has [updated its funding model](#). The estimates provide district-by-district impacts for three school years, and account for an understatement of caseloads and additional information provided since the package passed. The revised numbers reflect a total state impact of \$6.9 billion over the next four years, largely funded through a new local effort levy, which would impose a statewide levy while reducing the local levy rates.

### ***Senate hears Democrat education proposal***

The Senate Ways & Means Committee has scheduled a public hearing on the moderate Senate Democrats' education proposal (SB 5825) on 2/27. Additionally, the committee will hear the constitutional amendment to exempt regular school district levies from the one percent constitutional limit (SJR 8207). Under the proposal, a local regular levy would be imposed which may only be used for

education purposes, and sets up a hybrid per pupil funding model for general education expenditures while retaining the prototypical model with a minimum total per pupil allocation of \$11,500.

**Bill tracker**

Bill	Title	Status	Date	Original Sponsor	Companion Bills	Latest Cmte Mtg Info
<a href="#">HB 1026</a>	WA health security trust	H HC/Wellness	01/09/2017	<a href="#">Appleton</a>		
<a href="#">HB 1049</a>	Unmanned aircraft	H Tech & Econ D	01/09/2017	<a href="#">Morris</a>		Feb 15 Executive session scheduled, but no action was taken in the House Committee on Technology & Economic Development at 8:00 AM.
<a href="#">SHB 1493</a>	Biometric identifiers	H Rules R	02/16/2017	<a href="#">Morris</a>		Feb 14 Executive action taken in the House Committee on Technology & Economic Development at 10:00 AM.
<a href="#">HB 1572</a>	High school assessments	H Education	01/24/2017	<a href="#">Dolan</a>	<a href="#">SB 5202</a> (SEL/K-12)	
<a href="#">HB 1702</a>	Port districts/telecomm serv	H Tech & Econ D	01/26/2017	<a href="#">Dye</a>	<a href="#">SB 5679</a> (S2nd Reading)	Feb 7 Public hearing in the House Committee on Technology & Economic Development at 10:00 AM.
<a href="#">HB 1829</a>	Disclosure/computer networks	H 2nd Reading	02/24/2017	<a href="#">Hudgins</a>		Feb 8 Executive action taken in the House Committee on State Government and Elections & Information Technology at 1:30 PM.
<a href="#">HB 1830</a>	Cybersecurity student loans	H Hi Ed	01/31/2017	<a href="#">Hudgins</a>		Feb 8 Public hearing in the House Committee on Higher Education at 1:30 PM.
<a href="#">HB 1921</a>	Telecommunications services	H Tech & Econ D	02/02/2017	<a href="#">Morris</a>	<a href="#">SB 5711</a> (S2nd Reading)	Feb 8 Public hearing in the House Committee on Technology &

						Economic Development at 8:00 AM.
<a href="#">HB 1926</a>	Capital gains excise tax	H Finance	02/02/2017	<a href="#">Pollet</a>		
<a href="#">HB 2001</a>	In-state broadcasters, taxes	H Rules R	02/24/2017	<a href="#">Nealey</a>		Feb 22 Executive action taken in the House Committee on Finance at 8:00 AM.
<a href="#">HB 2039</a>	Info. network 211 system	H Approps	02/08/2017	<a href="#">Springer</a>		Feb 20 Public hearing in the House Committee on Appropriations at 1:30 PM.
<a href="#">HB 2062</a>	Motion picture compet. prg	H Finance	02/09/2017	<a href="#">Riccelli</a>		Feb 23 Executive session scheduled, but no action was taken in the House Committee on Finance at 8:00 AM.
<a href="#">SB 5111</a>	Capital gains excise tax	S Rules 2	02/24/2017	<a href="#">Braun</a>	<a href="#">HB 1730</a> (HFinance)	Feb 24 Executive action taken in the Senate Committee on Ways & Means at 11:00 AM.
<a href="#">SB 5112</a>	Tax preferences	S Ways & Means	01/12/2017	<a href="#">Braun</a>	<a href="#">HB 1549</a> (HFinance)	
<a href="#">SB 5139</a>	Telecom. services/PUDs	S Energy, Enviro	01/13/2017	<a href="#">Rolfes</a>	<a href="#">HB 1938</a> (HTech & Econ D)	
<a href="#">SB 5483</a>	Telecomm service/underserved	S Energy, Enviro	01/26/2017	<a href="#">McCoy</a>		
<a href="#">SSB 5502</a>	Motion picture tax credit	S Ways & Means	02/15/2017	<a href="#">Becker</a>	<a href="#">HB 1527</a> (HFinance)	Feb 14 Executive action taken in the Senate Committee on Agriculture, Water, and Trade & Economic Development at 8:00 AM.
<a href="#">SB 5509</a>	Carbon tax	S Energy, Enviro	01/26/2017	<a href="#">Carlyle</a>	<a href="#">HB 1646</a> (HEnvironment)	
<a href="#">SB 5513</a>	Tax exemptions	S Ways & Means	01/26/2017	<a href="#">Froct</a>	<a href="#">HB 1500</a> (HFinance)	

<a href="#">SSB 5679</a>	Port districts/telecomm serv	S 2nd Reading	02/24/2017	<a href="#">Warnick</a>	<a href="#">HB 1702</a> (HTech & Econ D)	Feb 16 Executive action taken in the Senate Committee on Energy and Environment & Telecommunications at 10:00 AM.
<a href="#">SB 5711</a>	Telecommunications services	S 2nd Reading	02/24/2017	<a href="#">Ericksen</a>	<a href="#">HB 1921</a> (HTech & Econ D)	Feb 8 Public hearing, executive action taken in the Senate Committee on Energy, and Environment & Telecommunications at 8:00 AM.
<a href="#">SB 5775</a>	Tax preferences repeal	S Ways & Means	02/09/2017	<a href="#">Chase</a>		