

We have now wrapped up the third week of the 2017 session, and are now half-way to the first cutoff, at which point policy bills must pass out of policy committees to remain alive for the session. The session is now in full gear, as legislators have now introduced nearly 1,500 bills to date.

Senate Republicans release McCleary plan

On Friday, the Senate Republicans announced their [funding plan](#) to address the *McCleary* case. In the proposal, the Republicans would:

- Eliminate the prototypical school funding model and move to a per pupil allocation funding model (setting the floor at \$12,500 per student);
- Allow local governments to authorize local levies for non-basic education costs;
- Remove the teacher salary allocation scheduled, and set a minimum salary of \$45,000 and providing additional salary for factors such as cost-of-living, or advanced degrees;
- Provide top teacher grants and the ability to terminate non-performing teachers;
- Includes a referendum for the entire act except for a delay to the levy cliff.

Bill extending the document recording fee scheduled has a hearing

A proposal to extend and expand the document recording fee (HB 1570) had a public hearing in the House Committee on Community Development, Housing & Tribal Affairs on 1/26. The proposal—with 29 Democrat sponsors—includes additional homelessness study and performance provisions, in addition to an increase to \$90 per document recorded (increased from \$10 per document) to be dedicated to local homeless housing and assistance programs. The bill also eliminates the existing sunset from the statute. The hearing was at full capacity, with many advocates and supporters testifying in support. The realtors and landlords testified in opposition to the bill.

Governor's tax proposals introduced in the House and Senate

Most of the Governor's revenue bills have now been introduced in the House:

- HB 1549--Tax Preference Alteration/Closure which includes (\$300M):
 - Narrows the use tax exemption for extracted fuel;
 - Modifies the nonresident sales/use tax exemption;
 - Eliminates the sales/use tax exemption for bottle water;
 - Implements a REET on foreclosures;
 - Limits trade-in exclusion on vehicles;
 - Economic nexus for retailing business.
- HB 1550--B&O Tax on Services (\$2.3B 2017-19): increases the services rate for business & occupations taxes from 1.5% to 2.5%.

- [HB 1555--Carbon Emissions Tax \(\\$1.9B 2017-19\)](#): establishes a carbon pollution tax on the sale or use of fossil fuels used in generating electricity, or the sale or consumption of electricity generated through the combustion of fossil fuels.
- [HB 1438--Suspends the state's four-year balanced budget requirement](#) through the 2021-23 biennium "to fulfill the state's education funding obligations."
- [1730 Capital Gains Tax](#): Anticipated to raise an estimated \$821M in 2019.

Finally, the proposed High Technology R&D Tax Credit bill included in the Governor's budget is also expected to be available soon. None of these bills have been scheduled for public hearing to date.

Competing family leave proposals introduced

The House Democrats' proposal for paid family leave (HB 1116) had a hearing and was passed out of the Committee on Labor and Workplace Standards on 1/23. The bill would allow employees to take up to a total of 38 weeks of paid leave per year once fully implemented. It is funded through a payroll tax paid by both employees and employers. The bill has now been referred to the Appropriations Committee.

The Senate companion (SH 5032) has been scheduled for a public hearing in the Senate Committee on Commerce, Labor & Sports on 1/30. Additionally, a separate proposal (SB 5149) with bipartisan sponsorship will also be heard at the same hearing. This proposal would allow for up to 12 weeks of paid leave upon full implementation. The funding mechanism for the Senate bill would come from a payroll tax paid by employees.

Several Senate Republicans tapped for the Trump Administration

It was announced on Tuesday, 1/24, that Senator Dansel (R, 7th LD) was resigning to take a position with President Trump's administration, leaving the Senate in a 24:24 tie until Dansel's replacement is appointed. Dansel will become a special assistant to the Secretary of Agriculture. His replacement is expected to be appointed very quickly (likely next week), which will fill the seat until November, when voters choose the Senator's replacement for the remainder of the term.

This announcement came after Senator Ericksen (R, 42nd LD) announced that he has been hired in a temporary role of communications director with the administration's EPA. Senator Ericksen has indicated that he plans to retain his legislative seat.

The temporary tie has led to many [discussions and rumors](#) about possible procedural maneuvers that could be used by the minority Democrats to bring priority bills to the floor.

Bill tracker

Bill	Title	Status	Date	Original Sponsor	Companion Bills	Latest Cmte Mtg Info
HB 1044	Homeowners hip projects	H Comm Dev, Hous	01/09/2017	MacEwen		Jan 26 Public hearing in the House Committee on Community Development and Housing & Tribal

						Affairs at 1:30 PM.
SHB 1045	Uniform money services act	H Rules R	01/17/2017	Kirby	SB 5031 (SRules 2)	Jan 11 Executive action taken in the House Committee on Business & Financial Services at 1:30 PM.
HB 1051	Infrastructure financing	H Cap Budget	01/09/2017	DeBolt		
HB 1052	Credentials/student loans	H Rules R	01/23/2017	Sawyer		Jan 18 Executive action taken in the House Committee on Business & Financial Services at 1:30 PM.
HB 1053	WA state credit union act	H Rules R	01/17/2017	Reeves	SB 5144 (SRules 2)	Jan 11 Executive action taken in the House Committee on Business & Financial Services at 1:30 PM.
HB 1057	Education loan information	H Hi Ed	01/09/2017	Orwall	SB 5022 (SWays & Means)	Jan 17 Public hearing in the House Committee on Higher Education at 8:00 AM.
HB 1061	Collection agency fees	H Bus & Fin Svcs	01/09/2017	Stanford	SB 5043 (SFin Inst/Inst)	
SHB 1070	Dispute resolution fees	H JUDIDPS	01/26/2017	Jenkins		Jan 26 Executive action taken in the House Committee on Judiciary at 1:30 PM.
HB 1116	Family & med leave insurance	H Approps	01/26/2017	Robinson	SB 5032 (SCom/Labor/Spor)	Jan 23 Executive action taken in the House Committee on Labor & Workplace Standards at 1:30 PM.
SHB 1153	Vulnerable persons/crimes	H Approps	01/24/2017	Goodman	SB 5099 (SLaw & Justice)	Jan 19 Executive action taken in the House Committee on Public Safety at 8:00 AM.
HB 1169	Student loan assistance	H Hi Ed	01/12/2017	Orwall		Jan 25 Public hearing in the House Committee on Higher Education at 1:30 PM.
HB 1209	Municipal financial services	H Bus & Fin Svcs	01/13/2017	Bergquist	SB 5396 (SFin Inst/Inst)	Jan 31 Scheduled for executive session in the House Committee on Business & Financial Services at 8:00 AM . (Subject to change)

HB 1219	Auctioned impounded vehicle	H Trans	01/13/2017	Orcutt	SB 5016 (STransportation)	Feb 1 Scheduled for executive session in the House Committee on Transportation at 3:30 PM . (Subject to change)
HB 1231	Cooperative finance orgs tax	H Finance	01/13/2017	Lytton	SB 5148 (SWays & Means)	Jan 24 Public hearing in the House Committee on Finance at 3:30 PM.
HB 1283	Anticipated tax, assessments	H Finance	01/16/2017	Chapman	SB 5189 (SRules 2)	Feb 3 Scheduled for executive session in the House Committee on Finance at 8:00 AM . (Subject to change)
HB 1298	Job applicants/arrests, etc.	H Labor & Workpl	01/16/2017	Ortiz-Self		Jan 30 Scheduled for executive session in the House Committee on Labor & Workplace Standards at 1:30 PM . (Subject to change)
SB 5009	Economic disruption crimes	S Law & Justice	01/09/2017	Ericksen		
SB 5011	Business corporation act	S Rules 2	01/26/2017	Pederse n		Jan 25 Executive action taken in the Senate Committee on Law & Justice at 8:00 AM.
SB 5012	Trust assets distribution	S Law & Justice	01/09/2017	Pederse n		Feb 1 Scheduled for executive session in the Senate Committee on Law & Justice at 8:00 AM . (Subject to change)
SB 5015	At-will tenancy/unl detainer	S Rules 2	01/23/2017	Warnick		Jan 19 Executive action taken in the Senate Committee on Financial Institutions & Insurance at 8:00 AM.
SB 5016	Auctioned impounded vehicle	S Transportation	01/09/2017	Hobbs	HB 1219 (HTrans)	Jan 30 Scheduled for executive session in the Senate Committee on Transportation at 3:30 PM . (Subject to change)
SB 5017	Student loan information	S Higher Ed	01/09/2017	Bailey		

SB 5022	Education loan information	S Ways & Means	01/27/2017	Bailey	HB 1057 (HHi Ed)	Jan 26 Executive action taken in the Senate Committee on Higher Education at 8:00 AM.
SSB 5031	Uniform money services act	S Rules 2	01/16/2017	Angel	HB 1045 (HRules R)	Jan 12 Public hearing and executive action taken in the Senate Committee on Financial Institutions & Insurance at 8:00 AM.
SB 5032	Family & med leave insurance	S Com/Labor/Spor	01/11/2017	Keiser	HB 1116 (HApprops)	Jan 30 Scheduled for public hearing in the Senate Committee on Commerce and Labor & Sports at 1:30 PM . (Subject to change)
SB 5033	Infrastructure financing	S Ways & Means	01/11/2017	Keiser		
SB 5039	Electronic legal material	S Law & Justice	01/11/2017	Pederse n		Feb 1 Scheduled for executive session in the Senate Committee on Law & Justice at 8:00 AM . (Subject to change)
SB 5040	Uniform business orgs. code	S Rules 2	01/26/2017	Pederse n		Jan 25 Executive action taken in the Senate Committee on Law & Justice at 8:00 AM.
SB 5043	Collection agency fees	S Fin Inst/Ins	01/11/2017	Angel	HB 1061 (HBus & Fin Svcs)	Jan 19 Public hearing in the Senate Committee on Financial Institutions & Insurance at 8:00 AM.
SB 5081	Uniform law on notarial acts	S Law & Justice	01/12/2017	Pederse n		Jan 31 Scheduled for public hearing in the Senate Committee on Law & Justice at 10:00 AM . (Subject to change)
SB 5085	Voidable transactions act	S Law & Justice	01/12/2017	Pederse n		Feb 1 Scheduled for executive session in the Senate Committee on Law & Justice at 8:00 AM . (Subject to change)
SB 5100	Financial literacy seminars	S Ways & Means	01/27/2017	Bailey		Jan 26 Executive action taken in the Senate Committee on Higher Education at

						8:00 AM.
SB 5127	Carbon pollution tax	S Ways & Means	01/13/2017	Braun	HB 1555 (HFinance)	
SB 5140	Equal pay and opportunities	S Com/Labor/Spor	01/13/2017	Cleveland		Feb 1 Scheduled for public hearing in the Senate Committee on Commerce and Labor & Sports at 1:30 PM . (Subject to change)
SB 5144	WA state credit union act	S Rules 2	01/23/2017	Angel	HB 1053 (HRules R)	Jan 19 Public hearing and executive action taken in the Senate Committee on Financial Institutions & Insurance at 8:00 AM.
SB 5148	Cooperative finance orgs tax	S Ways & Means	01/13/2017	Baumgartner	HB 1231 (HFinance)	
SB 5149	Paid family leave	S Com/Labor/Spor	01/13/2017	Fain		Jan 30 Scheduled for public hearing in the Senate Committee on Commerce and Labor & Sports at 1:30 PM . (Subject to change)
SB 5182	Affordable housing options	S HumSer/Men Hlth	01/16/2017	Fain		Jan 23 Public hearing in the Senate Committee on Human Services and Mental Health & Housing at 1:30 PM.
SJM 8002	Banking/Glass-Steagall act	S Fin Inst/Ins	01/11/2017	Hasegawa		