

General Session Update

We have now entered into the second week of the legislative session. The pace has continued to be intense, with 1,151 bills introduced already this session. The average total bills introduced in a short session is 1,466.

Budget and Tax Developments

Capital budget & Hirst finally pass

The most significant activity we saw this week was the passage of the *Hirst* deal, along with the 2017-19 Capital budget and bonds bill. After more than a year of grappling with these two issues, the Legislature announced an agreement on *Hirst*, which immediately untangled the politically-tied Capital budget. The capital budget spends over \$4 billion on affordable housing, construction of schools, college campuses, parks, and environmental projects around the state. Here is where you can find the final capital budget documents: <http://leap.leg.wa.gov/leap/budget/detail/2018/hc2018p.asp>

And here is a summary of the *Hirst* agreement (SB 6091) which passed with a vote of 35 to 14 in the Senate, and 66 to 30 in the House:

- Allows 950 gallons per day in some basins, and 3,000 gallons per day in other basins
- Charges a \$500 fee for a new exempt well
- Declares existing exempt wells are not impacted
- Provision to allow water use during a draught for wildfire protection
- Allows counties to rely on Ecology rules for water resources
- Creates a Foster Task Force and 5 pilot projects to inform the task force on impacts
- Assumes \$300 million for projects to achieve this act and enhance stream flows
- The bill does not require metering, but it does create two pilot projects on measuring water use in two basins.

Bill to create tax expenditure budget heard

A proposal to require tax expenditures to be accounted for in a separate tax expenditure budget as part of the biennial budget adoption process (SB 5513) has resurfaced this year. The bill would require all tax expenditures to automatically sunset every biennium, requiring proactive Legislative action in order to maintain preferential tax rates. The bill was heard in the Senate Ways & Means Committee on 1/18.

Title only revenue bills introduced

Rep. Lytton, the chair of the House Finance Committee, introduced two bills this week that were title only bills *Relating to Revenue* bills (HB 2780 and HB 2797). These bills could be vehicles later in the session for possible tax proposals.

Policy Updates

Nationstar

We seem to be moving closer to a bill that will, at least partially, address the *Nationstar* decision. The cities have agreed to using their existing nuisance abatement process in order to notify lenders of an abandoned and nuisanced property, which will allow lenders to enter the property to secure it. Senator Mullet has introduced a bill (SB 6484) that will have a hearing in the Senate Financial Institutions & Insurance Committee on Thursday, 1/25. It is anticipated the WMBA will testify in support of the bill.

UCIOA

The Uniform Common Interest Ownership Act proposal (SB 6175) relating to condo and homeowner's associations had a hearing in the Senate Financial Institutions & Insurance Committee. The WMBA

signed in “other” and worked with the united financial lobby to secure an amendment that would remove the proponents’ attempts to create a super priority lien for attorney’s fees. The sponsor of the bill, and the chair of the committee have agreed to include our amendment should the bill move forward.

Labor issues

New Noncompete bills Introduced

Rep. Stanford has introduced a new bill related to noncompetition agreements (HB 2903). Under the bill, an agreement can only be enforceable if the employer discloses the terms of the agreement in writing to a prospective employee. And a noncompetition agreement is unreasonable, and void if annual compensation, excluding benefits, of the employee is less than 5 times the average weekly wage (employees making less than roughly \$300,000/year), or the employee is terminated during a probationary period or without just cause. A rebuttable presumption is created that any noncompetition over one year is unreasonable and void. The bill also applies the consumer protection act to violations. The House bill has been scheduled for a public hearing in the House Committee on Labor & Workplace Standards Committee on 1/25. The Senate bill (SB 6522) has also been scheduled for a public hearing on 1/25 in the Senate Labor & Commerce Committee. The Senate bill is sponsored by Sen. Liias and Fain.

There is another Senate bill (SB 6526) which is sponsored by Sen. Conway and being heard on 1/25 in the Commerce & Labor Committee. This bill prohibits noncompetition agreements altogether unless the person sells all or substantially all of their operating assets of a business entity, division or subsidiary, is a partner who disassociates from a partnership, or any member whose interest in an LLC is terminated.

Democratic agenda moving forward

This week we also saw activity on some of the Democrats’ top priorities:

- Voting Rights: The Senate voted SB 6002 (the Voting Rights Act) out of the Senate with a vote of 29 to 19 on 1/19.
- On 1/17, the Senate also voted out a bill to authorize same-day voter registration (SB 6021) with a vote of 29 to 20.
- Campaign disclosure: The Senate also voted on (SB 5991) a bill to require nonprofit organizations that are not otherwise defined as political committees to file with the Public Disclosure Commission. The bill passed the Senate on 1/17 with a vote of 32 to 17.
- Gun regulations: a proposal to prohibit the manufacture, sale, purchase or possession of a trigger modification device (bump stocks) had a hearing on 1/15 in the Senate Law & Justice Committee with a significant turnout from the public. The bill was passed out of the committee on 1/16 on a party line vote.
- Equal pay: The House passed HB 1506 on 1/17. The bill was voted out of the House with a vote of 69 to 28 with one vote excused. The business community asked for 4 amendments that all failed on party lines.

Bill Tracker

<u>Bill</u>	<u>Title</u>	<u>Status</u>	<u>Date</u>	<u>Original Sponsor</u>	<u>Companion Bills</u>	<u>Latest Cmte Mtg Info</u>
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HB 1044	Homeownershi p projects	H Comm Dev, Housi	01/09/2017	MacEwe n		Jan 26 Public hearing in the House Committee on Community Development and Housing & Tribal Affairs at 1:30 PM. (2017)
SHB 1045	Uniform money services act	H Bus & Fin Svcs	01/08/2018	Kirby	SB 5031 (Ssubst for)	Jan 11 Executive action taken in the House Committee on Business & Financial Services at 1:30 PM. (2017)
HB 1051	Infrastructure financing	H Cap Budget	01/09/2017	DeBolt		Feb 14 Public hearing in the House Committee on Capital Budget at 3:30 PM. (2017)
HB 1052	Credentials/stu dent loans	H Rules X	01/16/2018	Sawyer		Jan 18 Executive action taken in the House Committee on Business & Financial Services at 1:30 PM. (2017)
HB 1053	WA state credit union act	H Bus & Fin Svcs	01/08/2018	Reeves	SB 5144 (C 61 L 17)	Jan 11 Executive action taken in the House Committee on Business & Financial Services at 1:30 PM. (2017)
SHB 1057	Education loan information	H Approps	02/16/2017	Orwall	SB 5022 (Ssubst for)	Feb 14 Executive action taken in the House Committee on Higher Education at 8:00 AM. (2017)
HB 1061	Collection agency fees	H Bus & Fin Svcs	01/09/2017	Stanford	SB 5043 (SWays & Means)	
SHB 1070	Dispute resolution fees	H Rules 3C	04/23/2017	Jinkins		Mar 29 Executive action taken in the Senate Committee on Law & Justice at 8:00 AM. (2017)
SHB 1116	Family & med leave insurance	H Labor & Workpla	01/08/2018	Robinso n	SB 5032 (SLabor & Co mmer)	Feb 22 Executive action taken in the House Committee on Appropriations at 1:30 PM. (2017)
2SHB 1169	Student loan assistance	H Approps	01/08/2018	Orwall		Jan 22 Scheduled for executive session in the House Committee on Appropriations at 3:30 PM . (Subject to change) (2018)
HB 1185	Insurance/indu cements	H Bus & Fin Svcs	01/13/2017	Haler		Jan 25 Public hearing in the House Committee on Business & Financial Services at 1:30 PM. (2017)
SHB 1209	Municipal financial	S Fin Inst/Ins	01/15/2018	Bergqui st	SB 5396 (SFin Inst/Ins)	Feb 1 Executive action taken in the House Committee

	services					on Business & Financial Services at 1:30 PM. (2017)
SHB 1219	Auctioned impounded vehicle	H Trans	01/08/2018	Orcutt	SB 5016 (Ssubst for)	Feb 1 Executive action taken in the House Committee on Transportation at 3:30 PM. (2017)
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. (2017)
2SHB 1298	Job applicants/arrests, etc.	H 2nd Reading	01/12/2018	Ortiz-Self		Jan 9 Executive action taken in the House Committee on Labor & Workplace Standards at 1:30 PM. (2018)
SHB 1305	Unlawful entry	H Judiciary	01/08/2018	Barkis	SB 5388 (Ssubst for)	Feb 16 Executive action taken in the House Committee on Judiciary at 1:00 PM. (2017)
HB 1318	Credit unions' capital	H Bus & Fin Svcs	01/17/2017	Ryu		
HB 1324	Local infrastruct. financing	H Cap Budget	02/06/2017	Tharinger	SB 5088 (SWays & Means)	Feb 14 Public hearing in the House Committee on Capital Budget at 3:30 PM. (2017)
SHB 1422	Rural jobs	H Finance	03/14/2017	Blake	SB 5208 (SWays & Means)	Mar 9 Executive action taken in the House Committee on Technology & Economic Development at 1:30 PM. (2017)
SHB 1425	Ed. savings account pilot	H Approps	02/17/2017	Kilduff		Feb 15 Executive action taken in the House Committee on Higher Education at 1:30 PM. (2017)
E2SHB 1439	Higher ed student protection	H Rules 3C	01/12/2018	Pollet		Apr 4 Executive session scheduled, but no action was taken in the Senate Committee on Ways & Means at 1:30 PM. (2017)
HB 1441	State agency land purchases	H Environment	01/31/2017	Haler		Feb 14 Public hearing in the House Committee on Environment at 1:30 PM. (2017)
SHB 1486	Wage liens/wage recovery act	H Approps	01/08/2018	Gregerson		Jan 18 Executive action taken in the House Committee on Appropriations at 3:30 PM. (2018)
HB 1499	Student loan disbursement	S Higher Ed & Wor	01/15/2018	Pollet		Apr 3 Executive session scheduled,

						but no action was taken in the Senate Committee on Ways & Means at 1:30 PM. (2017)
HB 1500	Tax exemptions	H Finance	01/20/2017	Pollet	SB 5513 (SWays & Means)	Jan 31 Public hearing in the House Committee on Finance at 3:30 PM. (2017)
HB 1536	Afford. housing/local tools	H Comm Dev, Housi	01/23/2017	McBride		
HB 1549	Tax preferences	H Finance	01/23/2017	Lytton	SB 5112 (SWays & Means)	
ESHB 1570	Homeless housing & assist.	H Approps	01/08/2018	Macri		Jan 22 Scheduled for executive session in the House Committee on Appropriations at 3:30 PM . (Subject to change) (2018)
HB 1627	Nonprofit corp. financing	H Comm Dev, Housi	01/08/2018	Ryu		Mar 22 Executive action taken in the Senate Committee on Human Services and Mental Health & Housing at 1:30 PM. (2017)
HB 1633	Housing/source of income	H Judiciary	01/08/2018	Riccelli	SB 5407 (SFin Inst/Ins)	Feb 16 Executive action taken in the House Committee on Judiciary at 1:00 PM. (2017)
HB 1635	Tenant property, disposition	H Judiciary	01/25/2017	Barkis	SB 5013 (SRules 3)	Feb 16 Executive session scheduled, but no action was taken in the House Committee on Judiciary at 1:00 PM. (2017)
HB 1665	Tax expenditure transparency	H Finance	01/26/2017	Santos		
HB 1695	Crowdfunding donation taxes	H Finance	01/26/2017	Stokesbary		Feb 7 Public hearing in the House Committee on Finance at 3:30 PM. (2017)
HB 1730	Capital gains excise tax	H Finance	01/27/2017	Jinkins	ESB 5111 (SFailed 3rd)	
HB 1748	Affordable rural housing	H Environment	01/27/2017	Chandler		Feb 14 Public hearing in the House Committee on Environment at 1:30 PM. (2017)
SHB 1752	Affordable urban housing	H Comm Dev, Housi	01/08/2018	Santos		Feb 15 Executive action taken in the House Committee on Community

						Development and Housing & Tribal Affairs at 8:00 AM. (2017)
HB 1764	Property tax revenue limit	H Finance	01/08/2018	Lytton	SB 5772 (SLocal Governance)	Mar 30 Executive action taken in the House Committee on Finance at 8:00 AM. (2017)
SHB 1797	Affordable housing/taxes	H 2nd Reading	01/16/2018	McBride		Mar 3 Executive action taken in the House Committee on Finance at 8:00 AM. (2017)
HB 1806	Crimes by corporations	H Public Safety	01/08/2018	Pelliciotti		Feb 16 Executive action taken in the House Committee on Public Safety at 8:00 AM. (2017)
HB 1850	Retirement marketplace opts	H Bus & Fin Svcs	02/01/2017	Stanford		
SHB 1893	Spirits & wine/credit card	H Commerce & Gami	01/08/2018	Vick	ESB 5665 (C 190 L 17)	Mar 9 Executive action taken in the Senate Committee on Commerce and Labor & Sports at 1:30 PM. (2017)
2SHB 1904	Personal info. sale & tax	H Tech & Econ De	01/08/2018	Smith		Jan 23 Scheduled for executive session in the House Committee on Technology & Economic Development at 10:00 AM . (Subject to change) (2018)
HB 1926	Capital gains excise tax	H Finance	02/02/2017	Pollet		
SHB 1966	Retirement marketplace reqs.	H Bus & Fin Svcs	01/08/2018	Stanford	SB 5675 (Ssubst for)	Feb 15 Executive action taken in the House Committee on Business & Financial Services at 1:30 PM. (2017)
2SHB 1980	Home rehabilitation loan prg	H Cap Budget	01/08/2018	Blake	ESB 5647 (C 285 L 17)	Mar 29 Executive session scheduled, but no action was taken in the Senate Committee on Ways & Means at 3:30 PM. (2017)
HB 1991	Delinquent properties/admin.	H Local Govt	01/08/2018	Volz		Mar 23 Executive action taken in the Senate Committee on Local Government at 1:30 PM. (2017)
HB 1992	County treasurer admin costs	H Local Govt	02/06/2017	Volz		Feb 14 Public hearing in the House Committee on Local Government at 10:00 AM. (2017)

HB 1993	County treasurer contracting	H Local Govt	02/06/2017	Volz		Mar 1 Public hearing in the House Committee on Local Government at 8:00 AM. (2017)
2ESHB 2057	Residential real property	H Passed 3rd	01/18/2018	Orwall	SB 5797 (Ssubst for)	Mar 14 Public hearing and executive action taken in the Senate Committee on Financial Institutions & Insurance at 8:00 AM. (2017)
HB 2098	Marijuana/financial services	H Judiciary	02/14/2017	Sawyer	SB 5928 (SRules 2)	Jan 18 Executive action taken in the House Committee on Judiciary at 1:30 PM. (2018)
HB 2265	Lienholders' interests	H Judiciary	01/08/2018	Kirby	SB 6005 (SFin Inst/Ins)	Jan 17 Public hearing in the House Committee on Judiciary at 8:00 AM. (2018)
HB 2364	Housing finance commission	H Cap Budget	01/19/2018	Ryu	SB 6371 (SFin Inst/Ins)	Jan 16 Executive action taken in the House Committee on Community Development and Housing & Tribal Affairs at 10:00 AM. (2018)
SB 5009	Economic disruption crimes	S Law & Justice	01/09/2017	Ericksen		
SB 5015	At-will tenancy/unl detainer	S Rules 2	01/08/2018	Warnick		Jan 19 Executive action taken in the Senate Committee on Financial Institutions & Insurance at 8:00 AM. (2017)
SSB 5016	Auctioned impounded vehicle	S Rules 3	04/23/2017	Hobbs	HB 1219 (HTrans)	Jan 31 Executive action taken in the Senate Committee on Transportation at 3:30 PM. (2017)
SB 5017	Student loan information	S Higher Ed & Wor	01/08/2018	Bailey		
SB 5032	Family & med leave insurance	S Labor & Commerc	01/08/2018	Keiser	HB 1116 (HLabor & Workpl)	Jun 28 Public hearing in the Senate Committee on Commerce and Labor & Sports at 12:00 PM. (2017)
ESSB 5033	Infrastructure financing	S Rules 3	04/23/2017	Keiser		Apr 7 Executive action taken in the House Committee on Capital Budget at 9:00 AM. (2017)
SSB 5043	Payment of debts	S Ways & Means	02/16/2017	Angel	HB 1061 (HBus & Fin Svcs)	Feb 14 Executive action taken in the Senate Committee on Financial

						Institutions & Insurance at 8:00 AM. (2017)
SB 5127	Carbon pollution tax	S Rules 2	01/08/2018	Braun	HB 1555 (HFinance)	Feb 24 Executive action taken in the Senate Committee on Ways & Means at 11:00 AM. (2017)
SB 5140	Equal pay and opportunities	S Labor & Commerc	01/08/2018	Cleveland		Jan 22 Scheduled for executive session in the Senate Committee on Labor & Commerce at 1:30 PM . (Subject to change) (2018)
SB 5148	Cooperative finance orgs tax	S Ways & Means	01/13/2017	Baumgartner	HB 1231 (HFinance)	Feb 14 Public hearing in the Senate Committee on Ways & Means at 3:30 PM. (2017)
SB 5149	Paid family leave	S Labor & Commerc	01/08/2018	Fain		Jan 30 Public hearing in the Senate Committee on Commerce and Labor & Sports at 1:30 PM. (2017)
2SSB 5182	Affordable housing options	S Ways & Means	01/17/2018	Fain		Jan 15 Executive action taken in the Senate Committee on Human Services & Corrections at 1:30 PM. (2018)
SB 5210	Student loan bill of rights	S Higher Ed & Wor	01/08/2018	Liias	HB 1440 (Hsubst for)	
SB 5264	Virtual currency/marijuana	S Labor & Commerc	01/08/2018	Rivers		Jan 25 Public hearing in the Senate Committee on Commerce and Labor & Sports at 1:30 PM. (2017)
ESSB 5312	Criminal record/employment	S Rules X	01/08/2018	Baumgartner		Apr 4 Executive action taken in the House Committee on Appropriations at 11:00 AM. (2017)
SB 5396	Municipal financial services	S Fin Inst/Ins	01/23/2017	Angel	HB 1209 (Hsubst for)	Feb 2 Public hearing in the Senate Committee on Financial Institutions & Insurance at 8:00 AM. (2017)
SB 5406	DSHS/long-term care settings	S Health & Long T	01/08/2018	Becker	HB 1354 (HHC/Wellness)	
SB 5407	Housing/source of income	S Fin Inst/Ins	01/24/2017	Frocht	HB 1633 (HJudiciary)	Jan 11 Public hearing in the Senate Committee on Financial Institutions & Insurance at 8:00 AM. (2018)

SB 5416	Property tx exemp/intangible	S Ways & Means	01/24/2017	Chase		
SB 5428	Condo assoc litigation costs	S Law & Justice	01/24/2017	Padden		Feb 15 Public hearing in the Senate Committee on Law & Justice at 8:00 AM. (2017)
SB 5445	Eminent domain/economic dev.	S Rules X	01/08/2018	Padden		Mar 23 Executive action taken in the House Committee on Judiciary at 1:30 PM. (2017)
ESSB 5456	Unpaid accounts	S Rules 3	04/23/2017	Braun	HB 1145 (HJudiciary)	Mar 23 Executive session scheduled, but no action was taken in the House Committee on Judiciary at 1:30 PM. (2017)
SB 5464	Washington investment trust	S Fin Inst/Ins	01/25/2017	Hasegawa	HB 2059 (HBus & Fin Svcs)	Feb 9 Public hearing in the Senate Committee on Financial Institutions & Insurance at 8:00 AM. (2017)
SB 5496	Local infrastructure funding	S Ways & Means	01/26/2017	Rivers	HB 1677 (Hsubst for)	
SB 5507	Automatic renewal/contracts	S Labor & Commerce	01/08/2018	Zeiger		Feb 8 Public hearing in the Senate Committee on Commerce and Labor & Sports at 1:30 PM. (2017)
2SSB 5577	Incapacitated persons/rights	S Rules 3	04/23/2017	Conway		Apr 4 Executive action taken in the House Committee on Appropriations at 11:00 AM. (2017)
SB 5587	Linked deposit program	S Ways & Means	02/06/2017	Hasegawa		Feb 2 Public hearing and executive action taken in the Senate Committee on Financial Institutions & Insurance at 8:00 AM. (2017)
ESSB 5620	Transp. network companies	S Rules X	01/08/2018	King		Mar 14 Public hearing in the House Committee on Labor & Workplace Standards at 1:30 PM. (2017)
ESB 5629	Title insurance rating orgs.	S Rules X	01/08/2018	Angel	EHB 1450 (C 103 L 17)	Mar 15 Public hearing and executive action taken in the House Committee on Business & Financial Services at 1:30 PM. (2017)
SB	Small	S Rules X	03/17/	Fain	HB 1593 (C 113 L 17)	Feb 14 Executive action taken in the

5680	securities offerings		2017			Senate Committee on Financial Institutions & Insurance at 8:00 AM. (2017)
ESSB 5797	Residential real property	S Rules X	01/08/2018	Mullet	HB 2057 (Hsubst for)	Mar 23 Executive action taken in the House Committee on Judiciary at 1:30 PM. (2017)
SB 6175	Common interest ownership	S Fin Inst/Ins	01/10/2018	Pederse n		Jan 18 Public hearing in the Senate Committee on Financial Institutions & Insurance at 8:30 AM. (2018)
SB 6484	Nuisance abatement	S Fin Inst/Ins	01/19/2018	Mullet		Jan 25 Scheduled for public hearing in the Senate Committee on Financial Institutions & Insurance at 8:00 AM . (Subject to change) (2018)
SJM 8002	Banking/Glass-Steagall act	S Fin Inst/Ins	01/11/2017	Hasega wa		