

We are now wrapping up the fourth week of the legislative session and have now hit our first cutoff date on 2/2, where all policy bills must pass out of policy committees in order to remain alive for the session. The next cutoff comes on 2/6, where all fiscal bills must pass out of the fiscal committees in order to remain alive. Of course, there are exceptions to all cutoffs for bills that are necessary to implement the budget.

Nationstar

The proposal we have been negotiating with the cities and homeowner advocates (SB 6484/ HB 2057) was heard in the Senate Financial Institutions & Insurance Committee on 1/25 and passed out of the committee on 2/1. There have been ongoing discussions with all stakeholders about a path forward on this proposal. The Community Bankers have expressed their opposition to the bill, so we are trying to determine what mechanisms would satisfy their concerns. Expect a new draft of a proposal by the beginning of next week.

State Bank

A proposal that would direct the Department of Commerce to contract with an entity with expertise in public finance and banking to develop a business plan to establish a publically owned depository (SB 6375) had a hearing in the Senate Ways & Means Committee this week. We have expressed our ongoing opposition to this bill, and will continue to work so that this proposal does not move forward.

UCIOA

The proposal (SB 6175) which would adopt the uniform common interest ownership act (UCIOA) in Washington passed out of the Financial Institutions Committee this week. The bill was amended to include our language, so we are now in a support position, versus an opposed position prior to the amendment.

Housing

Appraisal fee bills introduced & heard this week

A bill relating to appraisal fee structures (HB 2922) was introduced last week. The bill would modify provisions relating to appraisal management companies and fees and would set a fee structure in statute. We worked with other stakeholders, including the WBA and the Community Bankers Association to oppose the bill. The chair/sponsor was clear that he did not plan to move the bill this session, but indicated he would like to continue the conversation over the interim. This issue is something that is anticipated in the future.

Preservation Tax Credit

SB 5182 which creates a preservation property tax credit for low income housing had a hearing on 1/29 and passed out of the Ways & Means Committee on 1/31. The bill has been referred to the Rules Committee.

Rent control bills are dead

HB 2583, which repeals existing rent control laws in Washington State to promote more housing construction had a public hearing on 1/23 in the House Judiciary Committee. The bill was not passed out of the committee by the 2/2 cutoff, so is dead for this session.

Its companion bill, SB 6400, had a public hearing on 1/30 in the Senate Committee on Financial Institutions & Insurance. We signed in opposed to the proposal. The bill also did not pass out of the committee by the cutoff, so is dead.

Budget and Tax Developments

Progressive B&O bill

The proposal to change the state's business and occupation tax structure (HB 2940, sponsored by the chair of the Finance Committee, Rep. Lytton) had a hearing this week. Under the proposal

- Increases the small business deduction to 125,000;
- Creates a new computation methodology for tax liability so that a business calculates its tax gross margin to determine B&O liability. Gross margin thresholds are calculated by deducting cost of goods sold and cost of labor from gross income:
 - If the margin is less than \$250,000 the tax liability is zero;
 - If the margin is between \$250,000 – \$1 million, the tax liability remains the same;
 - If the margin is over \$1 million, imposes a surcharge equal to the tax payable multiplied by 6%.
- The bill also allows the Department of Revenue to adjust the surcharge by rule in order to ensure the act is revenue neutral.
- The bill also creates a taskforce to review existing B&O tax preferences.

The bill was heard on 1/30 and has been scheduled for executive action on 2/5.

Capital gains proposal

Rep. Lytton also introduced a bill this week (HB 2967) that would impose a seven-percent capital gains tax on the sale or exchange of long-term capital assets or other capital gains realized by a taxpayer. The bill has certain exclusions including:

- Residential dwellings;
- Assets in retirement savings accounts;
- Certain Livestock held for more than 12 months;
- Certain agricultural land;
- Property used in a trade or business if the property qualifies for an income tax deduction; and
- Timber, timberland, or gains derived from real estate investment trusts.

The bill had been scheduled for a public hearing in the Finance Committee next week, but was removed from the agenda.

Labor issues

New Noncompete bills heard

Rep. Stanford's bill related to noncompetition agreements (HB 2903) passed out of the the Committee on Labor & Workplace Standards Committee on 2/1. The bill was not amended by the committee. The proposal would state that, 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 bill passed on a party line vote.

A Senate noncompete bill (SB 6522) passed out of the Senate Labor & Commerce Committee on 2/1. The committee amended the bill:

- Establishes conditions in which a noncompete agreement is enforceable and make certain
- Creates a presumption that an agreement for one year or longer is void and unenforceable;
- Provides that attempts to enforce an unenforceable agreement is a Consumer Protection Act violation.

The other Senate proposal (SB 6526) also passed out of the Commerce & Labor Committee on 2/1. The bill was amended to only apply to hourly employees, so any contract that restrains such employees from engaging in that provision is void and unenforceable.

Workplace harassment

The Senate Labor & Commerce Committee moved three bills related to sexual harassment in the workplace on 1/29:

- SB 5996—prohibits an employer from requiring an employee to sign a nondisclosure agreement preventing disclosure of sexual harassment or assault and provides that any such nondisclosure agreement will be deemed void an unenforceable. The committee amended the bill to exclude HR staff.
- SB 6313—provides that certain employment agreements are void and unenforceable unless they preserve the employee’s right to file a sexual harassment or assault complaint in court.
- SB 6471—requires the Human Rights Commission to develop model policies and best practices to prevent sexual harassment.

Bill Tracker

Bill	Title	Status	Date	Original Sponsor	Companion Bills	Latest Cmte Mtg Info
HB 1044	Homeownership projects	H Comm Dev, Housi	01/09/2017	MacEwen		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/student 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	Robinson	SB 5032 (SLabor & Commerce)	Feb 22 Executive action taken in the House Committee on Appropriations at 1:30 PM. (2017)
3SHB 1169	Student loan assistance	S Higher Ed & Wor	02/02/2018	Orwall		Jan 22 Executive action taken in the House Committee on Appropriations at 3:30 PM. (2018)
HB 1185	Insurance/inducements	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 services	S Fin Inst/Ins	01/15/2018	Bergquist	SB 5396 (SFin Inst/Ins)	Feb 1 Public hearing in the Senate Committee on Financial Institutions & Insurance at 8:30 AM. (2018)

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/arr ests, 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	Thariner	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)

2SHB 1486	Wage liens/wage recovery act	H Rules R	01/24/2018	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 (S Ways & 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 (S Ways & Means)	
2SHB 1570	Homeless housing & assist.	H 2nd Reading	01/26/2018	Macri		Jan 22 Executive action taken in the House Committee on Appropriations at 3:30 PM. (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 (S Ways & Means)	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 (S Rules 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	Stokesberry		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 Government)	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	Pellicioti		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)
3SHB 1904	Personal info. sale & tax	H Approps	01/26/2018	Smith		Jan 24 Executive action taken in the House Committee on Technology & Economic Development at 8:00 AM. (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/ad min.	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	S Fin Inst/Ins	01/22/2018	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)
ESHB 2098	Marijuana/financial services	S Fin Inst/Ins	02/02/2018	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 (SRules 2)	Jan 17 Public hearing in the House Committee on Judiciary at 8:00 AM. (2018)

HB 2364	Housing finance commission	H Rules R	02/02/2018	Ryu	SB 6371 (SRules 2)	Feb 2 Executive action taken in the House Committee on Capital Budget at 10:00 AM. (2018)
HB 2922	Appraisal management	H Bus & Fin Svcs	01/24/2018	Kirby		Jan 30 Public hearing in the House Committee on Business & Financial Services at 8:00 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 & W orkpl)	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)

SSB 5140	Workplaces/gender pay equity	S 2nd Reading	01/31/2018	Cleveland		Jan 22 Executive action taken in the Senate Committee on Labor & Commerce at 1:30 PM. (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 & Commerce	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 Rules 2	02/02/2018	Fain		Jan 31 Executive action taken in the Senate Committee on Ways & Means at 3:30 PM. (2018)
SB 5210	Student loan bill of rights	S Higher Ed & Wor	01/08/2018	Lias	HB 1440 (Hsubst for)	
SB 5264	Virtual currency/marijuana	S Labor & Commerce	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)	
SSB 5407	Housing options	S Ways & Means	01/26/2018	Frocht	HB 1633 (HJudiciary)	Feb 5 Scheduled for public hearing in the Senate Committee on Ways & Means at 10:00 AM . (Subject to change) (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 & Commerc	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 X	01/25/2018	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 5680	Small securities offerings	S Rules X	03/17/2017	Fain	HB 1593 (C 113 L 17)	Feb 14 Executive action taken in the 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)
SSB 6175	Common interest ownership	S Rules 2	02/02/2018	Pedersen		Feb 1 Executive action taken in the Senate Committee on Financial Institutions & Insurance at 8:30 AM. (2018)
SB 6375	Publicly owned depository	S Ways & Means	01/26/2018	Hasegawa		Jan 31 Public hearing in the Senate Committee on Ways & Means at 3:30 PM. (2018)
SSB 6457	Real estate appraisals	S Rules 2	02/02/2018	Conway	HB 2629 (HJudiciary)	Feb 1 Public hearing and executive action taken in the Senate Committee on Labor & Commerce at 1:30 PM. (2018)
SSB 6484	Nuisance abatement	S Rules 2	02/02/2018	Mullet		Feb 1 Executive action taken in the Senate Committee on Financial Institutions & Insurance at 8:30 AM. (2018)
SJM 8002	Banking/Glass-Steagall act	S Fin Inst/Ins	01/11/2017	Hasegawa		Jan 30 Public hearing in the Senate Committee on Financial

						Institutions & Insurance at 8:30 AM. (2018)
--	--	--	--	--	--	---