

General Session Update

With less than one week left of the session, the Legislature is coming up to its final days of the short 60-day session.

The policy cutoff for bills to pass out of the opposite body was 2/23, and fiscal cutoff where bills must pass out of fiscal committees was 2/26. The next big cutoff was 3/2, which was the last day to pass bills of the opposite house. Of course, there are exceptions to all cutoffs for bills that are necessary to implement the budget. It is still anticipated that lawmakers will be able to adjourn on time on 3/8.

Nationstar

The proposal we have been working on for more than one year (HB 2057) passed both legislative bodies unanimously this week. The final package included the following pieces:

- A mechanism through current nuisance abatement processes (city, county and town) where a municipality may identify whether a property is abandoned. If determined, the municipality may contact the financial institution to grant broad access to abate the nuisance and secure the property. If the financial institution does not act, the municipality may go through current abatement processes, and may take an unlimited priority lien on the property to recoup those expenses.
- A mechanism where a financial institution can contact a municipality to request a determination of abandonment in order to gain access. The municipality must respond to this request.
- A mechanism where municipalities may contact an institution that owns bank-owned property and request abatement of a nuisance. If the financial institution does not act, the municipality may go through current abatement processes, and may take an unlimited priority lien on the property to recoup those expenses.

The bill will now go to the Governor's desk for signature into law.

Housing

Source of Income Discrimination

The proposal to ban discrimination from landlords based on a person's source of income (HB 2578) had passed out of the Senate on 3/1 with a vote of 36 to 13. The bill now goes to the House for concurrence.

Document Recording Fee

The proposal to make the temporary \$40 local homeless housing and assistance surcharge permanent (HB 1570) has now been concurred on by the House and will go to the Governor's desk for signature into law. The proposal as passed also allows certain cities and counties to impose an additional surcharge and creates new and updated reporting requirements for state and local homeless housing programs.

Public Records

A proposal intended to address a recent court case around the public disclosure obligations of the legislature (SB 6617) has drawn a significant amount of attention this week. The proposal, which provides an exemption from the Public Records Act for certain legislative communications, was featured on a number of front page editorials and has flooded the Governor's office with requests for a veto. Some of the public criticism stems from the speed of its passage: with introduction 2/22 and passage by both bodies on 2/23. The bill drew a massive media and public response in opposition including thousands of emails and calls to the Governor's office requesting a veto. Ultimately, the legislators

requested a veto from the Governor, stipulating a task force process will happen over the interim to develop a proposal. The Governor vetoed the bill in its entirety on 3/1.

Taxes & Budget Issues

Carbon Emission Taxes

After a lot of negotiations and speculation, the key Senate champions announced this week that the carbon tax proposal was officially dead for the session. An amended version of the carbon tax legislation (SB 6203) had passed out of Senate Ways and Means Committee on a party-line vote on 2/22, and headed to the Senate floor. It soon became clear that there were not enough votes in the Senate.

The initial tax rate was set at \$12/ton and is capped at \$30/ton. It increased oversight and accountability by adding performance-based criteria for grants and an audit of the overall program every two years by a Joint Committee on Climate Programs Oversight. Under the latest proposal, all revenues collected would go to a Carbon Pollution Account distributed as follows, with the initial \$100 million per year transferred to the Multi Modal Transportation Account.

Of the remaining funds:

- 50% to energy transformation
- 20% to water and natural resources resilience
- 15% to transition assistance
- 15% to rural economic development

Advocates have now filed an initiative the people.

Capital gains

The House's Operating budget includes the assumption of passage of the capital gains proposal (HB 2967). The bill is overall revenue neutral, but 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. Simultaneously, the proposal would use these capital gains revenues to reduce the property tax liabilities.

The bill has certain exclusions including:

- Primary 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 passed out of the Finance Committee on a party line vote on 2/19 and has been referred to the Rules Committee but has not been pulled to date. This bill was assumed in the House Budget. It is unclear if the House leadership plans to take a floor vote on Capital Gains. However, the Senate does not appear to have the votes to pass a Capital Gains tax.

Manufacturing B&O rate

Legislation was introduced this session to phase in a lower business and occupation (B&O) tax for manufacturers from the current .484% to .2904%. The Senate bill (SB 6542) and the House bill (HB 2393)

still have not been heard to date. Similar legislation was part of the budget compromise last year, but it was vetoed by Governor Inslee.

Meanwhile, a narrower proposal to provide a preferential B&O tax rate beginning in 2020 for eligible manufacturers in rural counties (HB 2992) passed out of the Finance Committee on 2/19. Under the bill, the B&O rate is phased down until it hits 0.2904% where it would remain after 2023. Eligible areas are defined as a county or equivalent with a population density of less than 100 persons per square mile or smaller than 225 square miles. The proposal would also extend the expiration date of the timber and wood products preferential B&O rate through 2029. The bill has now been referred to the Rules Committee. This bill is assumed in the House budget.

Bill Tracker

Bill	Title	Status	Date	Original Sponsor	Companion Bills	Latest Cmte Mtg Info
HB 1044	Homeownership projects	H Comm Dev, Housing	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	Dispute	H Rules 3C	04/23/	Jinkins		Mar 29 Executive action taken in the

1070	resolution fees		2017			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 & Co mmer)	Feb 22 Executive action taken in the House Committee on Appropriations at 1:30 PM. (2017)
3SHB 1169	Student loan assistance	H Passed FP	03/03/2018	Orwall		Feb 20 Executive action taken in the Senate Committee on Higher Education & Workforce Development at 8:00 AM. (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 services	S Passed 3rd	03/02/2018	Bergquist	SB 5396 (SFin Inst/Ins)	Feb 15 Executive action taken 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/arrests, etc.	H Passed FP	03/03/2018	Ortiz-Self		Feb 26 Executive action taken in the Senate Committee on Ways & Means at 10:00 AM. (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	S Passed 3rd	03/01/2018	Pollet		Feb 26 Executive action taken in the Senate Committee on Ways & Means at 10:00 AM. (2018)
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	H Spkr Signed	03/03/2018	Pollet		Feb 20 Executive action taken in the Senate Committee on Higher Education & Workforce Development at 8:00 AM. (2018)
HB 1500	Tax exemptions	H Finance	01/20/2017	Pollet	SB 5513 (Ssubst for)	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)	
E2SHB 1570	Homeless housing & assist.	H Passed FP	03/03/2018	Macri		Feb 26 Executive action taken in the Senate Committee on Ways & Means at 10:00 AM. (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 (Ssubst for)	Feb 16 Executive action taken in the House Committee on Judiciary at 1:00 PM. (2017)
HB 1635	Tenant property,	H Judiciary	01/25/2017	Barkis	SB 5013 (SRules X)	Feb 16 Executive session scheduled, but no action was

	disposition					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 FP)	
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	Pellicciotti		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		Feb 5 Public hearing in the House Committee on Appropriations at 1:30 PM. (2018)
HB	Capital gains	H Finance	02/02/	Pollet		

1926	excise tax		2017			
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 FP	03/03/2018	Orwall	SB 5797 (Ssubst for)	Feb 20 Executive action taken in the Senate Committee on Financial Institutions & Insurance at 9:15 AM. (2018)
ESHB 2098	Marijuana/financial services	S Rules 2	02/21/2018	Sawyer	SB 5928 (Ssubst for)	Feb 20 Executive action taken in the Senate Committee on Financial Institutions & Insurance at 9:15 AM. (2018)
HB 2265	Lienholders' interests	H Judiciary	01/08/2018	Kirby	SB 6005 (S Rules X)	Jan 17 Public hearing in the House Committee on Judiciary at 8:00 AM. (2018)
HB 2364	Housing finance commission	H Rules C	02/19/2018	Ryu	SB 6371 (H Passed 3rd)	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	S Law & Justice	01/09/2017	Ericksen		

	crimes					
SB 5015	At-will tenancy/unl detainer	S Rules X	02/22/2018	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 X	02/22/2018	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 X	02/22/2018	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 X	02/22/2018	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 Rules X	02/22/2018	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 & 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 Rules X	02/22/2018	Fain		Jan 31 Executive action taken in the Senate Committee on Ways & Means at 3:30 PM. (2018)
SB 5210	Student loan	S Higher Ed &	01/08/	Lias	HB 1440 (Hsubst for)	

	bill of rights	Wor	2018			
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)	
E2SSB 5407	Housing options	H Judiciary	02/13/2018	Frocht	HB 1633 (HJudiciary)	Feb 6 Executive action taken in the Senate Committee on Ways & Means at 10:00 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 X	02/22/2018	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	S Labor &	01/08/	Zeiger		Feb 8 Public hearing in the Senate

	renewal/contracts	Commerc	2018			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	H Passed 3rd	03/01/2018	Pedersen		Feb 22 Executive action taken in the House Committee on Judiciary at 12:30 PM. (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 X	02/22/2018	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 X	02/22/2018	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	Hasega wa		Jan 30 Public hearing in the Senate Committee on Financial Institutions & Insurance at 8:30 AM. (2018)