

## 2017 Washington State Legislative Session Weekly Report Far West Agribusiness Association January 20, 2017

As we wrap up the second week of the 2017 Washington State legislative session, the pace of bill introductions is up and committee hearings are in full swing. Bills must pass out of their policy committees in the chamber of origin by February 17 in order to remain alive for further consideration. Exceptions to this deadline include bills in fiscal committees and bills necessary to implement the budget. Until then, legislators will be working hard to wade through as many bills as possible prior to this cutoff date.

### Budget Update - Revenue Sources

The governor's 2017-19 biennium operating budget proposal relies on several revenue sources estimated to generate \$4.4 billion. These revenue proposal bills are currently in Ways & Means.

- Capital Gains Tax ([SB 5111](#))
- Tax Preference Closures/Modifications ([SB 5112](#))
- Business & Occupation Tax ([SB 5113](#))
- Carbon Emissions Tax ([SB 5127](#))

### McCleary Funding Update

The capitol campus was buzzing this past Monday with large crowds in Olympia on Martin Luther King, Jr. Day to visit with legislators. The largest group was focused on education funding, as explained in this *Seattle Times* [article](#). Efforts to address the McCleary decision requirement to fully fund K-12 education will continue to dominate almost all legislative activity this session. This week Senate Minority Leader Nelson expressed frustration that Republicans have not released a plan for fully funding basic education. Senate MCC Leader Schoesler has stated Republicans will put forth a bill that fixes McCleary in "one comprehensive solution."

### Levy Cliff Looming

A common phrase when discussing McCleary is the "levy cliff." As explained in this Associated Press [article](#), beginning in January 2018 a "levy cliff" will go into effect. The levy cliff is defined as a reduction in the ability of school districts to collect additional basic education funding through local property tax levies. Each year estimates show this revenue could amount to between \$358-to-\$500 million. So the reduction of that revenue source is a big problem that the McCleary decision is ultimately intended to fix. McCleary requires that the state, not the local school districts, fully fund K-12 basic education in Washington State. There is some debate about whether delaying the levy cliff now will diminish the intense pressure this year on the Legislature to satisfy the McCleary decision. There is also some emerging information suggesting that if legislators cannot find a solution for funding McCleary

requirements by early April, the bipartisan Education Funding Task Force will propose a temporary solution to the levy cliff issue.

## **Mental Health**

A list of recommendations for improving Washington State's mental health system was released by the governor's bipartisan legislative committee for Quality in State Hospitals, as featured in this Associated Press [article](#). The committee's primary objective was to improve conditions at Western State hospital. The state's largest psychiatric hospital, Western State has been plagued with federal violations for over a year. Among other things, the committee recommends community-based mental health services be established throughout Washington State.

## **Law & Justice**

### *Bipartisan Effort to Abolish Death Penalty*

Monday, Governor Inslee (D) and former Attorney General Rob McKenna (R) announced a bipartisan bill to abolish the state's death penalty. This comes following Governor Inslee's 2014 Executive Order moratorium on the death penalty. The *Seattle Times* covered this issue [here](#).

### *Deadly Force Law Update*

The Washington Association of Prosecuting Attorneys has introduced proposed language to [SB 5073](#) which would alter the existing state laws on deadly use of force, as featured in this *Tri-City Herald* [article](#). There are currently three bills introduced on this complicated issue including [HB 1000](#), its companion [SB 5000](#), and [SB 5073](#).

## **Cyber**

The introduction of drone legislation has been common practice over the last few years in Washington State. This year, it is getting more focus due to a drone flying into Seattle's iconic Space Needle, as explained in this *The Olympian* [article](#). Rep. Morris (D-Anacortes) has introduced [HB 1049](#) that would make it illegal to take photos or collect other personal information while flying a drone over private property. Other legislation pertaining to drones includes [HB 1031](#) which legislates drones near marine species.

## **Business & Labor/Work & Family**

### *Equal Pay/Pay Equity*

A bill modifying the Equal Pay Act, [SB 5140](#), prohibits less favorable employment opportunities due to gender. It is currently in Senate Commerce, Labor & Sports.

### *Paid Family Leave*

*The Lens* produced this [article](#) on paid family leave legislation ([HB 1116/SB 5032](#)). The House version had a public hearing on January 19 with executive action scheduled for January 23. The bills allow for a maximum of 38 weeks of leave annually and include caring for a sick family member, newly adopted child, newborn, and injured member of the military. The cost is split between the employer and employee. There is also [SB 5149](#) that creates an entirely employer-funded paid family leave system. That bill is currently in Senate Commerce, Labor & Sports.

## **Transportation**

## *REAL ID & Washington State Compliance*

REAL ID compliance legislation ([HB 1041/SB 5008](#)) received hearings on both bills on January 19. The legislation facilitates compliance with the federal REAL ID Act through modification of Washington State drivers' licenses and identocard design and fees.

## *Distracted Driving*

As anticipated, legislation ([HB 1371/SB 5289](#)) with the intent of reducing distracted driving was introduced this week. As explained in this Associated Press [article](#), the bipartisan legislation bans handheld devices while driving and increases distracted driving fines.

## **Higher Education**

### *Student Loan Bill of Rights*

Washington State Attorney General Bob Ferguson (D) introduced "Student Loan Bill of Rights" legislation. As explained in his [press release](#), the legislation ([HB 1440/ SB 5210](#)) provides fixes to what Ferguson views as problems with some student loan servicers. This type of legislation has already been passed in Connecticut, California and Washington, DC.

## **Health Care**

### *Senate Health Care Gets Medicaid Update*

Monday, members on the Senate Health Care Committee received this [overview](#) of Medicaid in Washington State from the Health Care Authority (HCA). The *Washington State Wire* noted in this [article](#) that the HCA Director testified Medicaid spending has remained consistent at \$4 billion annually while the Medicaid population in Washington State has nearly doubled since 2005. Senators on the committee asked the HCA to provide them with data showing which areas of the state would be most impacted by a federal repeal of the Affordable Care Act.

## **Local Government**

### *Bill to Block Safe Injection Sites Introduced*

Sen. Miloscia (R-Federal Way) sponsored legislation to block cities and counties in Washington State from hosting safe drug injection sites, as outlined in this *Crosscut* [article](#). The article states that Miloscia's motivation for the legislation is in response to a recently released report by the Heroin & Prescription Opiate Task Force, a joint group for King County and the City of Seattle. King County recently approved funding two safe drug injection sites in its 2017-18 budget.

### *Revenue Restrictions Regarding Marijuana Introduced*

Cities and counties that intentionally keep marijuana from being sold in their jurisdictions may lose revenue, as explained in this *Spokesman Review* [article](#). Legislators introduced [HB 1099](#) last week and it received a public hearing and executive action during the second week of the 2017 session.

## **Water**

### *Hirst Decision Update*

Sen. Warnick (R-Moses Lake) has announced plans to introduce legislation addressing the recent First water rights decision by the State Supreme Court.

## Far West Agribusiness Association

### Upcoming Legislative Events

#### Environment (House) - HHR B, JLOB - 1/23 @ 1:30pm

- HB 1144 - Public Hearing - Amending state greenhouse gas emission limits for consistency with the most recent assessment of climate change science.

#### Labor & Workplace Standards (House) - HHR E, JLOB - 1/23 @ 1:30pm

- HB 1301 - Public Hearing - Concerning the employee antiretaliation act.
- HB 1302 - Public Hearing - Providing damages for wage violations.
- HB 1116 - Exec Session - Implementing family and medical leave insurance.

#### Labor & Workplace Standards (House) - HHR E, JLOB - 1/24 @ 1:30pm

- HB 1298 - Public Hearing - Prohibiting employers from asking about arrests or convictions before an applicant is determined otherwise qualified for a position.

#### Labor & Workplace Standards (House) - HHR E, JLOB - 1/26 @ 8:00am

- HB 1298 - Exec Session - Prohibiting employers from asking about arrests or convictions before an applicant is determined otherwise qualified for a position.

#### Commerce, Labor & Sports (Senate) - SHR 4, JACB - 1/26 @ 1:30pm

- SB 5230 - Public Hearing - Concerning licensing and regulatory requirements of small business owners.

#### High Priority Bills

<u>Bill Details</u>	<u>Status</u>	<u>Sponsor</u>	<u>Position</u>
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<b>Family &amp; med leave insurance</b>	H Labor & Workpl	Robinson	Oppose
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Implementing family and medical leave insurance.

**[HB 1116](#)**  
**(SB 5032)**

*Sponsors:* Robinson (Prime), Appleton, Bergquist, Doglio, Dolan, Farrell, Frame, Goodman, Gregerson, Hudgins, Jinkins, Kagi, Kirby, Kloba, Lytton, Macri, McBride, Ormsby, Ortiz-Self, Peterson, Pollet, Reeves, Riccelli, Santos, Sells, Senn, Slatter, Stanford, Stonier, Tarleton, Tharinger, Wylie

*Summary:* Allows workers to: (1) Care for family members with a serious health condition or to recover from their own serious health condition; and (2) Deal with exigencies arising out of the

military service of a family member. Requires the employment security department to: (1) Establish and administer a family and medical leave insurance program; and (2) Pay family and medical leave insurance benefits. Changes the name of the family leave insurance account to the family and medical leave insurance account.

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<b>Product labeling tax incent.</b>	H Ag & Nat Res	Taylor	Oppose
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Providing a tax incentive for the labeling of products.

*Sponsors:* Taylor (Prime), Buys, Condotta, Haler, Kretz, Shea, Short

[HB 1245](#)

*Summary:* Provides a tax credit, in computing business and occupation taxes, of ten thousand dollars per product line per taxable year for a person who voluntarily labels a line of products: (1) For food offered for retail sale in the state if it is or may have been produced through bioengineering or genetically engineered; (2) For food offered for retail sale in the state that has not been bioengineered or genetically engineered; and (3) For an agricultural product or food offered for retail sale in the state if it is or may have been produced outside of the United States.

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## Medium Priority Bills

**Bill Details**

**Status**

**Sponsor**

**Position**

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<b>Ecology rules/peer review</b>	H Environment	Shea	Neutral
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Establishing a peer review process to ensure robust economic analysis of department of ecology administrative rules.

*Sponsors:* Shea (Prime), Buys, Haler, Holy, McCaslin, Pike, Short, Taylor, Young

[HB 1014](#)

*Summary:* Requires the department of ecology to: (1) Before making available a preliminary cost-benefit analysis or finalizing a small business economic impact statement, solicit peer review of the draft economic analyses by qualified professionals; and (2) Incorporate both the optimistic and pessimistic economic impact scenarios into the final cost-benefit analysis. Prohibits the department of ecology from adopting a rule whose probable benefits are less than its probable costs.

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<b>School levy lid revs./delay</b>	H 2nd Reading	Lytton	Neutral
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Delaying implementation of revisions to the school levy lid.

[HB 1059](#)  
[\(SB 5023\)](#)

*Sponsors:* Lytton (Prime), Bergquist, Blake, Cody, Dolan, Farrell, Fitzgibbon, Frame, Hudgins, Jinkins, Kagi, Kilduff, Ormsby, Pollet, Senn, Sullivan, Tarleton

*Summary:* Extends current statutory policies on local enrichment through calendar year 2019 to promote a school district's ability to plan for the future during the 2017 transition period.

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<b>Greenhouse gas emissions</b>	H Environment	Fitzgibbon	Neutral
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Amending state greenhouse gas emission limits for consistency with the most recent assessment of climate change science.

[HB 1144](#)

*Sponsors:* Fitzgibbon (Prime), Doglio, Farrell, Fey, Goodman, Jinkins, Macri, Ormsby, Peterson, Pollet, Ryu, Stanford, Tarleton

*Summary:* Addresses the most recent assessment of climate change science and changes certain requirements of the state with regard to emissions of greenhouse gases.

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**State estate tax, repealing** H Finance Young Neutral  
Repealing the state estate tax.

[HB 1206](#)

*Sponsors:* Young (Prime), McCaslin, Muri, Shea, Taylor, Walsh

*Summary:* Repeals the state estate tax.

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**Job applicants/arrests, etc.** H Labor & Workpl Ortiz-Self Neutral  
Prohibiting employers from asking about arrests or convictions before an applicant is determined otherwise qualified for a position.

[HB 1298](#)

*Sponsors:* Ortiz-Self (Prime), Appleton, Bergquist, Farrell, Frame, Gregerson, Haler, Jinkins, Kagi, Kilduff, Lovick, Manweller, McBride, Ormsby, Santos, Sells, Senn, Stanford, Tarleton, Young

*Summary:* Establishes the Washington fair chance act. Prohibits an employer from including any question on an application for employment, from inquiring either orally or in writing, from receiving information through a criminal history background check, or from otherwise obtaining information about an applicant's criminal record until after the employer initially determines that the applicant is otherwise qualified for the position. Requires the state attorney general's office to enforce this act.

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**Employee antiretaliation** H Labor & Workpl Ryu Neutral  
Concerning the employee antiretaliation act.

[HB 1301](#)

*Sponsors:* Ryu (Prime), Farrell, Frame, Goodman, Gregerson, Jinkins, Macri, McBride, Ormsby, Peterson, Pollet, Santos, Senn, Stanford, Stonier, Tarleton

*Summary:* Addresses retaliation and discrimination against employees and providing protection for employees.

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**Wage violations, damages for** H Labor & Workpl Frame Neutral  
Providing damages for wage violations.

[HB 1302](#)

*Sponsors:* Frame (Prime), Farrell, Goodman, Gregerson, Jinkins, Macri, Ormsby, Peterson, Ryu, Santos, Stanford

*Summary:* Increases the penalty for certain wage violations.

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**Small business owners** H State Governme Barkis Neutral  
Concerning licensing and regulatory requirements of small business owners.

*Sponsors:* Barkis (Prime), Blake, Caldier, Chapman, Cody, Condotta, Haler, Harmsworth, Harris, Hayes, Holy, Jinkins, Kilduff, Kirby, Koster, Kretz, Lytton, MacEwen, Manweller, McCabe, Muri, Nealey, Orcutt, Pike, Schmick, Shea, Short, Smith, Springer, Steele, Stokesbary, Tarleton, Taylor, Tharinger, Vick, Walsh, Wilcox

[HB 1352](#)  
(SB 5230)

*Summary:* Requires the attorney general to review the administrative procedure act, as well as related administrative rules, similar statutes, and case law, to identify the current rights and protections afforded to small business owners selected for agency enforcement actions including inspections, audits, site visits, or record review. Requires the department of agriculture, department of ecology, employment security department, department of labor and industries, department of revenue, and state fire marshal to: (1) Review provisions of their governing statutes, administrative rules, policy statements, guidance, and directives to identify the current rights and protections afforded to small business owners that are selected for inspection, audit, or other enforcement action by the agency; and (2) No later than August 31, 2017, provide the attorney general with certain information. Expires

December 31, 2017.

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<a href="#"><u>HB 1404</u></a> (SB 5285)	<b>Workforce study/ag., etc.</b> Conducting a workforce study of employment opportunities in the agriculture, environment, and natural resources economic sectors intended to provide educators with the information needed for informing students about employment opportunities in the studied fields.	H Hi Ed	Tarleton	Neutral
	<i>Sponsors:</i> Tarleton (Prime), Chandler, Haler, Santos, Sells, Stambaugh, Stanford, Van Werven, Wilcox			
	<i>Summary:</i> Requires the workforce training and education coordinating board to conduct a workforce assessment for the agriculture, natural resources, and environment sectors to assess the available data on current and projected employment levels and hiring demand for skilled mid-level workers in those sectors.			
<a href="#"><u>HB 1453</u></a> (SB 5318)	<b>Agriculture science ed.</b> Promoting agriculture science education in schools.	H Education	Blake	Neutral
	<i>Sponsors:</i> Blake (Prime), Chandler, Kretz, Lytton			
	<i>Summary:</i>			
<a href="#"><u>SB 5002</u></a>	<b>Water banks/permanent avail.</b> Requiring certain water banks to replace leased water rights provided for mitigation with water rights that will be permanently available.	S Ag/Water/Trade&	Honeyford	Neutral
	<i>Sponsors:</i> Honeyford (Prime)			
	<i>Summary:</i> Requires a county-operated water bank that leases water rights to offer for mitigation to replace the rights with rights that will be permanently available for mitigation before the expiration of the lease.			
<a href="#"><u>SB 5011</u></a>	<b>Business corporation act</b> Concerning the business corporation act.	S Law & Justice	Pedersen	Neutral
	<i>Sponsors:</i> Pedersen (Prime), Fain, Frockt, Kuderer, Padden			
	<i>Summary:</i> Revises the Washington business corporation act.			
<a href="#"><u>SB 5023</u></a> (HB 1059)	<b>School levy lid revs./delay</b> Delaying implementation of revisions to the school levy lid.	S EL/K-12	Wellman	Neutral
	<i>Sponsors:</i> Wellman (Prime), Billig, Carlyle, Chase, Conway, Darneille, Frockt, Hasegawa, Hunt, Keiser, Kuderer, Liias, McCoy, Mullet, Nelson, Palumbo, Pedersen, Rolfes, Salda?a			
	<i>Summary:</i> Extends current statutory policies on local enrichment through calendar year 2019 to promote a school district's ability to plan for the future during the 2017 transition period.			
<a href="#"><u>SB 5032</u></a> (HB 1116)	<b>Family &amp; med leave insurance</b> Implementing family and medical leave insurance.	S Com/Labor/Spor	Keiser	Neutral
	<i>Sponsors:</i> Keiser (Prime), Billig, Chase, Cleveland, Conway, Darneille, Frockt, Hasegawa, Hobbs, Hunt,			

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McCoy, Nelson, Palumbo, Pedersen, Ranker, Rolfes

*Summary:* Allows workers to: (1) Care for family members with a serious health condition or to recover from their own serious health condition; and (2) Deal with exigencies arising out of the military service of a family member. Requires the employment security department to: (1) Establish and administer a family and medical leave insurance program; and (2) Pay family and medical leave insurance benefits. Changes the name of the family leave insurance account to the family and medical leave insurance account.

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<b>State land lease termination</b>	S Ag/Water/Trade	Brown	Neutral
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Concerning nondefault termination provisions in state land leases for agricultural or grazing purposes.

*Sponsors:* Brown (Prime), Becker, Honeyford, Schoesler, Warnick

[SB 5051](#)

*Summary:* Requires a nondefault termination provision included in a state land lease for agricultural or grazing purposes to: (1) Require advance written notice of at least one hundred eighty days by the department of natural resources to the lessee before termination of the lease; and (2) Require the department to provide written documentation to the lessee demonstrating that the department has included the leased land in a plan for higher and better use, land exchange, or sale.

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<b>Carbon pollution tax</b>	S Ways & Means	Braun	Neutral
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Establishing a carbon pollution tax and investment program to reduce greenhouse gas emissions, facilitate the transition to a clean energy economy, and invest in K-12 education and other vital public services.

*Sponsors:* Braun (Prime), Hunt, Ranker

[SB 5127](#)

*Summary:* Establishes the carbon pollution tax and investment act. Imposes a carbon pollution tax on: (1) The sale or use of fossil fuels, including fossil fuels used in generating electricity; or (2) The sale or consumption of electricity generated through the combustion of fossil fuels. Creates the carbon pollution reduction account and the carbon reduction investment fund.

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<b>Paid family leave</b>	S Com/Labor/Spor	Fain	Neutral
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Addressing paid family leave.

*Sponsors:* Fain (Prime), Baumgartner, Braun, Darneille, Hobbs, Miloscia, Palumbo, Rivers, Walsh, Warnick, Zeiger

[SB 5149](#)

*Summary:* Provides family leave benefits to certain employees and those employees continue to be eligible for the benefits during employment with a covered employer. Requires the employment security department to administer family leave provisions.

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<b>Rural jobs</b>	S Ag/Water/Trade	Warnick	Neutral
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Creating the Washington rural jobs act.

*Sponsors:* Warnick (Prime), Brown, Dansel, Hawkins, Mullet, Saldaña, Schoesler, Takko, Wellman

[SB 5208](#)  
[\(HB 1422\)](#)

*Summary:* Establishes the Washington rural jobs act. Requires the department of commerce to accept applications for approval as a rural growth fund. Allows a nonrefundable tax credit, for taxpayers that made a credit-eligible capital contribution to the rural growth fund and were issued a tax credit certificate, and allows the credit to be claimed against the following: Business and occupation taxes;

insurance premium taxes; and retaliatory taxes. Provides a July 1, 2023, contingent expiration date.

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<b>Small business owners</b>	S Com/Labor/Spor	Wilson	Neutral
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Concerning licensing and regulatory requirements of small business owners.

*Sponsors:* Wilson (Prime), Angel, Bailey, Baumgartner, Becker, Braun, Brown, Chase, Hasegawa, Hawkins, Hobbs, Keiser, King, Miloscia, Mullet, O'Ban, Padden, Palumbo, Sheldon, Takko, Walsh, Warnick

[SB 5230](#)  
(HB 1352)

*Summary:* Requires the attorney general to review the administrative procedure act, as well as related administrative rules, similar statutes, and case law, to identify the current rights and protections afforded to small business owners selected for agency enforcement actions including inspections, audits, site visits, or record review. Requires the department of agriculture, department of ecology, employment security department, department of labor and industries, department of revenue, and state fire marshal to: (1) Review provisions of their governing statutes, administrative rules, policy statements, guidance, and directives to identify the current rights and protections afforded to small business owners that are selected for inspection, audit, or other enforcement action by the agency; and (2) No later than August 31, 2017, provide the attorney general with certain information. Expires December 31, 2017.

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<b>Seeds, agency procurement of</b>	S Ag/Water/Trade&	Warnick	Neutral
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Concerning the procurement of seeds by state agencies.

[SB 5263](#)

*Sponsors:* Warnick (Prime)

*Summary:* Requires agencies, when purchasing seed, to require suppliers of the seed to ensure the identity and purity of the seed through appropriate testing performed by the department of agriculture or certain other agencies to ensure the identity and purity of the seed.

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<b>Workforce study/ag., etc.</b>	S Higher Ed	Wilson	Neutral
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Conducting a workforce study of employment opportunities in the agriculture, environment, and natural resources economic sectors intended to provide educators with the information needed for informing students about employment opportunities in the studied fields.

[SB 5285](#)  
(HB 1404)

*Sponsors:* Wilson (Prime), Palumbo

*Summary:* Requires the workforce training and education coordinating board to conduct a workforce assessment for the agriculture, natural resources, and environment sectors to assess the available data on current and projected employment levels and hiring demand for skilled mid-level workers in those sectors.

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<b>Levy auth/local eff assist</b>	S Ways & Means	Ranker	Neutral
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Lowering the levy authority and local effort assistance.

[SB 5298](#)

*Sponsors:* Ranker (Prime)

*Summary:* Lowers the levy authority and local effort assistance.

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[SB 5318](#)  
(HB 1453)

<b>Agriculture science ed.</b>	S EL/K-12	Hunt	Neutral
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Promoting agriculture science education in schools.

*Sponsors:* Hunt (Prime), Brown, Takko, Warnick

*Summary:*

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**Low Priority Bills**

No bills.

**Monitoring Bills**

No bills.

**Other Bills**

No bills.