2017 Washington State Legislative Session Weekly Report
Far West Agribusiness Association
March 3, 2017

The 2017 Washington State Legislature passed the halfway mark of its 105-day regular session on March 1. The March 8 house of origin cutoff is the next milestone when bills must pass off the floor to stay alive. Until then, legislators are spending the majority of their time caucusing, debating and voting on bills. After March 8 each chamber will study and debate the opposite chamber's bills in policy, fiscal (when needed) and rules committees before consideration on the floor.

As always, keep in mind that any bill deemed NTIB (necessary to implement the budget) can be exempt from these cut off deadlines. And, while unlikely, even dead bills can be brought back to life through either extraordinary procedural maneuvers or creative amendments onto other bills moving through the process.

Below is a general summary of the legislative activities in Washington State over the past week.

2017-19 Budget Negotiations Update

A Quick Review

Budget debates in Washington State for many years have focused on the need for new revenue to cover the increasing costs of existing programs, new programs and the funding of K-12 basic education. Due to the 2012 Washington State Supreme Court McCleary decision, this year lawmakers have the additional pressure of a looming court deadline to fully fund K-12 basic education by 2018 without reliance on local levy funding sources.

Negotiations - The Stage has Been Set

With each side's education funding plans passed, negotiations can now begin between the Democrat-controlled House (ESBH 1843) and Republican Majority Coalition Caucus-controlled Senate (SSB 5607). All four caucuses will be involved in the budget negotiations. Even with this development, KNKX news reported in this story that it will be months before a solution is agreed upon and adopted. In fact, conventional wisdom suggests that at least one 30-day special session will be required in order to complete the mandatory budget work.

Forcing a Vote on Taxes

The Spokesman Review explained in this article that on February 27 Senate Republicans on the Rules Committee approved moving to the floor calendar new tax bills requested by Governor Inslee (D) in his 2017-19 budget proposals. The Tacoma News Tribune reported here that the tax bills could be brought to the Senate floor in order to force lawmakers to go on the record on the issue of new taxes. Democrats are pushing back stating it makes no sense to vote on tax proposals until a budget negotiation deal is in place and new revenue needs have been identified.
Republican Education Proposal Update

On February 28 non-partisan staff confirmed the cost of the Senate education proposal is nearly $1 billion higher than original estimates, as noted in this Crosscut article. In response, Senate Ways & Means Chair John Braun (R-Chehalis) held firm that no new revenue would be necessary to implement the Republican plan. He pointed to projected new revenue coming into the state as well as implementation of a possible temporary overlap of state and local property tax collections for several months. Senator Zeiger (R-Puyallup) pointed to delaying scheduled program funding increases as another possible way to bridge the gap.

Health Care

Affordable Care Act Update

ESHB 1523 (SB 5602) passed the House (70-28) on March 1. The legislation intends to maintain preventative health coverage for Washington State citizens regardless of federal actions to repeal the Affordable Care Act, as noted in this Associated Press article. Governor Inslee recently expressed grave concerns about possible changes to the Affordable Care Act, as reported in this blog by MyNorthwest.com. Washington State Republican leaders stated on February 27 that a repeal of the ACA could create an opportunity for meaningful reforms as noted in this Washington State Wire blog.

Local Government

Water - Hirst decision Update

On February 28 the Senate approved (28-21) E2SSB 5239 to address the October 2016 State Supreme Court Hirst decision regarding water rights, as noted in this Associated Press article.

Cyber

Biometric Identifiers

On March 2 the House passed (97-1) SHB 1717 regarding the collection, use and retention of biometric identifiers that would prohibit state agencies, except for law enforcement, to obtain a biometric identifier and sell it without consent. It also exempts biometric identifiers from the Public Records Act. That same day the House passed (81-17) ESHB 1493 which addresses the collection of biometric identifiers by private companies. Among other things, it establishes rules for notice and consent when an individual wishes to use biometric identifiers in a database and prohibits the sale or lease of the identifiers for commercial purposes in some circumstances.

Electronic Product Recycling

Legislation (ESHB 1824) concerning electronic product recycling was voted out of the House with a 55-43 vote on March 1. The legislation has three main electronic waste recycling objectives, including 1) to publish rates and volumes allocated to collectors, transporters and processors, 2) to require the Department of Ecology to conduct audit and oversight activities and 3) to direct penalties issued for violations into an account to fund oversight of the electronic waste recycling program.

Transportation

REAL ID Act Update
ESB 5008, with the intent of bringing Washington State's driver licenses in compliance with the federal REAL ID Act, passed out of the Senate with a strong 45-4 vote on February 28. Without a legislative fix, Washington's driver licenses will no longer be accepted at airport security checks beginning in January 2018 as explained in this Associated Press article.

**Sound Transit 3**

The *Tacoma News Tribune* reported in this article on SSB 5001 which would appoint Sound Transit board members with elected members. It passed the Senate 29-20 on March 1.

**Business & Labor**

*Ban the Box*

"Ban the box" legislation, SHB 1298, prohibits employers from inquiring about an applicant’s arrest or conviction history on employment applications. The House passed the bill on March 1 with a 68-30 vote.

*Pregnancy Accommodations*

ESHB 1796, regarding providing accommodations in the workplace for pregnancy, was unanimously passed out of the House on March 1. The legislation requires an employer with eight or more employees to make reasonable accommodations.

*Robotic Workforce*

Recently the Washington State Agriculture Director expressed concerns about the Trump administration’s push to keep immigrant workers out of the country, as reported in this Associated Press article. Marketed as a solution to agricultural labor shortage concerns, robot fruit harvesting machines could be in circulation by 2019 as noted in this *Wenatchee World* article.

**Marijuana**

*Industrial Hemp*

The House voted unanimously to decriminalize industrial hemp by passing HB 2064 on March 1. The bill removes industrial hemp from the scope of the Uniform Controlled Substances Act, as explained in this blog.

*Federal Watch*

Seven states and the District of Columbia have legalized recreational marijuana. A leading marijuana attorney in Washington State has gone on the record stating she believes it is unlikely the federal government will shut down legal marijuana, as noted in this *Puget Sound Business Journal* article.

**Mental Health**

*Children’s Mental Health*

On March 1 the House passed two bills to support children's mental health. E2SHB 1713, implementing recommendations from a children's mental health work group, was voted (75-23) out of the House. Similarly, the House unanimously passed E2SHB 1819 which helps improve children's mental health and safety by reducing documentation and paperwork requirements.
SB 5779 integrates behavioral health with primary care and was unanimously passed out of the Senate on March 1. The intent of the bill is to address a disproportionate number of child suicides by providing access to mental health care embedded in the primary care practice.

Far West Agribusiness Association

Upcoming Legislative Events

Judiciary (House) - HHR A, JLOB - 3/9 @ 1:30pm

- SB 5011 - Public Hearing - Concerning the business corporation act.

High Priority Bills

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<tr>
<th>Bill Details</th>
<th>Status</th>
<th>Sponsor</th>
<th>Position</th>
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<tbody>
<tr>
<td><strong>Family &amp; med leave insurance</strong></td>
<td>H Rules R</td>
<td>Robinson</td>
<td>Oppose</td>
</tr>
<tr>
<td>Implementing family and medical leave insurance.</td>
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**SHB 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:*

**Product labeling tax incent.**

Providing a tax incentive for the labeling of products.

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

*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.

**Pesticide exposure**

Concerning pesticide exposure and notification of certain pesticide applications.

*Sponsors:* Ortiz-Self (Prime), Bergquist, Cody, Doglio, Fitzgibbon, Macri, Pettigrew, Pollet, Riccelli, Robinson, Ryu, Sells, Stonier

*Summary:* Requires a person who applies, or causes to be applied, pesticides by aerial application, air-blast sprayer, or fumigation, to provide written notice of an intended pesticide application to a person who owns, manages, or controls property adjacent to the property of intended pesticide application.
**HB 1663**

**Hazard. substance possession**

Concerning imposing a surtax on the possession of hazardous substances.

*Sponsors:* Peterson (Prime), Fitzgibbon, Macri, Pollet

*Summary:* Revises the model toxics control act to impose a surtax on those persons who are subject to the hazardous substance tax.

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**SB 5501**

**Hazard. substance possession**

Concerning imposing a surtax on the possession of hazardous substances.

*Sponsors:* Carlyle (Prime), Chase, Frockt, Hunt, Lias, Rolfes

*Summary:* Revises the model toxics control act to impose a surtax on those persons who are subject to the hazardous substance tax.

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**SB 5822**

**Workers' compensation system**

Improving workers' compensation system costs and administration and worker outcomes through modification of procedures for claims to self-insureds, clarification of recovery in third-party legal actions, clarification of occupational disease claims, and lowering age barriers for structured settlements.

*Sponsors:* Baumgartner (Prime), Angel, Bailey, Becker, Braun, Brown, Ericksen, Fain, Fortunato, Hawkins, Honeyford, King, O'Ban, Padden, Rivers, Rossi, Schoesler, Sheldon, Short, Walsh, Warnick, Wilson, Zeiger

*Summary:* Revises the state industrial insurance act. Adopts a series of targeted reforms to address the costs and administration of workers' compensation. Clarifies the standards for occupational disease coverage and provides injured workers with a clear time period in which an occupational disease claim must be filed. Reduces the age restriction originally placed upon eligibility for the program. States that in light of certain developments and to align with past recommendations of the joint legislative audit and review committee, the legislature intends that the department of labor and industries' role in the management of claims by self-insured employers transition from readjudication to accountability oversight, first with respect to the allowance and denial of claims and by January 1, 2019, with respect to all claims management decisions.

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**Medium Priority Bills**

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<th>Bill Details</th>
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<tr>
<td>Ecology rules/peer review</td>
<td>H Environment</td>
<td>Shea</td>
<td>Neutral</td>
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<tr>
<td>Establishing a peer review process to ensure robust economic analysis of department of ecology administrative rules.</td>
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*Sponsors:* Shea (Prime), Buys, Haler, Holy, McCaslin, Pike, Short, Taylor, Young

*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.

**School levy lid revs./delay**  
S Ways & Means  
Lytton  
Neutral  

Delays implementation of revisions to the school levy lid.

*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 2018 to promote a school district's ability to plan for the future during the 2017 transition period.

**Greenhouse gas emissions**  
H Rules R  
Fitzgibbon  
Neutral  

Amends state greenhouse gas emission limits for consistency with the most recent assessment of climate change science.

*2SHB 1144*  
*Sponsors:* Fitzgibbon (Prime), Doglio, Farrell, Fey, Goodman, Jinkins, Macri, Ormsby, Peterson, Pollet, Ryu, Stanford, Tarleton

*Summary:*

**State estate tax, repealing**  
H Finance  
Young  
Neutral  

Repeals the state estate tax.

*HB 1206*  
*Sponsors:* Young (Prime), McCaslin, Muri, Shea, Taylor, Walsh

*Summary:* Repeals the state estate tax.

**Job applicants/arrests, etc.**  
S Com/Labor/Sport  
Ortiz-Self  
Neutral  

Prohibits employers from asking about arrests or convictions before an applicant is determined otherwise qualified for a position.

*SHB 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:*

**Employee antiretaliation**  
H Approps  
Ryu  
Neutral  

Concerning the employee antiretaliation act.

*HB 1301 (SB 5528)*  
*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.

**Wage violations, damages for**  
H Rules R  
Frame  
Neutral  

Provides 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.
**Small business owners**

Concerning licensing and regulatory requirements of small business owners.


**HB 1352**

(2SSB 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.

**Workforce study/ag., etc.**

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.

*Sponsors:* Tarleton (Prime), Chandler, Haler, Santos, Sells, Stambaugh, Stanford, Van Werven, Wilcox

**SHB 1404**

(2SSB 5285)

**Summary:** Requires the workforce training and education coordinating board to conduct a workforce assessment for the agriculture, natural resources, and environment sectors to: (1) Assess the available data on current and projected employment levels and hiring demand for skilled mid-level workers in those sectors; and (2) Assess the food and fiber processing jobs.

**Agriculture science ed.**

Promoting agriculture science education in schools.

*Sponsors:* Blake (Prime), Chandler, Haler, Hayes, Kretz, Lytton, Santos, Stanford, Tarleton

**HB 1453**

(SB 5318)

**Summary:** Creates the agriculture science education grant program. Requires the superintendent of public instruction to: (1) Designate one or more high schools to serve as resources and examples of how to combine an interdisciplinary curriculum for agriculture science education with a strong focus on science, technology, engineering, and mathematics and an active partnership with businesses and the local community to connect learning beyond the classroom; and (2) Establish and publish funding criteria for agriculture science education equipment and professional development grants to school districts. Creates the curriculum for agriculture science education lighthouse account.

**Tax exemptions**

Increasing tax exemption transparency and accountability.


**HB 1500**

(SB 5513)

**Summary:** Establishes the tax exemption transparency and accountability act. Creates a tax
expenditure budget as part of the biennial budget adopted by the legislature. Reforms the tax expenditure process by including tax expenditures in a tax expenditure budget in the biennial state budget process and requires they be readopted every two years as part of the budget process or they expire. Requires the department of revenue to prepare a tax expenditure budget. Requires the joint legislative audit and review committee to report its findings and recommendations for scheduled tax expenditures to the citizen commission for performance measurement of tax expenditures by June 30th of each year.

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<tr>
<td>HB 1555</td>
<td>H Finance</td>
<td>Lytton</td>
<td>Neutral</td>
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<td>(SB 5127)</td>
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<tr>
<td><strong>Carbon pollution tax</strong></td>
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<td></td>
<td>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.</td>
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<tr>
<td><strong>Sponsors:</strong></td>
<td>Lytton (Prime), Doglio</td>
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<tr>
<td><strong>Summary:</strong></td>
<td>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.</td>
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<tr>
<td>HB 1646</td>
<td>H Environment</td>
<td>Fitzgibbon</td>
<td>Neutral</td>
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<tr>
<td>(SB 5509)</td>
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<tr>
<td><strong>Carbon tax</strong></td>
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<td></td>
<td>Promoting an equitable clean energy economy by creating a carbon tax that allows investment in clean energy, clean air, healthy forests, and Washington's communities.</td>
</tr>
<tr>
<td><strong>Sponsors:</strong></td>
<td>Fitzgibbon (Prime), Appleton, Cody, Doglio, Fey, Goodman, Jinkins, Macri, McBride, Pollet</td>
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<tr>
<td><strong>Summary:</strong></td>
<td>Creates a carbon pollution mitigation tax on fossil fuel emissions of greenhouse gases that contribute to global climate change. Creates the carbon program oversight board to oversee implementation of this act and advise the governor on the achievement of greenhouse gas emission reductions. Creates an economic and environmental justice oversight panel as a joint body between the office of the governor, the department of ecology, and the department of health. Requires the department of revenue to establish and administer a low-income carbon pollution mitigation tax grant for state residents to assist in the equitable transition to lower carbon emission energy sources. Involves the following in some role regarding the imposition of the carbon tax: The department of ecology, the department of revenue, the department of commerce, the department of health, the Washington State University extension energy office, the recreation and conservation office, the office of the attorney general, and other state agencies with control of expenditures of carbon pollution mitigation tax receipts. Creates the clean energy account, the clean water climate program account, the sustainable forest health account, the carbon reduction investment fund, the sustainable infrastructure fund, and the equitable transition fund.</td>
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<tr>
<td>HB 1669</td>
<td>H Rules R</td>
<td>Farrell</td>
<td>Neutral</td>
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<tr>
<td>(SB 5846)</td>
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<tr>
<td><strong>Crew size on certain trains</strong></td>
<td></td>
<td></td>
<td>Establishing minimum crew size on certain trains.</td>
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<tr>
<td><strong>Sponsors:</strong></td>
<td>Farrell (Prime), Barkis, Bergquist, Blake, Chandler, Chapman, Doglio, Fey, Fitzgibbon,</td>
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Summary: Regulates minimum railroad crew staffing on trains carrying freight or passengers and trains transporting hazardous materials.

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<tbody>
<tr>
<td><strong>SHB 1692</strong></td>
<td>Agriculture and farming</td>
<td>Buys</td>
<td>Concerning agriculture and farming.</td>
</tr>
<tr>
<td><strong>HB 1730</strong> (SB 5111)</td>
<td>Capital gains excise tax</td>
<td>Jinkins</td>
<td>Enacting an excise tax on capital gains to improve the fairness of Washington's tax system and provide funding for the education legacy trust account.</td>
</tr>
<tr>
<td><strong>HB 1744</strong></td>
<td>Perfluorinated chemicals</td>
<td>McBride</td>
<td>Concerning the use of perfluorinated chemicals in food packaging.</td>
</tr>
<tr>
<td><strong>HB 1806</strong></td>
<td>Crimes by corporations</td>
<td>Pellicciotti</td>
<td>Increasing monetary penalties for crimes committed by corporations.</td>
</tr>
<tr>
<td><strong>ESHB 1843</strong> (SB 5623)</td>
<td>Basic education program</td>
<td>Sullivan</td>
<td>Fulfilling the state's paramount duty for all children through equitable and responsible investments in the state's basic education program and reductions to local effort contributions.</td>
</tr>
</tbody>
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Sponsors:
- **SHB 1692**: Buys (Prime), Blake, Chapman, Condotta, Fitzgibbon, Lytton, Sawyer, Stanford, Vick
- **HB 1730** (SB 5111): Jinkins (Prime), Appleton, Fey, Frame, Pollet, Tarleton, Tharinger
- **HB 1744**: McBride (Prime), Fey, Goodman, Kilduff, Kirby, Macri, Ortiz-Self
all children. Requires the superintendent of public instruction to: (1) Convene a technical working group to provide recommendations for revising school district accounting practices for the purpose of improving fiscal transparency by establishing methods for separate accounting of school district expenditures made to support the state's program of basic education and those made as locally determined enrichments with local or other funding sources; and (2) Convene a work group to determine whether the funded enrollment percent for special education programs of twelve and seven-tenths should be adjusted. Establishes an accountability monitoring and reporting system as part of a continuing effort to make meaningful and substantial progress toward meeting long-term performance goals in K-12 education.

**Fertilizer, etc./B&O tax**

- **HB 1916 (SB 5786)**
  - **Sponsors:** Schmick (Prime), Blake, Buys, Dye, Haler, Jenkin, Nealey
  - **Summary:** Provides a business and occupation tax exemption for wholesale sales of commercial fertilizer, agricultural crop protection products, and seed.

**Capital gains excise tax**

- **HB 1926**
  - **Sponsors:** Pollet (Prime), Santos
  - **Summary:** Imposes a tax on individuals for the privilege of: (1) Selling or exchanging long-term capital assets; or (2) Receiving Washington capital gains. Allows a business and occupation tax deduction against a person’s gross income of the business to the extent necessary to avoid taxing the same amounts under chapter 82.04 RCW and this act. Provides funding for the education legacy trust account.

**Labor relations violations**

- **HB 1941 (SB 5774)**
  - **Sponsors:** Ryu (Prime), Bergquist, Blake, Fitzgibbon, Goodman, Gregerson, Jinkins, Kloba, Ormsby, Ortiz-Self, Peterson, Pollet, Sawyer, Senn, Stanford, Stonier, Tarleton
  - **Summary:** Prohibits a person from claiming a tax credit or benefit from a tax incentive if, within the previous five years from the date the person is claiming the tax credit or benefiting from the tax incentive, the national labor relations board or a court has issued a final order finding that the person engaged in certain unfair labor practices with regard to an employee supporting a union or engaging in lawful union activities.

**Agritourism liability**

- **HB 2020**
  - **Sponsors:** Manweller (Prime), Irwin
  - **Summary:** Requires an agritourism professional, in order to invoke the privilege of immunity, to post and maintain signs that contain a specific warning notice which must be placed at the entrance to the agritourism location and at the site of the agritourism activity.
Production-based comp. wages

Addressing the payment of production-based compensation wages for the employment and use of labor in agricultural activities and in the production, handling, and storage of farm products.

Sponsors: Blake (Prime), Buys, Condotta, Dye, Springer, Steele

Summary: Addresses production-based safe harbor compensation which is a wage rate paid to employees in connection with work related to the growing, production, handling, or storage of farm products or in performing agricultural activities based upon the employee's job performance as measured through the number of: (1) Units picked, packed, or manufactured; (2) Tasks performed; (3) Events completed; or (4) Other measurable recurring circumstances produced, completed, or performed.

Food flavor products tax

Removing the expiration date from the sales and use tax exemptions for certain products that impart flavor to food.

Sponsors: Lytton (Prime), Nealey

Summary: Extends the July 1, 2017, expiration, of the sales and use tax exemptions for certain products that impart flavor to food, to January 1, 2028.

Rural food & forest products

Encouraging the economic vitality of rural food and forest product businesses.

Sponsors: Walsh (Prime), Barkis, Blake, Buys, Griffey, Haler, Kraft, MacEwen, Muri, Stambaugh, Van Werven

Summary: Requires the department of agriculture to: (1) Establish a pilot program to create an omnibus permitting process for businesses that process or engage in other value-added activities that involve: (a) Raw products of agriculture, fisheries, and aquaculture, including shellfish aquaculture; (b) food, food products, or cottage food products; (c) forest products; and (d) specialized forest products, processed cedar products, or specialty wood; and (2) Coordinate with the office of regulatory assistance and state agencies and local governments responsible for issuing each permit included in the omnibus permit, including the department of ecology, the department of health, and the relevant county. Prohibits the department from charging an additional fee for the use of the omnibus permitting process. Requires the department of ecology to: (1) Undertake a comprehensive analysis of common value-added food and forest product manufacturing processes that generate wastes; (2) Consult with the department of natural resources and the department of agriculture in identifying common food and forest product production processes and their associated wastes; and (3) When making grants or loans for water pollution control facilities, consider whether the project will support the viability of local agriculture, aquaculture, fisheries, or silviculture, and associated food or forest product processing. Requires the community economic revitalization board, when prioritizing each proposed public facilities project, to consider whether the project will support rural economic development by facilitating the long-term sustainability of local agriculture, aquaculture, fisheries, and silviculture, and associated food and forest product processing activities.

Water banks/permanent avail.

Requiring certain water banks to replace leased water rights provided for mitigation with water rights that will be permanently available.

Sponsors: Honeyford (Prime)
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.

**Business corporation act**  
Concerning the business corporation act.

**SB 5011**  
**Sponsors:** Pedersen (Prime), Fain, Frockt, Kuderer, Padden  
**Summary:** Revises the Washington business corporation act.

**School levy lid revs./delay**  
Delaying implementation of revisions to the school levy lid.

**SB 5023 (SHB 1059)**  
**Sponsors:** Wellman (Prime), Billig, Carlyle, Chase, Conway, Darneille, Frockt, Hasegawa, Hunt, Keiser, Kuderer, Llias, McCoy, Mullet, Nelson, Palumbo, Pedersen, Rolfes, Saldaña  
**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.

**Family & med leave insurance**  
Implementing family and medical leave insurance.

**SB 5032 (SHB 1116)**  
**Sponsors:** Keiser (Prime), Billig, Chase, Cleveland, Conway, Darneille, Frockt, Hasegawa, Hobbs, Hunt, 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.

**State land lease provisions**  
Concerning nondefault or early termination provisions in state land leases for agricultural or grazing purposes.

**SSB 5051**  
**Sponsors:** Brown (Prime), Becker, Honeyford, Schoesler, Warnick  
**Summary:** Requires a nondefault or early 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.

**Capital gains excise tax**  
Enacting an excise tax on capital gains to improve the fairness of Washington’s tax system and provide funding for the education legacy trust account.

**SB 5111 (HB 1730)**  
**Sponsors:** Braun (Prime), Hunt, Ranker  
**Summary:** Provides funding for the education legacy trust account. Imposes a tax on individuals for the privilege of: (1) Selling or exchanging long-term capital assets; or (2) Receiving Washington capital
gains.

<table>
<thead>
<tr>
<th>Bill</th>
<th>Committee</th>
<th>Sponsor</th>
<th>Status</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>SB 5127 (HB 1555)</td>
<td>Carbon pollution tax</td>
<td>Braun</td>
<td>2nd Reading</td>
<td>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</td>
</tr>
<tr>
<td>SB 5149</td>
<td>Paid family leave</td>
<td>Fain</td>
<td>Com/Labor/Spor</td>
<td>Addressing paid family leave. Sponsors: Fain (Prime), Baumgartner, Braun, Hobbs, Miloscia, Palumbo, Rivers, Walsh, Warnick, Zeiger</td>
</tr>
</tbody>
</table>

Summary:
- **SB 5127 (HB 1555)**
  - 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.
- **SB 5149**
  - 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.
- **SSB 5208 (HB 1422)**
  - Establishes the Washington rural jobs act. Requires the department of commerce to: (1) Accept applications for approval as a rural growth fund; (2) Once the fund is fully funded, issue a tax credit certificate to each investor whose affidavit was included in the application specifying the amount of the investor's credit-eligible capital contribution; and (3) Provide a copy of the certificates to the office of the insurance commissioner for investors earning tax credits eligible for use against insurance premium or retaliatory taxes and to the department of revenue for investors earning tax credits eligible for use against business and occupation taxes. Allows a tax credit, for persons that made a credit-eligible capital contribution to a rural growth fund and were issued a tax credit certificate, and allows the credit to be claimed against business and occupation taxes, insurance premium taxes, and retaliatory taxes. Creates the rural job creation account. Provides a July 1, 2023, contingent expiration date.
- **SB 5230 (HB 1352)**
  - 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.

**Seeds, agency procurement of**

Concerning the procurement of seeds by state agencies.

*Sponsors: Warnick (Prime)*

*Summary: SB 5263-S - DIGEST* Requires agencies, when purchasing seed through a contract that is over two thousand five hundred dollars in value, 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.

**Workforce study/ag., etc.**

Conducting a workforce study of employment opportunities in the agriculture, environment, outdoor recreation, and natural resources economic sectors intended to provide educators with the information needed for informing students about employment opportunities in the studied fields.

*Sponsors: Wilson (Prime), Palumbo*

*Summary:*

**Levy auth/local eff assist**

Lowering the levy authority and local effort assistance.

*Sponsors: Ranker (Prime)*

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

**Agriculture science ed.**

Promoting agriculture science education in schools.

*Sponsors: Hunt (Prime), Bailey, Brown, Conway, Rolfes, Takko, Warnick*

*Summary: Creates the agriculture science education grant program. Requires the superintendent of public instruction to: (1) Designate one or more high schools to serve as resources and examples of how to combine an interdisciplinary curriculum for agriculture science education with a strong focus on science, technology, engineering, and mathematics and an active partnership with businesses and the local community to connect learning beyond the classroom; and (2) Establish and publish funding criteria for agriculture science education equipment and professional development grants to school districts. Creates the curriculum for agriculture science education lighthouse account.*

**Carbon pollution tax**

Creating a fossil fuel carbon pollution tax.

*Sponsors: Hobbs (Prime), Hunt*

*Summary: Imposes a fossil fuel carbon pollution tax, at the time of the first taxable event and upon the first taxable person within the state, on the carbon content of fossil fuels extracted, manufactured, or introduced into the state equal to fifteen dollars per metric ton of carbon dioxide. Requires the department of revenue to: (1) Calculate the carbon content of fossil fuels, in consultation with the department of ecology; and (2) If practical, integrate the administration and collection of the fossil fuel...*
carbon pollution taxes with the administration and collection of other taxes imposed on the taxpayer. Exempts certain fossil fuels from the tax. Creates the carbon pollution revenues account. Requires at least fifty percent of the funds transferred to the multimodal transportation account from the carbon pollution revenues account to be expended to assist certain school district programs.

### Greenhouse gas emissions

**SB 5421**

**Sponsors:** Chase (Prime), Hasegawa, Saldaña

**Summary:** Requires the state to limit emissions of greenhouse gases to reduce, by 2025, overall emissions of greenhouse gases in the state to twenty percent below 1990 levels.

### Workplace bullying

**SB 5423**

**Sponsors:** Chase (Prime), Hasegawa, Hunt, Kuderer, Saldaña

**Summary:** Revises the state civil rights act to provide: (1) Legal recourse for employees who have been harmed by being deliberately subjected to abusive work environments; and (2) Legal incentives for employers to prevent and respond to mistreatment of employees at work.

### Carbon tax

**SB 5509**

**(HB 1646)**

**Sponsors:** Carlyle (Prime), Frockt, Hunt, Ranker, Saldaña

**Summary:** Creates a carbon pollution mitigation tax on fossil fuel emissions of greenhouse gases that contribute to global climate change. Creates the carbon program oversight board to oversee implementation of this act and advise the governor on the achievement of greenhouse gas emission reductions. Creates an economic and environmental justice oversight panel as a joint body between the office of the governor, the department of ecology, and the department of health. Requires the department of revenue to establish and administer a low-income carbon pollution mitigation tax grant for state residents to assist in the equitable transition to lower carbon emission energy sources. Involves the following in some role regarding the imposition of the carbon tax: The department of ecology, the department of revenue, the department of commerce, the department of health, the Washington State University extension energy office, the recreation and conservation office, the office of the attorney general, and other state agencies with control of expenditures of carbon pollution mitigation tax receipts. Creates the clean energy account, the clean water climate program account, the sustainable forest health account, the carbon reduction investment fund, the sustainable infrastructure fund, and the equitable transition fund.

### Tax exemptions

**SB 5513**

**(HB 1500)**

**Sponsors:** Frockt (Prime), Billig, Chase, Conway, Darneille, Hasegawa, Hunt, Keiser, Kuderer, McCoy, Miloscia, Rolfes, Saldaña, Wellman

**Summary:** Establishes the tax exemption transparency and accountability act. Creates a tax expenditure budget as part of the biennial budget adopted by the legislature. Reforms the tax expenditure process by including tax expenditures in a tax expenditure budget in the biennial state
budget process and requires they be readopted every two years as part of the budget process or they expire. Requires the department of revenue to prepare a tax expenditure budget. Requires the joint legislative audit and review committee to report its findings and recommendations for scheduled tax expenditures to the citizen commission for performance measurement of tax expenditures by June 30th of each year.

**Vehicle taxation**

Concerning vehicle taxation.

**SB 5564**

*Sponsors:* Fortunato (Prime), Hawkins, King, O'Ban

*Summary:* Modifies provisions relating to vehicle taxation.

**Foreign national ownership**

Concerning certification of the level of foreign national ownership for corporations that participate in Washington state elections.

**SB 5570**

*Sponsors:* Billig (Prime), Hasegawa, Hunt, Keiser, Kuderer, Miloscia, Rolfes, Zeiger

*Summary:* Requires each treasurer, candidate, and political committee to include the following in the report they file with the public disclosure commission: A certification from each corporation making a contribution to the candidate or political committee that, in compliance with the federal foreign agents registration act, the corporation’s ownership comprises less than fifty percent foreign nationals.

**Education**

Concerning education.

**SSB 5607**

*Sponsors:* Braun (Prime), Angel, Becker, Brown, Fain, Honeyford, King, Miloscia, Rivers, Schoesler, Sheldon, Warnick, Wilson, Zeiger

*Summary:* Revises education provisions with regard to: The weighted per pupil funding model; local effort levy; local excess levy authority for calendar year 2020 and thereafter; providing a one-year delay in the levy lid reduction; compensation and salary; housing allowance; national board for professional teaching standards bonus; state-funded extended year contracts; health care benefits; measures of a school district’s success; accountability through improved accounting transparency; providing flexibility to school districts; recognizing school districts meeting the performance targets; addressing school districts not meeting the performance targets; establishing the top teacher recognition grant program; conforming future collective bargaining agreements to this act; prohibiting teacher strikes; student absenteeism; paraeducators; technical amendments to align statutes with the per pupil funding distribution model and recognizing and rewarding school districts that meet the measures of success; education sector excellence assessment framework; and authority to remove teachers that are detrimental to student academic performance. Provides for submission of this act to a vote of the people.

**Production-based comp. wages**

Addressing the payment of production-based compensation wages for the employment and use of labor in agricultural activities and in the production, handling, and storage of farm products.

**SB 5720** *(HB 2049)*

*Sponsors:* Hawkins (Prime), Baumgartner, Brown, Hobbs, King, Schoesler, Sheldon, Takko

*Summary:* Addresses production-based safe harbor compensation which is a wage rate paid to employees in connection with work related to the growing, production, handling, or storage of farm products or in performing agricultural activities based upon the employee’s job performance as measured through the number of: (1) Units picked, packed, or manufactured; (2) Tasks performed; (3)
Events completed; or (4) Other measurable recurring circumstances produced, completed, or performed.

<table>
<thead>
<tr>
<th><strong>Tax exemptions &amp; deductions</strong></th>
<th>S Ways &amp; Means</th>
<th>Hasegawa</th>
<th>Neutral</th>
</tr>
</thead>
<tbody>
<tr>
<td>Repealing certain tax exemptions and deductions to help pay for the full funding of basic education.</td>
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</table>

**SB 5765**  
Sponsors: Hasegawa (Prime)

Summary: Repeals certain tax exemptions and deductions for international banking facilities and professional employer organizations to help pay for the full funding of basic education.

<table>
<thead>
<tr>
<th><strong>Tax preferences repeal</strong></th>
<th>S Ways &amp; Means</th>
<th>Chase</th>
<th>Neutral</th>
</tr>
</thead>
<tbody>
<tr>
<td>Repealing existing tax preferences.</td>
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</table>

**SB 5775**  
Sponsors: Chase (Prime)

Summary: Repeals the state's tax preferences.

<table>
<thead>
<tr>
<th><strong>Fertilizer, etc./B&amp;O tax</strong></th>
<th>S Ways &amp; Means</th>
<th>Walsh</th>
<th>Neutral</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creating a business and occupation tax exemption for certain sales of commercial fertilizer, agricultural crop protection products, and seed.</td>
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</tbody>
</table>

**SB 5786**  
(sb 1916)

Sponsors: Walsh (Prime), Hobbs, Schoesler, Takko, Warnick

Summary: Provides a business and occupation tax exemption for wholesale sales of commercial fertilizer, agricultural crop protection products, and seed by an eligible distributor to an eligible retailer.

<table>
<thead>
<tr>
<th><strong>Food flavor products tax</strong></th>
<th>S Ways &amp; Means</th>
<th>Ranker</th>
<th>Neutral</th>
</tr>
</thead>
<tbody>
<tr>
<td>Removing the expiration date from the sales and use tax exemptions for certain products that impart flavor to food.</td>
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</tbody>
</table>

**SB 5799**  
(sb 2089)

Sponsors: Ranker (Prime), Braun, Keiser

Summary: Extends the July 1, 2017, expiration, of the sales and use tax exemptions for certain products that impart flavor to food, to January 1, 2028.

<table>
<thead>
<tr>
<th><strong>Agritourism</strong></th>
<th>S 2nd Reading</th>
<th>Warnick</th>
<th>Neutral</th>
</tr>
</thead>
<tbody>
<tr>
<td>Concerning agritourism.</td>
<td></td>
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</table>

**SSB 5808**

Sponsors: Warnick (Prime), Bailey, Becker, Brown, Chase, Short, Walsh

Summary:

<table>
<thead>
<tr>
<th><strong>Paid family leave</strong></th>
<th>S Ways &amp; Means</th>
<th>Fain</th>
<th>Neutral</th>
</tr>
</thead>
<tbody>
<tr>
<td>Addressing paid family leave.</td>
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</tbody>
</table>

**SB 5829**

Sponsors: Fain (Prime), Conway, Hunt, Keiser

Summary: Addresses the provision of paid family leave for the birth or placement of a child for adoption or foster care with an employee and for a qualifying exigency under the federal family and medical leave act.
**Equal pay act enforcement**

Enhancing enforcement of the equal pay act.

**Sponsors:** Fain (Prime), Baumgartner, Braun, Cleveland, Conway, Hasegawa, Hunt, Keiser, Saldaña

**Summary:** Updates the existing state equal pay act to reflect the equal status of workers in the state and requires men and women in the same job to be compensated as equals.

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**Railroad employee work hours**

Concerning hours of service for certain railroad employees.

**Sponsors:** Rivers (Prime), Angel, Bailey, Billig, Carlyle, Chase, Cleveland, Conway, Darneille, Fortunato, Frockt, Hasegawa, Hobbs, Hunt, Keiser, Kuderer, Liias, McCoy, Miloscia, Mullet, O’Ban, Palumbo, Pearson, Pedersen, Ranker, Rolfs, Saldaña, Takko, Warnick, Wellman, Wilson, Zeiger

**Summary:** Regulates the hours of service for yardmasters.

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**Crew size on certain trains**

Establishing minimum crew size on certain trains.

**Sponsors:** Walsh (Prime), Angel, Bailey, Billig, Carlyle, Chase, Cleveland, Conway, Darneille, Fortunato, Frockt, Hasegawa, Hobbs, Hunt, Keiser, Kuderer, Liias, McCoy, Miloscia, Mullet, O’Ban, Palumbo, Pearson, Pedersen, Ranker, Rivers, Rolfs, Saldaña, Takko, Wellman, Wilson, Zeiger

**Summary:** Regulates minimum railroad crew staffing on trains carrying freight or passengers and trains transporting hazardous materials.

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**Tax prefs citizen commission**

Concerning the review process of the citizen commission for performance measurement of tax preferences.

**Sponsors:** Carlyle (Prime), Hasegawa, Hunt

**Summary:** Requires the joint legislative audit and review committee, when reviewing tax preferences, to include the following: (1) The overall effective tax rate for the industry groups benefiting from the tax preference; and (2) Using economic modeling techniques, evaluate potential economic impacts of the tax preference compared to the economic impact of government activities funded at the same level as the preference.

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**State tax preferences**

Concerning the creation, extension, expansion, accountability, and transparency of state tax preferences.

**Sponsors:** Carlyle (Prime), Conway, Hasegawa, Hunt

**Summary:** Addresses state tax preferences with regard to: (1) Improving tax preference data collection; (2) Incorporating department of revenue-led work group recommendations for improving department of revenue annual surveys and reports; (3) Authorizing public disclosure of firm-specific tax savings from business tax incentives; (4) Updating and modernizing the department of revenue tax exemption report; and (5) Improving the information contained in fiscal notes for bills that contain tax preferences for economic development.
Low Priority Bills
No bills.

Monitoring Bills
No bills.

Other Bills
No bills.