

2019 Washington State Legislative Session Report Far West Agribusiness Association January 18, 2019

Week of Jan. 14 to 18

January 14 marked the first day of the 2019 Washington State legislative session. The week opened with the swearing-in ceremonies for 22 new House members and 6 new members in the Senate. As noted in this *Spokesman Review* [article](#), this is the most diverse Legislature in the history of the state. Democrats have a 28-21 majority in the Senate and a 57-41 majority in the House.

As expected, Rep. Matt Manweller (R-Ellensburg) resigned from his position on the first day of session. Serving in his place will be Republican Rep. Alex Ybarra who works for the Grant County Public Utilities. An unexpected departure was that of Sen. Ranker (D-Orcas Island), who resigned the weekend before session began. His Democratic replacement is expected to be appointed soon. As noted in this *Go Skagit* [article](#), former state representative Kristine Lytton has shown interest in filling the open seat.

The day following swearing-in ceremonies, Governor Jay Inslee (D) delivered his state of the state address that outlined his priorities for the upcoming session. These priorities, as reported in this *Seattle Times* [article](#), included \$1 billion for orca recovery efforts, a package of bills to combat climate change, and mental health reform. That same day, Republicans outlined their [priorities](#) for the 2019 session which include housing, mental health and opposing the adoption of new taxes, such as a capital gains tax proposed by the governor.

Following are highlights from this week and updates about the week ahead.

Budget

Legislators will be focusing this session on writing, negotiating, and adopting the 2019-21 biennium operating, transportation and capital budgets. The state government operates on a fiscal biennium that begins on July 1 of each year. House Appropriations convened a January 16 public hearing on [HB 1109](#), which makes operating appropriations for the 2019-21 biennium. Similarly, capital budget legislation ([HB 1102/SB 5134](#)) received a public hearing on January 17 in the House Capital Budget Committee. The Senate version of the bill also received a public hearing in Senate Ways & Means. This bill authorizes new appropriations of \$4.86 billion and reappropriations of \$4.1 billion for capital projects in the 2019-21 biennium. It also reduces new appropriations by \$10.8 million and reduces reappropriations by \$1.55 million in the 2017-19 fiscal biennium.

Revenue: Capital Gains, B&O Increase, & REET

Senate Ways & Means held a January 16 public hearing on two revenue bills. [SB 5129](#) introduces revenue for the state via a capital gains tax and an increase in the business and occupation tax for certain services. Also on that agenda was [SB 5130](#) ([HB 1228](#)) that increases transportation revenue through

implementation of a graduated real estate excise tax (REET) to fund state fish barrier removal. SB 5130 also accelerates the increase in certain vehicle weight fees to August 1, 2019.

Business & Labor

Legislation ([HB 1069](#)) creating an insurance fraud surcharge account had a public hearing on January 16 in the House Consumer Protection & Business Committee. This bill is at the request of the Washington State Office of the Insurance Commissioner (OIC). It would create a fraud account for the OIC and require funds collected via an insurance fraud surcharge be deposited into the account. The companion bill had a January 17 public hearing in the House Consumer Protection & Business Committee.

Housing

Housing affordability and homelessness is a stated priority for both parties this session. On January 16 the Joint Legislative Audit & Review Committee held a work session on low-income housing costs. It included this [presentation](#) analyzing the development costs for low-income housing. On January 16 the Senate Housing Stability & Affordability Committee held a work session that included a historical context of the current state of affordable housing and homelessness in Washington State. Dr. Tim Thomas from the University of Washington gave this [presentation](#) titled the "Housing, Segregation, & Mobility in Washington State: Impacts of Policies, Economics and Evictions."

Cyber: Data Privacy & Security

The House Innovation, Technology & Economic Development Committee had a January 16 public hearing on data privacy legislation [HB 1071](#) ([SB 5064](#)). The companion bill has a public hearing on Jan. 22 in Senate Environment, Energy & Technology. The legislation addresses personal information and the breach of security systems.

Healthcare & Behavioral Health

On January 16 the Senate Human Services, Reentry & Rehabilitation Committee held a public hearing on bills regarding re-entry transitions for those who have been incarcerated. This hearing included [SB 5048](#) that would establish a reentry community safety program for state hospital patients. The legislation was passed out that same day. Addressing long-term care, [HB 1087](#) ([SB 5331](#)) received a public hearing in the House Healthcare & Wellness Committee on January 16. The bill addresses alternative funding for long-term care access by creating a long-term services and support trust commission. It is scheduled for executive action on January 25.

Mental health is a top priority this session on both sides of the aisle. New this session is the Senate Behavioral Health Subcommittee. On January 18, this subcommittee held a work session overviewing and looking at current challenges of the Involuntary Treatment Act. Presentations from the work session can be viewed [here](#).

The Senate Health & Long Term Care Committee held a work session on January 16 on healthcare affordability, coverage and access. Also on the agenda were several bills relating to long-term involuntary treatment ([SB 5041](#) & [SB 5045](#)).

Environment: Greenhouse Gas Emissions & Transitioning to Carbon Neutral

The governor has made addressing climate change one of his highest priorities this session. On January 17 the House Environment & Energy Committee held a public hearing on several pieces of legislation regarding greenhouse gas emissions. This meeting included [HB 1112](#), sponsored by 13 Democrats, and would reduce emissions from hydrofluorocarbons. The bill is scheduled for consideration during

executive session on January 24. With 21 Democrat sponsors, [HB 1113](#) amends the limits for the state greenhouse gas emission to be consistent with the most recent assessment of climate change science and with the US commitment under the 2015 Paris climate agreement. This bill is scheduled for executive action on January 22 and 24.

The Senate Environment, Energy & Technology committee held a January 17 public hearing on [SB 5116 \(HB 1211\)](#). The bill transitions the state to a "clean, affordable and reliable energy future" by establishing the Washington Clean Energy Transformation Act. Among other things, the Act would eliminate coal-fired electricity and transition the state's electricity supply to 100% carbon neutral by 2030. The companion bill will receive a public hearing on January 22 in the House Environment & Energy Committee.

Law & Justice: Police Use of Force & Extreme Risk Protection Orders

Addressing use of force with police officers, [SB 5029 \(SHB 1064\)](#) had a January 15 public hearing and January 17 executive session in the Senate Law & Justice Committee. The companion bill had a public hearing the first day of session, was passed out of the House Public Safety Committee the following day, and is now scheduled for a January 21 public hearing in the House Appropriations Committee. It has a January 23 executive session scheduled. This legislation is in response to the recent passage of ballot Initiative 940 that addresses police use of deadly force. Similar legislation passed last session before voters could vote on the initiative was ruled unconstitutional. Now that the initiative has passed, it is constitutional for lawmakers to tweak the initiative through the legislative process.

The Senate Law & Justice Committee held a January 17 public hearing on extreme risk protection order legislation in [SB 5027](#) and [SB 5072](#). Both bills have executive action scheduled for January 24.

Education

The House Human Services & Early Learning Committee held a January 16 work session focused on poverty. This included looking at root causes of poverty, impacts of poverty, and overviewing public assistance programs. The agenda also included a report from the Governor's Poverty Reduction Work Group and the Legislative-Executive WorkFirst Poverty Reduction Oversight Task Force. Presentations can be accessed [here](#).

Looking Ahead: Cutoff Dates

Now that session is underway, the next important date for the legislative process will be February 22. This is the policy committee cutoff for the house of origin. This cutoff date is the deadline for passing bills out of their respective house of origin committees. Bills that are in fiscal and transportation committees are not subject to this cutoff date. At this [site](#), you can view the entire 2019 cutoff calendar.

Far West Agribusiness Association

Upcoming Legislative Events

Public Safety (House) - HHR D, JLOB - 1/21 @ 1:30pm

- HB 1252 - Public Hearing - Concerning crime committed by business entities.

Environment, Energy & Technology (Senate) - SHR 1, JACB - 1/23 @ 8:00am

- SB 5293 - Public Hearing - Concerning energy efficiency.

Local Government (Senate) - SHR 3, JACB - 1/24 @ 8:00am

- SB 5259 - Public Hearing - Encouraging the success of agriculture on agricultural land.

High Priority Bills

No bills.

Medium Priority Bills

<u>Bill Details</u>	<u>Status</u>	<u>Sponsor</u>	<u>Position</u>
<p>Aquaculture chemicals Concerning the use of chemicals to prevent the decline of aquaculture production.</p> <p>HB 1037 <i>Sponsors:</i> Walsh (Prime)</p> <p><i>Summary:</i> Establishes the aquaculture fairness act. Requires the director of the department of ecology to approve a chemical that is authorized for use to control burrowing shrimp in the waters of western Washington.</p>	H Env & Energy	Walsh	Neutral
<p>Capital budget 2019-2021 Concerning the capital budget.</p> <p>HB 1102 (SB 5134) <i>Sponsors:</i> Tharinger (Prime)</p> <p><i>Summary:</i> Funds capital projects.</p>	H Cap Budget	Tharinger	Neutral
<p>Supp. operating budget 17-19 Making 2017-2019 biennium second supplemental operating appropriations.</p> <p>HB 1108 (SB 5154) <i>Sponsors:</i> Ormsby (Prime)</p> <p><i>Summary:</i> Makes 2017-2019 biennium second supplemental operating appropriations.</p>	H Approps	Ormsby	Neutral
<p>Operating budget 2019-2021 Making 2019-2021 biennium operating appropriations.</p> <p>HB 1109 (SB 5153) <i>Sponsors:</i> Ormsby (Prime)</p> <p><i>Summary:</i> Makes 2019-2021 biennium operating appropriations.</p>	H Approps	Ormsby	Neutral
<p>Clean energy Supporting Washington's clean energy economy and transitioning to a clean, affordable, and reliable energy future.</p> <p>SB 5116 (HB 1211)</p>	S Environment, E	Carlyle	Neutral

Sponsors: Carlyle (Prime), Billig, Darneille, Das, Frockt, Hunt, Keiser, Kuderer, Liias, McCoy, Miloscia, Nguyen, Palumbo, Pedersen, Rolfes, Saldaña, Wellman, Wilson

Summary: Establishes the Washington clean energy transformation act. Addresses the elimination of coal-fired electricity and the transition of the state's electricity supply to one hundred percent carbon neutral by 2030. Provides that it is the policy of the state that all retail sales of electricity to the state's customers be greenhouse gas neutral by January 1, 2030. Requires the department of commerce to convene an energy and climate policy advisory committee to develop recommendations to the legislature for the coordination of existing resources, or the establishment of new ones, to: (1) Examine the costs and benefits of energy-related policies, programs, functions, activities, and incentives; and (2) Conduct other energy-related studies and analyses as may be directed by the legislature. Requires the department of health to conduct a cumulative impact analysis to designate the communities highly impacted by fossil fuel pollution and climate change.

Revenue	S Ways & Means	Rolfes	Neutral
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Increasing revenues for the support of state government.

Sponsors: Rolfes (Prime), Hunt

[SB 5129](#)
(HB 1343)

Summary: Imposes a tax on individuals for the privilege of selling or exchanging long-term capital assets or 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 section 102 of this act. Authorizes the department of revenue to enter into reciprocal tax collection agreements with the taxing officials of any other state imposing a specified tax. Increases the business and occupation tax rate on certain services.

Fish barrier removal funding	S Ways & Means	Rolfes	Neutral
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Increasing transportation revenues to help fund state fish barrier removal.

[SB 5130](#)
(HB 1228)

Sponsors: Rolfes (Prime), Saldaña

Summary: Helps fund state fish barrier removal by implementing a graduated real estate excise tax and moving up to August 1, 2019, the increase in certain vehicle weight fees.

Capital budget 2019-2021	S Ways & Means	Frockt	Neutral
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Concerning the capital budget.

[SB 5134](#)
(HB 1102)

Sponsors: Frockt (Prime), Honeyford, Sheldon

Summary: Funds capital projects.

Operating budget 2019-2021	S Ways & Means	Rolfes	Neutral
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Making 2019-2021 biennium operating appropriations.

[SB 5153](#)
(HB 1109)

Sponsors: Rolfes (Prime), Braun

Summary: Makes 2019-2021 biennium operating appropriations.

[SB 5154](#)
(HB 1108)

Supp. operating budget 17-19	S Ways & Means	Rolfes	Neutral
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Making 2017-2019 biennium second supplemental operating appropriations.

Sponsors: Rolfes (Prime), Braun

Summary: Makes 2017-2019 biennium second supplemental operating appropriations.

Low Priority Bills

No bills.

Monitoring Bills

<u>Bill Details</u>	<u>Status</u>	<u>Sponsor</u>	<u>Position</u>
Transportation budget 19-21 Making transportation appropriations for the 2019-2021 fiscal biennium. HB 1160 (SB 5214) <i>Sponsors:</i> Fey (Prime), Slatter, Valdez, Wylie <i>Summary:</i> Makes transportation appropriations for the 2019-2021 fiscal biennium.	H Trans	Fey	Neutral
Supp. transportation budget Making 2017-2019 supplemental transportation appropriations. HB 1161 (SB 5213) <i>Sponsors:</i> Fey (Prime), Slatter, Wylie <i>Summary:</i> Makes 2017-2019 supplemental transportation appropriations.	H Trans	Fey	Neutral
Capital gains tax/prop. tax Assisting Washington families by improving the fairness of the state's tax system by enacting a capital gains tax and providing property tax relief. HB 1172 (SB 5314) <i>Sponsors:</i> Santos (Prime), Chapman, Dolan, Valdez, Wylie <i>Summary:</i> Imposes a tax, beginning January 1, 2020, on all individuals for the privilege of selling or exchanging long-term capital assets or receiving Washington capital gains.	H Finance	Santos	Neutral
Business entities/crime Concerning crime committed by business entities. HB 1252 <i>Sponsors:</i> Pellicciotti (Prime), Appleton, Bergquist, Chapman, Doglio, Dolan, Fey, Fitzgibbon, Frame, Goodman, Hudgins, Jinkins, Kilduff, Klippert, Leavitt, Lovick, Macri, Orwall, Peterson, Pollet, Riccelli, Robinson, Senn, Slatter, Stanford, Stonier, Tharinger, Valdez, Wylie <i>Summary:</i>	H Public Safety	Pellicciotti	Neutral
Energy efficiency Concerning energy efficiency. HB 1257 (SB 5293)	H Env & Energy	Doglio	Neutral

Sponsors: Doglio (Prime), Appleton, Dolan, Fey, Fitzgibbon, Goodman, Hudgins, Jinkins, Kloba, Lekanoff, Macri, Mead, Morris, Peterson, Pollet, Riccelli, Slatter, Stanford, Tarleton, Tharinger

Summary:

Revenue	H Finance	Tarleton	Neutral
Increasing revenues for the support of state government.			
<u>HB 1343</u> (SB 5129)	<i>Sponsors:</i> Tarleton (Prime)		
<i>Summary:</i>			

Supp. transportation budget	S Transportation	Hobbs	Neutral
Making 2017-2019 supplemental transportation appropriations.			
<u>SB 5213</u> (HB 1161)	<i>Sponsors:</i> Hobbs (Prime)		
<i>Summary:</i> Makes 2017-2019 supplemental transportation appropriations.			

Transportation budget 19-21	S Transportation	Hobbs	Neutral
Making transportation appropriations for the 2019-2021 fiscal biennium.			
<u>SB 5214</u> (HB 1160)	<i>Sponsors:</i> Hobbs (Prime), Palumbo		
<i>Summary:</i> Makes transportation appropriations for the 2019-2021 fiscal biennium.			

GMA/agricultural land	S Local Governmen	Zeiger	Neutral
Encouraging the success of agriculture on agricultural land.			
<u>SB 5259</u>	<i>Sponsors:</i> Zeiger (Prime), Fortunato, Takko, Van De Wege, Warnick		
<i>Summary:</i>			

Energy efficiency	S Environment, E	Carlyle	Neutral
Concerning energy efficiency.			
<u>SB 5293</u> (HB 1257)	<i>Sponsors:</i> Carlyle (Prime), Billig, Das, Frockt, Hunt, Keiser, Kuderer, Lias, McCoy, Nguyen, Palumbo, Pedersen, Wellman		
<i>Summary:</i>			
