

WFFA Legislative Report – Feb. 17. 2018

The legislative session is now 2/3 over. This week marked an important deadline, any bill not passing its House of Origin by Wednesday was declared dead. Bills necessary to implement the budget are exempt from that cutoff, so all tax related bills remain alive. [317](#) bills have passed the House of Representatives so far. The coming week will be busy with numerous hearings.

The [Washington State Economic and Revenue Forecast Council](#) released its quarterly state revenue forecast this week. Because of a strong economy in much of the state, the revenue forecast has been increased by \$647 million for the 2017-19 budget cycle and over \$1.3 billion over the next four years. This level of growth has not been seen for over a decade. Most legislators acknowledge that most of the economic growth is in the greater Puget Sound region, while much of rural Washington has a more stagnant economy.

In spite of the good news on the revenue front, multiple tax bills still appear to have support from some legislators. Governor Inslee continues to push for a carbon tax which would raise in excess of \$3 billion. House Bill 2967 would impose a new capital gains income tax. Tax incentives for rural areas sound attractive, but the devil is in the details and there could be unforeseen consequences.

Both House and Senate supplemental budget proposals will be released early next week. It will be interesting to see if revenue from new taxes is assumed in the budget calculations.

Upcoming Events

Agriculture, Water, Natural Resources & Parks (Senate) - SHR 3, - 2/19 @ 1:30pm

- SHB 2276 - Public Hearing - Concerning notification of wildlife transfer, relocation, or introduction into a new location.
- HB 2307 - Public Hearing - Requiring confidentiality in the release of sensitive fish and wildlife data.

Finance (House) - HHR A, JLOB - 2/19 @ 3:30pm

- HB 2967 - Exec Session - Enacting a capital gains tax and providing property tax relief.
- HB 2992 - Exec Session - Modifying the business and occupation tax structure for rural manufacturers and timber and wood product manufacturers, extractors, and wholesalers.

Financial Institutions & Insurance (Senate) - SHR 3, - 2/20 @ 9:15am

- SHB 2710 - Public Hearing - Adding proximity to working forests to the residential real estate disclosure statement.
- SHB 2320 - Exec Session - Concerning the creation of a work group to study and make recommendations on natural disaster mitigation and resiliency activities.
- SHB 2710 - Exec Session - Adding proximity to working forests to the residential real estate disclosure statement.

Agriculture, Water, Natural Resources & Parks (Senate) - SHR 3, - 2/20 @ 1:30pm

- HJM 4014 - Public Hearing - Supporting the continued research, development, production, and application of biochar from our forests and agricultural lands.

- ESHB 2285 - Public Hearing - Establishing a reporting process for the department of natural resources regarding certain marbled murrelet habitat information.
- HB 2733 - Public Hearing - Establishing a prescribed burn certification program at the department of natural resources.
- SHB 2561 - Public Hearing - Concerning temporary duties for the wildland fire advisory committee.

Health Care & Wellness (House) - HHR A, JLOB - 2/21 @ 1:30pm

- E2SSB 6529 - Public Hearing - Establishing a pesticide application safety work group.

High Priority Bills

<u>Bill Details</u>	<u>Status</u>	<u>Sponsor</u>	<u>Position</u>
<p>Working forests/real estate</p> <p><u>SHB 2710</u> Revises the real estate disclosure statement, relating to the right to farm act, to include working forests, which gives home buyers a more accurate description of the effect of the act and science-based forest practices regulations that protect the state's public resources.</p>	S Fin Inst/Ins	Reeves	Support
<p>Prescribed burn cert. prog.</p> <p><u>SHB 2733</u> Establishing a prescribed burn certification program at the department of natural resources.</p>	H not subst	Orcutt	Support
<p>Carbon pollution</p> <p><u>SSB 6203</u> Reducing carbon pollution by investing in rural economic development and a clean energy economy.</p>	S Ways & Means	Carlyle	Concerns

Medium Priority Bills

<u>Bill Details</u>	<u>Status</u>	<u>Sponsor</u>	<u>Position</u>
<p>Rural county jobs program</p> <p><u>E2SHB 2177</u> Creates the rural county high employer demand jobs program to: (1) Meet the workforce needs of business and industry in rural counties by assisting students in earning certificates, associate degrees, or other industry-recognized credentials necessary for employment in high employer demand fields; and (2) Provide selected students scholarship funds, as determined by the opportunity scholarship board, to help them meet their eligible expenses for up to one year, when they enroll in a community or technical college program that prepares them for a high employer demand field. Requires the opportunity scholarship board to create the rural jobs program account, from which scholarship funds will be disbursed beginning no later than the fall term of the 2020 academic year, if by that date, state matching funds have been received. Creates the rural jobs program match transfer account.</p>	S Higher Ed & Wor	Chapman	Support
<p>Marbled murrelet reports</p> <p><u>ESHB 2285 (SB 6020)</u> Finds that protecting the habitat of the marbled murrelet is beneficial to the state and our environment, however, the protection and recovery of the murrelets may have impacts, specifically on timber jobs in our rural communities and lost revenues to our schools, counties, and junior taxing districts through reduced timber harvests. Requires the department of natural resources to provide a report to the legislature that includes an economic analysis of: (1) The net loss or gain of revenues to each of the trust beneficiaries from a proposed marbled murrelet habitat conservation plan approved by the board of natural resources and forwarded to or approved by the United States fish and wildlife</p>	S Ag/Water/Natura	Chapman	Neutral

service; (2) The potential net loss or gain of jobs for each impacted county; and (3) Economic activity benefits from additional conservation measures that support murrelet protection and recovery. Requires the commissioner of public lands to appoint a marbled murrelet advisory committee to assist the department in developing and providing the report.

<u>SHB 2320</u> (SSB 6036)	Natural disaster mitigation Creates a working group to study and make recommendations on natural disaster and resiliency activities.	S Fin Inst/Ins	Reeves	Neutral
<u>SHB 2402</u>	Energy independence act Concerning the energy independence act.	H 2nd Reading	Tarleton	Concerns
<u>SHB 2561</u>	Wildland fire adv. committee Concerning temporary duties for the wildland fire advisory committee.	S Ag/Water/Natura	Dent	Neutral
<u>HB 2947</u> (SB 6596)	Rural manufacturers B&O tax Provides relief, from business and occupation taxes, to manufacturers located in rural counties.	H Finance	Chapman	Support
<u>HB 2967</u>	Capital gains tax/prop. tax Declares an intent to ask the state's citizens to reduce the state property tax levy and replace it with the capital gains excise tax.	H Finance	Lytton	Oppose
<u>HB 2992</u>	Rural manuf., etc./B&O tax Encourages economic growth and lower unemployment rates in rural counties by modifying the business and occupation tax structure for rural manufacturers and timber and wood product manufacturers, extractors, and wholesalers.	H Finance	Chapman	Support
<u>HIM 4014</u>	Biochar Supports the continued research, development, production, and application of biochar from our forests and agricultural lands.	S Ag/Water/Natura	Shea	Neutral
<u>SB 6073</u> (HB 2553)	Hardwood processors levy Changes the agricultural commodity assessments, levied by the state hardwoods commission, on processors of hardwoods to four cents per ton produced. Requires the assessment to be adjusted to reflect the percentage change in the implicit price deflator for personal consumption expenditures by September 25th of the year before the assessments are payable.	H AGNRDP	Takko	Support
<u>E2SSB 6529</u>	Pesticide application safety Creates the pesticide application safety work group to develop recommendations for improving the safety of pesticide applications. Expires December 31, 2018.	H HC/Wellness	Salda?a	Oppose
<u>SB 6596</u> (HB 2947)	Rural manufacturers B&O tax Provides relief, from business and occupation taxes, to manufacturers located in rural counties.	S Ways & Means	Takko	Support

Low Priority Bills

<u>Bill Details</u>	<u>Status</u>	<u>Sponsor</u>	<u>Position</u>
<u>SHB 2276</u> Wildlife transfer notice Requires the department of fish and wildlife to provide notice and hold a public hearing before department personnel relocates or introduces any wolves, coyotes, lynx, bobcats, and animals defined as big game, where the action is intended for population maintenance or enhancement.	S Ag/Water/Natura	Eslick	
<u>HB 2307</u> Fish & wildlife data Changes the term "may" to "must" with regard to subjecting the release of sensitive fish and wildlife data to a confidentiality agreement.	S Ag/Water/Natura	Van Werven	Support