**Northwest Agricultural Cooperative Council  
Report Generated: February 23, 2018  
Created by: Dan Coyne, CJLLC**

The Washington State Legislature completed week 7 of the regular session on Friday. House and Senate leaders said they may have to work this weekend to adjourn on time. The last day of regular session is March 8.

House and Senate Supplemental Operating, Capital and Transportation budgets were released earlier this week.  The budget committees held hearings all week to take public comment on the budget proposals. House and Senate budget writers believe they will pass the budgets out of their chambers this Friday or Saturday.

Friday, February 23 marked the last day for policy committees to pass the opposite chambers bills out of committee. Fiscal and Transportation committees have until February 26 to pass opposite chamber bills out of committee. It is worth noting again that bills necessary to implement the budget (NTIB) are exempt from all cutoffs.

**Senate Supplemental Operating Budget**

PSSB 6032, The Senate supplemental operating budget written by Sen. Christine Rolfes (D-Bainbridge Island), has an additional $1.2 billion in new spending from higher than expected revenue forecasts. In addition, the Senate budget proposal is estimated to save $131 million in entitlement program spending from lower caseload and per capita costs.  The budget spends $44.5 billion in the 2017-19 biennium and leaves $2.4 billion in total reserves. $1.2 billion in new policy expenditures include fully funding teacher salary increases as required by the McCleary decision and $160 million for mental health and developmental disabilities/long term care.

The Senate proposal also includes $403 million from the Budget Stabilization Account for a $0.31 per $1000 of value for the state property tax reduction in calendar year 2019.

**House Supplemental Operating Budget**

PSHB 2299, the House supplemental operating budget proposal by Representative Ormsby (D-Spokane), makes changes to the enacted 2017-19 biennial budget. These supplemental changes increase appropriations for the 2017-19 biennium by $377 million to $44.1 billion in total.

The House budget makes maintenance level adjustments that result in a reduction of $151 million in spending (mostly technical adjustments to caseloads and per capita costs in entitlement programs) and a net increase of $529 million in policy level spending. A transfer of $1.1 billion is made from general fund to the Education Legacy Trust Account. The funding is to increase the amount spent to settle the McCleary decision to fully fund teacher salaries and basic education.

The House Supplemental Operating budget proposal reduces the state property tax rate for calendar years 2019 and 2020. The current combined state rate of $2.70/$1,000 of assessed value would be lowered to $2.365/$1,000 of assessed value for taxes collected in calendar year 2019 and $2.30/$1,000 of assessed value for taxes collected in calendar year 2020.

The House budget proposal also assumes the implementation of a 7 percent capital gains tax, HB 2967.

**Carbon Tax**

SSB 6203, carbon tax, was passed out of the Senate Ways and Means Committee on Thursday evening.  As written, the tax begins at $12 per metric ton of carbon dioxide on July 1, 2019.  Beginning in July 2021 and every year after until the tax rate reaches $30, the rate will increase $1.80 per ton.  The biggest impacts of the carbon tax will be seen at the gas pump, but residential natural gas and electricity prices will increase, as well.  Initially, the impact on fuel prices is estimated at 10-11 cents per gallon, growing cumulatively to nearly 30 cents by 2029.  Essentially, the carbon tax is an energy tax, impacting residential consumers and commercial entities most, as many manufacturing facilities are exempt from the tax, in order to prevent leakage of Washington based facilities to other states that don’t have a carbon tax.

As a result of Ways and Means action, SSB 6203 is in the Senate Rules Committee.  It is unclear if or when the bill will be moved to the Senate Floor Calendar.  Two Democrat senators in Ways and Means stated concerns about the regressivity of the carbon tax and future impacts it will have on transportation budgets.  Nevertheless, they supported the bill moving out of committee.

# Upcoming Events

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| **2/24/2018** | **Finance (House)** | HHR A @ 8:00am | HB 2993 - Exec Session - Transferring nine hundred ninety-five million eight hundred two thousand dollars from the budget stabilization account to the state general fund to offset the revenue impact of reducing the combined rate for state property tax levies to 2.365 dollars per thousand dollars of assessed value for taxes levied for collection in calendar year 2019 and to two dollars and thirty cents per thousand dollars of assessed value for taxes levied for collection in calendar year 2020. |
| **2/24/2018** | **Finance (House)** | HHR A @ 8:00am | SHB 2283 - Public Hearing - Encouraging investment in and reducing the costs of transitioning to the clean energy future. |
| **2/24/2018** | **Finance (House)** | HHR A @ 8:00am | SHB 2283 - Exec Session - Encouraging investment in and reducing the costs of transitioning to the clean energy future. |
| **2/24/2018** | **Ways & Means (Senate)** | SHR 4 @ 9:00am | SHB 2928 - Public Hearing - Reauthorizing the business and occupation tax deduction for cooperative finance organizations. |
| **2/26/2018** | **Finance (House)** | HHR A @ 8:00am | SHB 2283 - Exec Session - Encouraging investment in and reducing the costs of transitioning to the clean energy future. |

# Bill Tracking Overview

## High Priority Bills

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| **Bill Details** | | **Status** | **Sponsor** | **Position** |
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| [**HB 1975**](http://app.leg.wa.gov/billsummary?Year=2017&BillNumber=1975) | **Sugar beverages tax** | H Finance | Jinkins | Oppose |
| Concerning a tax on sugar-sweetened beverages.  Imposes a tax on: (1) The first sale of prepackaged sugar-sweetened beverages made by a distributor in this state; (2) Syrup or powder sold or offered for sale to a retailer for sale to a consumer; (3) The first sale of prepackaged diet beverages made by a distributor in this state; and (4) Diet syrup or diet powder sold or offered for sale to a retailer for sale to a consumer. Requires the joint legislative audit and review committee to evaluate the impact of the sugar-sweetened beverage tax on the consumption of the beverages by residents. Requires the department of health and the department of revenue to provide the committee with access to data necessary to conduct the evaluation. Repeals chapter 82.64 RCW (syrup tax). | | | |
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| [**2SHB 2338**](http://app.leg.wa.gov/billsummary?Year=2017&BillNumber=2338) | **Greenhouse gas/transp. fuels** | H Rules R | Fitzgibbon |  |
| Reducing the greenhouse gas emissions associated with transportation fuels. | | | |
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| [**ESSB 5513**](http://app.leg.wa.gov/billsummary?Year=2017&BillNumber=5513) **(HB 1500)** | **Tax exemptions** | H Finance | Frockt | Oppose |
| Increasing tax exemption transparency and accountability.  Declares an intent to: (1) Incorporate a more explicit recognition of the fiscal impact of tax preferences on the state budget; and (2) Reform the tax preference expenditure process by including the fiscal impact of tax preference expenditures in the budget outlook document that is created as part of the biennial state budget process. | | | |
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| [**2SSB 6203**](http://app.leg.wa.gov/billsummary?Year=2017&BillNumber=6203) | **Carbon pollution** |  | Carlyle | Oppose |
| Reducing carbon pollution by investing in rural economic development and a clean energy economy.  The Senate Ways and Means Committee passed SB 6203, Carbon Tax, out of Committee Thursday night. The bill will go to Rules, awaiting a pull to the Floor Calendar. Two Democrats, Conway and Hasegawa, stated their concerns about the regressivity of the carbon tax and its impact on future transportation budgets. While they stated that they would vote to support the bill out of Committee, they cautioned that they were not committed to vote for it off of the floor. | | | |
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| [**SB 6594**](http://app.leg.wa.gov/billsummary?Year=2017&BillNumber=6594) | **Climate T.O.** | S Ways & Means | Carlyle |  |
| Relating to climate.  Introduced by title and introductory section only, relating to climate. | | | |
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## Medium Priority Bills

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| **Bill Details** | | **Status** | **Sponsor** | **Position** |
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| [**ESHB 2327**](http://app.leg.wa.gov/billsummary?Year=2017&BillNumber=2327) | **Appliance efficiency** | S Energy, Environ | Morris |  |
| Concerning appliance efficiency standards.  HB 2327-S - DIGEST Modifies provisions regarding efficiency standards of appliances. | | | |
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| [**HB 2453**](http://app.leg.wa.gov/billsummary?Year=2017&BillNumber=2453) **(SB 6159)** | **Ugrd storage tank prg reauth** | H Approps | Peterson |  |
| Concerning the reauthorization of the underground storage tank program.  Extends, by ten years, the termination and repeal, under the sunset act, of the underground storage tank program. | | | |
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| [**2ESHB 2658**](http://app.leg.wa.gov/billsummary?Year=2017&BillNumber=2658) **(SSB 6396)** | **Perfluorinated chemicals** | H Passed 3rd | McBride |  |
| Concerning the use of perfluorinated chemicals in food packaging.  HB 2658-S - DIGEST Prohibits a person from manufacturing, knowingly selling, offering for sale, distributing for sale, or distributing for food packaging to which perfluoroalkyl and polyfluoroalkyl chemicals have been intentionally added in any amount. Requires the department of ecology to: (1) Conduct an assessment to determine if safer alternatives exist; and (2) Publish its findings in the Washington State Register on whether a safer alternative exists. Requires a manufacturer to develop, for food packaging, a compliance certificate by the date of a prohibition taking effect. | | | |
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| [**2SHB 2671**](http://app.leg.wa.gov/billsummary?Year=2017&BillNumber=2671) | **Ag industry behavioral hlth** | S Ways & Means | Wilcox |  |
| Improving the behavioral health of people in the agricultural industry.  Requires the department of health to: (1) Establish a pilot program to support behavioral health improvement and suicide prevention efforts for members of the agricultural industry workforce; (2) Contract with an entity that has behavioral health and suicide prevention expertise to develop a free resource for workers in the agricultural industry; and (3) Use an entity that has an existing telephonic and web-based resource, including entities that have prepared similar resources for other states. Requires the state office of rural health to convene a task force on behavioral health and suicide prevention in the agricultural industry and requires the task force to review the following issues: (1) Data related to the behavioral health status of persons associated with the agricultural industry, including suicide rates, substance use rates, and availability and use of behavioral health services; (2) Factors unique to the agricultural industry that affect the behavioral health of persons working in the industry; (3) Components that should be addressed in the pilot program, including consideration of components that relate to similar programs funded or partially funded by the federal office of rural health policy; and (4) Options to improve the behavioral health status of and reduce suicide risk among agricultural workers and their families, including individual focused and community focused strategies. | | | |
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| [**HB 2702**](http://app.leg.wa.gov/billsummary?Year=2017&BillNumber=2702) **(SB 6338)** | **Fam. & med. leave/technical** | S Rules 2 | Robinson |  |
| Making technical corrections to the family and medical leave program.  Makes no substantive changes; only makes technical corrections to the family and medical leave program. | | | |
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| [**ESHB 2757**](http://app.leg.wa.gov/billsummary?Year=2017&BillNumber=2757) **(SB 6276)** | **Fuel content standards** | S Energy, Environ | Doglio |  |
| Modernizing fuel content standards and references.  Revises the motor fuel quality act with regard to the modernization of fuel content standards and references. | | | |
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| [**SHB 2928**](http://app.leg.wa.gov/billsummary?Year=2017&BillNumber=2928) | **Cooperative finance org. B&O** | S Ways & Means | Lytton |  |
| Reauthorizing the business and occupation tax deduction for cooperative finance organizations. | | | |
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| [**SHB 2940**](http://app.leg.wa.gov/billsummary?Year=2017&BillNumber=2940) | **Business and occupation tax** | H Approps | Lytton | Oppose |
| Making the business and occupation tax more progressive. | | | |
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| [**SHB 2967**](http://app.leg.wa.gov/billsummary?Year=2017&BillNumber=2967) | **Capital gains tax/prop. tax** | H Rules R | Lytton |  |
| Assisting Washington families by improving the fairness of the state's tax system by enacting a capital gains tax and providing property tax relief. | | | |
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| [**SHB 2992**](http://app.leg.wa.gov/billsummary?Year=2017&BillNumber=2992) | **Rural manuf., etc./B&O tax** | H Rules R | Chapman |  |
| Modifying the business and occupation tax structure for rural manufacturers and timber and wood product manufacturers, extractors, and wholesalers. | | | |
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| [**HB 2993**](http://app.leg.wa.gov/billsummary?Year=2017&BillNumber=2993) | **Property tax levies** | H Finance | Sullivan |  |
| Transferring nine hundred ninety-five million eight hundred two thousand dollars from the budget stabilization account to the state general fund to offset the revenue impact of reducing the combined rate for state property tax levies to 2.365 dollars per thousand dollars of assessed value for taxes levied for collection in calendar year 2019 and to two dollars and thirty cents per thousand dollars of assessed value for taxes levied for collection in calendar year 2020.  Offsets the revenue impact of reducing the combined rate for state property tax levies. | | | |
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| [**SB 6004**](http://app.leg.wa.gov/billsummary?Year=2017&BillNumber=6004) **(HB 2303)** | **State property tax reduction** | S Ways & Means | Mullet |  |
| Reducing the state property tax in calendar year 2018.  Changes the state property tax, for calendar year 2018, to two dollars and forty cents per thousand dollars of assessed value. | | | |
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| [**SSB 6038**](http://app.leg.wa.gov/billsummary?Year=2017&BillNumber=6038) | **Limited cooperative assocs.** | H Judiciary | Pedersen | Neutral |
| Concerning limited cooperative associations.  Establishes the Washington limited cooperative association act. Defines a limited cooperative association as an autonomous, unincorporated association of persons united to meet their mutual interests through a jointly owned enterprise primarily controlled by those persons. | | | |
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| [**SB 6159**](http://app.leg.wa.gov/billsummary?Year=2017&BillNumber=6159) **(HB 2453)** | **Ugrd storage tank prg reauth** | H Approps | Takko |  |
| Concerning the reauthorization of the underground storage tank program.  Extends, by ten years, the termination and repeal, under the sunset act, of the underground storage tank program. | | | |
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| [**SB 6180**](http://app.leg.wa.gov/billsummary?Year=2017&BillNumber=6180) | **Planting and harvest dates** | H Trans | Hobbs |  |
| Defining the planting and harvest dates for purposes of exemptions for agricultural transporters.  States that the planting and harvesting seasons are January 1st through December 31st of each year, with regard to the exemption for agricultural transporters. | | | |
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| [**SB 6433**](http://app.leg.wa.gov/billsummary?Year=2017&BillNumber=6433) | **Processing B&O credit** | S Ways & Means | Keiser |  |
| Providing a business and occupation tax credit for certain processing.  Provides a sales tax exemption, in the form of a remittance, to certain wholesalers and third-party warehousers who own or operate warehouses or grain elevators and retailers who own or operate distribution centers. | | | |
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| [**SB 6481**](http://app.leg.wa.gov/billsummary?Year=2017&BillNumber=6481) | **Sales tax deferral/manufact.** | S Ways & Means | Brown |  |
| Creating a sales tax deferral for construction and expenditure costs of manufacturing facilities.  Provides a sales tax deferral on the construction and expenditure costs of new, renovated, or expanded manufacturing facilities. Expires January 1, 2028. | | | |
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| [**E2SSB 6529**](http://app.leg.wa.gov/billsummary?Year=2017&BillNumber=6529) | **Pesticide application safety** | H HC/Wellness | Salda?a | Oppose |
| Establishing a pesticide application safety work group.  SB 6529 is funded in both the House and Senate budgets. Department of Health ? Pesticide Bill Implementation ? $30,000 -- Senate Funding is provided to implement Engrossed Second Substitute Senate Bill 6529 (pesticide application safety), which requires the Department of Health to convene a workgroup to develop recommendations for improving the safety of pesticide applications. (General Fund-State) Department of Health ? Pesticide Bill Implementation -- $147,000 -- House Funding is provided for the Department of Health to convene and chair a pesticide incident reporting and tracking panel, which will meet monthly and provide an annual report to the Legislature. (General Fund-State) | | | |
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| [**SB 6596**](http://app.leg.wa.gov/billsummary?Year=2017&BillNumber=6596) **(HB 2947)** | **Rural manufacturers B&O tax** | S Ways & Means | Takko |  |
| Providing business and occupation tax relief to rural manufacturers.  Provides relief, from business and occupation taxes, to manufacturers located in rural counties. | | | |
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## Low Priority Bills

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| **Bill Details** | | **Status** | **Sponsor** | **Position** |
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| [**SHB 2182**](http://app.leg.wa.gov/billsummary?Year=2017&BillNumber=2182) | **Hazardous substance tax** | H Cap Budget | Peterson | Oppose |
| Relating to providing a tiered tax on the possession of hazardous substances to provide for the current program's immediate needs and a more stable source of revenue in the future.  Provides a tiered tax on the possession of hazardous substances to provide for the current program's immediate needs and a more stable source of revenue in the future. Requires the department of ecology, in consultation with the department of revenue, to provide a report regarding cleanup and stormwater projects and projected hazardous substance tax revenues to the office of financial management and legislative fiscal committees by October 1, 2018, 2020, 2022, and 2024. | | | |
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| [**SHB 2872**](http://app.leg.wa.gov/billsummary?Year=2017&BillNumber=2872) | **Heating oil tank insurance** | H Rules R | Peterson |  |
| Concerning pollution liability insurance for heating oil tanks.  Provides a per calendar year limit on pollution liability insurance for heating oil tanks. | | | |
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| [**SB 6252**](http://app.leg.wa.gov/billsummary?Year=2017&BillNumber=6252) **(HB 2425)** | **Temporary elevator licenses** | H 2nd Reading | King |  |
| Extending the validity of temporary elevator licenses.  Changes the period of validity for a temporary elevator mechanic license from thirty days to one year. | | | |
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## Dead Bills

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| **Bill Details** | | **Status** | **Sponsor** | **Priority** | **Position** |
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| [**SHB 2283**](http://app.leg.wa.gov/billsummary?Year=2017&BillNumber=2283) | **Clean energy** | H Finance | DeBolt | Medium |  |
| [**HB 2294**](http://app.leg.wa.gov/billsummary?Year=2017&BillNumber=2294) | **Paris climate agreement** | H Environment | Slatter | Medium | Oppose |
| [**HB 2303**](http://app.leg.wa.gov/billsummary?Year=2017&BillNumber=2303) | **State property tax reduction** | H Finance | Condotta | Medium |  |
| [**SHB 2319**](http://app.leg.wa.gov/billsummary?Year=2017&BillNumber=2319) | **Energy conservation programs** | H Rules C | Doglio | Medium |  |
| [**HB 2339**](http://app.leg.wa.gov/billsummary?Year=2017&BillNumber=2339) | **Electric truck tractors** | H Finance | Condotta | Medium |  |
| [**HB 2349**](http://app.leg.wa.gov/billsummary?Year=2017&BillNumber=2349) | **Retired farmers/property tax** | H Finance | Kraft | Medium |  |
| [**HB 2393**](http://app.leg.wa.gov/billsummary?Year=2017&BillNumber=2393) | **B&O manufacturing tax rate** | H Finance | Vick | Medium |  |
| [**SHB 2402**](http://app.leg.wa.gov/billsummary?Year=2017&BillNumber=2402) | **Energy independence act** | H Rules C | Tarleton | Medium |  |
| [**SHB 2411**](http://app.leg.wa.gov/billsummary?Year=2017&BillNumber=2411) | **Food waste reduction** | H Approps | Doglio | Medium |  |
| [**HB 2425**](http://app.leg.wa.gov/billsummary?Year=2017&BillNumber=2425) | **Temporary elevator licenses** | H Rules R | Doglio | Medium |  |
| [**HB 2471**](http://app.leg.wa.gov/billsummary?Year=2017&BillNumber=2471) | **Marijuana coop preemption** | H Rules R | Kirby | Low |  |
| [**HB 2499**](http://app.leg.wa.gov/billsummary?Year=2017&BillNumber=2499) | **Seeds and plants/sales tax** | H Finance | Caldier | Medium |  |
| [**HB 2768**](http://app.leg.wa.gov/billsummary?Year=2017&BillNumber=2768) | **Ag competitiveness/emissions** | H Environment | Maycumber | Medium |  |
| [**HB 2878**](http://app.leg.wa.gov/billsummary?Year=2017&BillNumber=2878) | **Pesticide exposure** | H HC/Wellness | Ortiz-Self | Medium |  |
| [**HB 2879**](http://app.leg.wa.gov/billsummary?Year=2017&BillNumber=2879) | **Clean air act** | H Environment | Fitzgibbon | Medium |  |
| [**HB 2916**](http://app.leg.wa.gov/billsummary?Year=2017&BillNumber=2916) | **Landowner's lessee/penalties** | H Ag & Nat Res | Dye | Low |  |
| [**SB 5774**](http://app.leg.wa.gov/billsummary?Year=2017&BillNumber=5774) | **Labor relations violations** | S Labor & Commerc | Chase | High | Oppose |
| [**SB 5897**](http://app.leg.wa.gov/billsummary?Year=2017&BillNumber=5897) | **Food assist./prohibit. foods** | S Ways & Means | Rossi | Medium |  |
| [**SB 5918**](http://app.leg.wa.gov/billsummary?Year=2017&BillNumber=5918) | **Carbon reduction/rural manuf** | S Energy, Environ | Ericksen | Medium |  |
| [**SB 6033**](http://app.leg.wa.gov/billsummary?Year=2017&BillNumber=6033) | **State property tax reduction** | S Ways & Means | Ericksen | Medium |  |
| [**SB 6096**](http://app.leg.wa.gov/billsummary?Year=2017&BillNumber=6096) | **Carbon pollution tax** | S Energy, Enviro | Ranker | High | Oppose |
| [**SB 6098**](http://app.leg.wa.gov/billsummary?Year=2017&BillNumber=6098) | **Light duty vehicle emissions** | S Energy, Enviro | Ranker | Medium |  |
| [**SB 6138**](http://app.leg.wa.gov/billsummary?Year=2017&BillNumber=6138) | **Food stamp fraud/SOL** | S Law & Justice | Brown | Medium |  |
| [**2SSB 6253**](http://app.leg.wa.gov/billsummary?Year=2017&BillNumber=6253) | **Renewable energy standard** | S Rules X | Ranker | Medium |  |
| [**SB 6276**](http://app.leg.wa.gov/billsummary?Year=2017&BillNumber=6276) | **Fuel content standards** | S Energy, Enviro | Carlyle | Medium |  |
| [**SB 6285**](http://app.leg.wa.gov/billsummary?Year=2017&BillNumber=6285) | **Hazardous substance tax** | S Energy, Enviro | Palumbo | High |  |
| [**SB 6322**](http://app.leg.wa.gov/billsummary?Year=2017&BillNumber=6322) | **Pesticide exposure** | S Energy, Enviro | Salda?a | Medium | Oppose |
| [**SB 6335**](http://app.leg.wa.gov/billsummary?Year=2017&BillNumber=6335) | **Carbon pollution tax** | S Energy, Enviro | Hobbs | High |  |
| [**SB 6338**](http://app.leg.wa.gov/billsummary?Year=2017&BillNumber=6338) | **Fam. & med. leave/technical** | S Rules X | Keiser | Medium |  |
| [**SSB 6396**](http://app.leg.wa.gov/billsummary?Year=2017&BillNumber=6396) | **Perfluorinated chemicals** | S Rules X | Wellman | Medium |  |
| [**SB 6463**](http://app.leg.wa.gov/billsummary?Year=2017&BillNumber=6463) | **Hazardous substance tax** | S Energy, Enviro | Ranker | High | Oppose |
| [**SB 6542**](http://app.leg.wa.gov/billsummary?Year=2017&BillNumber=6542) | **B&O manufacturing tax rate** | S Ways & Means | Baumgartner | Medium |  |