



SESSION WATCH 2017 WEEK 13

This week the Legislature increased their attention on the various budgets. The House passed their general fund budget on Friday on a partisan vote of 50-48. Republicans introduced 41 floor amendments and six were accepted. Much of the disagreement between Republicans and Democrats regarding the House budget is focused on the revenue assumptions for the total spending amount. The House budget assumes the passage of revenue increases included in HB 2186.

HB 2186 includes the following provisions:

- Establishes a 7% capital gains tax;
- Imposes a 20% Business and Occupation surtax on certain activities, creates a new deduction of \$250,000 and repeals several preferential rates;
- Creates a progressive Real Estate Excise Tax of 2% if the selling price is between \$1 million and \$5 million and 2.5% if the selling price is equal to or greater than \$5 million; and
- Eliminates tax exemptions or credits for extracted fuel, prescription drug resellers, non-resident sales taxes and bottled water.

The House Finance Committee will have a public hearing on HB 2186 on Monday.

The House did not include a carbon tax in their new revenue proposal. Although Representative Fitzgibbon indicates that conversations continue regarding a carbon tax, it appears the Senate is unlikely to compromise on the issue. The article below is a good summary of the current conversations.

<http://www.theolympian.com/news/politics-government/article141136373.html>

Senate Bill 5239, which the Grange supports as a solution for the *Hirst* decision, did not move out of the House Agriculture Committee this week. As a result, the bill is technically dead for this legislative session. House Democrats have indicated that they intend to continue to work on the issue. **Legislators need to hear from us on the necessity for addressing the *Hirst* decision this year.** The following website: <https://fixhirst.com/> includes a link to help you contact your legislator directly.

April 4th is the Opposite House fiscal committee cut-off and April 12th is the Opposite House floor cut-off. After April 12th, legislators have until April 23rd to reach agreement on bills before the end of the regular legislative session.

High Priority Bills

Bill #	Abbrev. Title	Short Description	Status	Sponsor
HB 1132 (SB 5075)	Seed buyer & dealer disputes	Concerning dispute resolution between seed buyers and dealers.	S Rules 2	Buys
ESHB 1465	Wolf depredation/public recs	Exempting from public disclosure certain information regarding reports on wolf depredations.	S 2nd Reading	Short
HB 2186	Taxes	Concerning investing in Washington families by improving the fairness of the state's excise tax system by narrowing or eliminating tax preferences, imposing a business and occupation tax surcharge while eliminating tax liability for small businesses, enacting an excise tax on capital gains, modifying the real estate excise tax, making administrative changes, and implementing marketplace fairness in Washington.	H Finance	Lytton
SB 5075 (HB 1132)	Seed buyer & dealer disputes	Concerning dispute resolution between seed buyers and dealers.	H 2nd Reading	Takko
SSB 5196 (SHB 1299)	Cattle feedlots/odor & dust	Including cattle feedlots implementing best management practices within the statutory exemption for odor or fugitive dust caused by agricultural activity.	H Rules R	Warnick
SB 5331	Irrigation district admin.	Concerning irrigation district administration.	H Rules R	Takko
ESB 5720 (HB 2049)	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.	H Labor & Workpla	Hawkins