Background

The 2023 Washington State Legislative session comes at a unique time in recent history in that we will see much larger than normal legislative turnover due to: redistricting efforts and the November election; the first in-person legislative session since 2020; a larger-than-normal backlog of policy proposals and bills due to reduced capacity during remote and pandemic-response focused sessions; and for the first time in years, the state’s chief economist has formally downgraded previous state revenue projections for the next budget cycle.

For credit unions it also comes at a time when the Legislature has directly addressed many credit union-specific issues in recent years, passing proactive credit union legislation in five of the last six years. In addition, the Legislature has been responsive on a number of other priorities. Committee chairs in both the House and Senate will likely change as well, meaning a new working dynamic in each policy advancement process.

With those factors in mind GoWest is putting forward the following 2023 legislative agenda and relevant issues for review and feedback by Washington Governmental Affairs Committee.

Agenda

Protect existing credit union powers, authorities, and associated tax status.
- A legislative work group will introduce major overhauls to the state’s tax code, which will require continued engagement with sponsors and leadership regardless of any bill’s outcome.
- The banking industry has explicitly included removing credit union tax status and reducing areas of competition in its 2023 legislative agenda.

Newly educate or build upon all elected officials’ knowledge of credit union structure, value, and impact of the ways members and communities are served.
- With many new legislators and turnover on committee membership and leadership it is paramount that credit unions continue to maintain high-quality relationships by strengthening existing ones and developing new connections across the entire state.
- Credit unions will have newly available data and impact information to share due to completion of the Community Impact Reporting Tool and Economic Impact study collected and analyzed in 2022.
Continue promoting process reform and efficiencies in state government on programs of direct impact to credit union operations.

- While anticipated Department of Licensing legislation on modernizing the lien and titling program will not be introduced by the agency, GoWest will continue working with the department to advance components that do not require statutory or regulatory changes and support a creation of a planning timeline process by the agency.
- Support any state efforts to adopt and utilize technology for signatures, remote online notarization updates, and other issues that allow credit unions to interact with more efficient state services.
- Continue engaging on anticipated issues with the potential to impact credit union operations.

Support efforts to ensure more Washingtonians have access to affordable housing.

- State working groups and committees are recommending increasing the amount of down payment assistance and making it more accessible for potential home buyers.
- GoWest will identify and engage in policy proposals that align with credit union policies that help Washingtonians access housing.

Identify and ensure effective program design, necessary funding, and implementation of state partnership opportunities.

- Partnership opportunities between the state, credit unions, and other community organizations have increased in recent years including funding for a small business credit repair program, student loan fund, the Small Business Flex Fund, as well as credit union access to the Linked Deposit Program.

Other areas of engagement:

Sampling of other potential issues the Washington advocacy team anticipates monitoring, engaging in, and navigating in some manner:

- DFI request legislation
- housing
- use of credit scores
- operational impacts through member communications
- data privacy
- state bank
- financial health
- operational impacts on credit unions as employers
- Legislation impacting bank taxation levels
- Foreclosure Fairness Working Group legislation