

# WASHINGTON CREDIT UNIONS

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## 2024 State Legislative Agenda and Priorities

Washington state lawmakers will return to Olympia on January 8, 2024, for a fast-paced 60-day session. They'll be tasked with updating the state budget and diving into any timely or key issues left undone earlier this year.

The state budget is always a main priority for legislators and should be more straightforward than contemplated in the last update due to a shift in anticipated revenue collections significantly higher than anticipated in Q2. As a result, the budget process will still require difficult decisions as some will call for major spending increases while others call for tax relief due to continued significant revenue growth.

In addition, 2024 is a major election year with 98 House seats, 25 Senate seats, and all statewide offices on the ballot. In addition to all but ensuring the session is done on time these sessions generally end up more political as officials seek to advance priority issues and draw key differences between parties.

With those things in mind and recent credit union policy priorities GoWest is putting forward a draft plan surrounding the issues we will be proactively guiding as well as issues we will be engaged in addressing or monitoring.

## Washington State 2024 Legislative Agenda

### **Continue effort to address sales tax issue on Digital Automated Services**

Since the end of the 2023 legislative session GoWest has driven formal stakeholder meetings with the Washington State Department of Revenue on trends related to the application of sales tax on the purchase of certain digital automated services.

This follows work directly with DOR prior to 2023 as well as an elevated conversation on the topic with the introduction of related industry-supported legislation during the 2023 session.

While we still do not have final resolution, GoWest's negotiations are still underway as of November, and we will continue to actively work on either direct legislation should we reach an agreement or with lawmakers and agency officials on addressing what we anticipate will be an expanding issue in future years for many Washington-based organizations.

### **Build momentum and a path for a digital lien and titling program**

Credit unions identified modernization of the state's lien and titling program in the 2022 State Issues Working Group as a top priority. Discussions with DOL in 2022 and 2023 have been valuable but to date, the agency has not committed to advancing this work.

The agency has had many emergent priorities in recent years between navigating the pandemic, implementation of REAL ID, other technology modernization, and ultimately a change in leadership. However, having passed through those issues it still will not introduce its own initiative to the Legislature in 2024. That said, the agency is open to external stakeholders like GoWest continuing to advance this conversation with lawmakers.

As a result, we are assessing multiple options to advance this policy initiative, including a transportation budget proviso that would direct the Joint Transportation Committee to prepare a comprehensive overview and analysis of each of the functions that would need to be addressed in modernizing the process. Depending on that work either the agency or GoWest could then introduce those concepts in legislation the following year with a clear roadmap and full accounting of the areas of statute that need to be addressed and related funding.

### **Ensure consumer lending bills do not have unintended consequences**

Multiple lawmakers are interested in legislation aimed at combatting predatory loans and ensuring state lending laws adequately protect consumers.

While it is likely that GoWest would not have concerns with the issues that have been raised so far and may support certain changes, legislation impacting lending laws can often have significant unintended consequences.

GoWest will continue actively working with lawmakers working to address lending laws to ensure what is put forward and potentially approved does not have negative impacts or unintended consequences for credit unions.

## **Other relevant issues in 2024**

### **Data privacy**

We expect continued conversations on state policy for the sixth consecutive year although continue to prefer a national framework.

### **Artificial intelligence and automation**

Lawmakers are becoming increasingly interested in AI and automation and we expect this will show up in a number of different ways and bills in 2024. We will be actively engaged.

### **Housing accessibility, affordability, and availability**

While lawmakers dubbed 2023 the 'year of housing' and took several proactive steps to address the state's significant housing challenges, many of those have a lengthy implementation timeline. While those solutions are phased in, we expect lawmakers will continue working on other housing issues.

### **Payday lending legislation**

Advocates are planning to introduce legislation to reset how payday lending works in Washington state including moving away from a fee-based structure to a capped interest rate. We will work to ensure that there are no unintended consequences for broader lending regulations and that the conversation remain specific to payday lending and might be asked to support legislation since some credit unions have weighed in on this topic in the past.

## **State partnerships**

With increased risks that could lead to reduced state revenues each expenditure will be reviewed with extra scrutiny. GoWest will work to ensure funding for programs that interact with credit unions like the Credit Building Pilot Program, Linked Deposit Program, Flex Fund, Financial Education Public Private Partnership, and more are protected.

## **Continued lawmaker education**

Educating lawmakers on the structure, value, and impact of Washington credit unions is a 24/7/365 job. Regardless of whether they are a long-term champion or are still in their first term we will continue efforts to ensure state officials continue growing in their knowledge of and support for credit unions.

## **Preparing for 2025**

Based on the issues identified in the most recent State Issues Work Groups and the latest charter modernization passing in 2022, we are currently anticipating the next charter modernization effort to occur in the 2025 session. This ensures the issues contemplated in any charter modernization effort are timely and rise to the level of running proactive legislation.

As part of that ongoing work, GoWest will also be convening a Washington State Issues Working Group in 2024 (Q2 and Q3) to ensure what has already been identified is still relevant and capture new issues that need to be addressed.

As in past years this will likely address both state charter modernization as well as other issues that can be addressed separately in standalone legislation with other stakeholders.