

WASHINGTON CREDIT UNIONS

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Draft 2025 State Legislative Agenda

Washington state lawmakers will return to Olympia in January of 2025 for a significant 105-day session. During that time legislators will be tasked with crafting a new state budget in an increasingly challenging spending and revenue environment based on shifting economic factors possible results of ballot initiatives.

New lawmakers on both sides of the aisle will be part of the process for the first time following 2024 elections that have all 98 House seats and 25 Senate seats before voters and will do so with a new governor for the first time in 12 years.

With revenue discussions sure to be the center of most conversations GoWest is putting forward a draft plan surrounding the issues we will be proactively engaged in addressing while recognizing we will also be directly involved with a number of other issues of importance to credit unions that need to be defended or amended, or otherwise monitored for potential concerns.

Washington State 2025 Legislative Agenda

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 concerns 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 industry-supported legislation during the 2023 session.

While we are still engaged with the department on what they believe could be administrative changes that could help provide some predictability in this process we are also seeking to design a statutory fix that addresses the unique nature and ensures parity for state and federally chartered credit unions in the future.

Regardless of what the technical elements of a fix look like this will certainly face significant opposition from the banking industry as they will likely face multiple calls for increased taxes on for-profit banks. Additionally, even though the Department of Revenue estimates a very small impact to the state budget, some legislators (even those supportive of credit unions) will inherently struggle with any effort that would reduce tax revenue to the state.

Support financial education instruction in public schools and graduation requirement

Legislation requiring financial education be taught in elementary, middle, and high schools as well as making the course a graduation requirement was introduced in the 2024 legislative session with strong bipartisan support.

Credit union leaders and GoWest were pleased to lend support for the legislation and communicate with lawmakers about the significant need and benefits for ensuring this information was provided to students.

While the bill cleared the House with unanimous support it ultimately became subject to political leveraging and did not clear the finish line in a manner consistent with the original bill. Instead of watering down the bill as proposed by some in the Senate, leaders on the issue in the House plan to bring back the bill in 2025 and GoWest intends to engage Washington credit unions in adding support to help pass the bill.

Defeat legislation that could disallow banks from selling assets to the financial institution of their choice

While there is no guarantee anything will be introduced, given recent announced transactions that would see local banks choosing to keep their institutions locally focused by selling assets to a credit union, there is a possibility a legislator may introduce legislation prohibiting those types of arrangements like we have seen in other states.

While GoWest will continue efforts to prevent legislation from being introduced on this topic, should a legislative proposal be put forward, we will work to ensure it does not pass.

Every year: do no harm and engage in beneficial opportunities

While we always work with legislators year-round to educate them on the impacts (positives and negatives) of any legislation relevant to credit unions there are always new ideas put forward during the legislative session.

GoWest will work to ensure any proposals that would harm the ability of credit unions to best meet the needs of their members and communities do not advance or are amended to avoid problems (intended or unintended).

Concurrently we will always engage in positive opportunities to support efforts of interest to credit unions whether that be through housing legislation, grant funds available to bolster local lending or financial product programs, and other items that would align with credit union priorities.