



WASHINGTON SELF-STORAGE ASSOCIATION

2022 Legislative Priorities

Convention Update

By: Chester Baldwin & Mark Gjurasic

WA-SSA Lobbying/Legislative Team - Washington State



Patrick Reilly,
WA-SSA President

Mission Statement:

- ❖ We resolve to educate members and the self storage community to best practices and to advocate for the self storage industry
- ❖ We promote industry standards through best practices and advocate legislative issues for the Washington State self storage community

COVID-19 2021 Legislative Session

“All Virtual” -
No In-Person Meetings

- ❖ Zoom
- ❖ E-mail
- ❖ Text
- ❖ Phone
- ❖ Social Media
- ❖ Websites



Legislature Democrat Controlled

SENATE (49 seats) - *Democrat control*

- 28 Democrats
- 20 + 1 Republicans
 - Sen. Tim Sheldon (caucuses w/ SRCC)

HOUSE (98 seats) - *Democrat control*

- 57 Democrats
- 41 Republicans

GOVERNOR - *Democrat control*

- **House Needs:** + 9 Seats
- **Senate Needs:** + 5 Seats

Primary Election: Tuesday, August 2, 2022
General Election: Tuesday, November 8, 2022



Sen. Andy Billig
(D-3)

Democratic Leader



Rep. Laurie
Jinkins (D-27)

Speaker of the House



Jay Inslee

Governor

Unemployment Rate

US Unemployment

3.6% March 2022

State Unemployment

4.2% March 2022

Seattle Unemployment

3.1% March 2022



Washington State Legislative & Economic Factors Impacting 2022 Election



1. **COVID:** Different Variants: Governor's Executive Orders Negatively impacted small businesses, schools, families during the pandemic impact in 2022.
2. **REAL ESTATE:** "Real-Estate under attack," rent control/regulation, extended eviction notices (Seattle 2021, 3,400 properties shut down & 11,521 units eliminated).
3. **EDUCATION:** Parents feel they have "NO Voice" in school curriculum. "What are they teaching kids?"
4. **CAPITAL GAINS TAX:** In 2021 at 7% Capital Gains Tax was passed on stock, bonds & precious metals - it's now being brought forward to the Washington State Supreme Court - Real estate is exempt.



Washington State Legislative & Economic Factors Impacting 2022 Election

- 5. LONG-TERM CARE PAYROLL TAX - Needs to be Eliminated:**
Provides a maximum benefit of \$36,500 (about 6 months care not transferring to spouse or used out of WA state. No available within 10 years of retirement. Washingtonians in '21 voted “NO” at 63% vote to repeal - however, legislature put the program on “HOLD” - needs to be repealed.
- 6. “NO BROAD-BASED TAX RELIEF”:** The legislature on March 10, 2022, “burned through \$13 billion & did not give “Broad-Based” tax relief to working families or businesses such as in sales tax reduction or property tax relief.



Patrick Reilly,
WA-SSA President



Donald Arsenault,
WA-SSA Legislative Chair

Washington State Legislative & Economic Factors Impacting 2022 Election

7. **TRANSPORTATION BUDGET FUND INCREASES:** Legislature passed \$17 billion Transportation funding package. It is funded with tax & fee increases (5% to 400%)

- Last years “Cap & Trade” proposal
- CO2 permits will at least be at 20.60 metric tons (MT) of CO2
- Drivers fee increases
- Motorcycle license original plate: \$10 to \$50
- Original license plate: \$10 to \$50
- Replacement plates: \$30
- Six -Year enhanced drivers licenses and ID card: \$24 to \$42
- Eight-year licenses: \$32 to \$56

8. **NATURAL GAS TO ELECTRIC ENERGY MANDATE:** The Washington State Building Code Council (SBCC) voted that all new construction of real-estate be powered by electric power.



Monitoring Daily 2022 Session



Monitor: “Self-Storage” or “Mini-Storage” or “Storage Warehouse”

- ▶ Over 9 bills were introduced with the above titles or combination thereof.
- ▶ Various applications include: storage areas, warehouses, manufacturing areas, railroad freight sheds, docks and wharfs, aerospace facilities, state capital buildings and grounds and other areas.



WA-SSA 2022

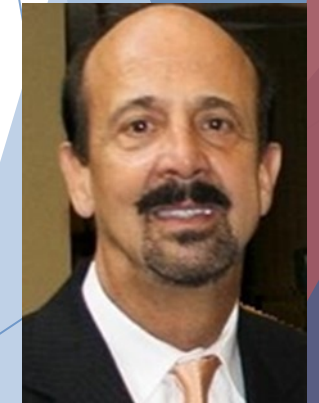
Legislative Priorities

Oppose Residential and/or Commercial Real-Estate Rent Control

- ▶ Legislation has been discussed and introduced to allow local jurisdictions to implement “rent control” or “rent justification”
- ▶ In 1982 legislation precluded local control to determine such controls and legislation also has been introduced.
- ▶ Due to COVID restrictions rents could not be increased early in 2021 by the Governor and limitations on increased rents were introduced and “rent stabilization” in legislation.
- ▶ Since about 2011 there has been various bills to allow rent control especially focused on manufactured housing communities which WA-SSA has opposed.
- ▶ Don Arsenault and others took leadership to oppose this bill during session.
- ▶ **See SB 5191** - Limits price increases up to 15% to avoid “price gauging” - i.e. form of Rent Control, introduced at request of the State Attorney General



Donald Arsenault,
WA-SSA Legislative Chair



Mark Gjurasic
WA-SSA Lobbyist

Warehouse Space Regulation

SB 5891 - Warehouse Labor Regulation & Standards

- ▶ Requires certain warehouse distribution center employers to provide specified quota information upon hire, at least annually, and no fewer than two working days before a modification.
- ▶ "Employer" means a person who directly or indirectly employs or exercises control over the wages, hours, or working conditions of 100 or more employees at a single warehouse distribution center or 1,000 or more employees at one or more warehouse distribution centers in the state.
- ▶ Prohibits requiring employees to meet quotas that interferes with rights to meal and rest breaks or exposes them to health and safety hazards or violates laws and rules.
- ▶ Requires employers to provide information if an employee believes a quota interfered with their rights or laws.
- ▶ Prohibits retaliation, including a rebuttable presumption, and provides remedies and for Department of Labor and Industries investigations.

Sponsors: *Senators Conway, Keiser, Hasegawa, Hunt, Nobles, Saldaña*

STATUS SB: DEAD - Sente Floor



Sen. Steve Conway (D-29)
Vice President Pro Tempore

COVID-19 State Attorney General Introduced Legislation

SB 5191 - Anti-price Gouging in an Emergency

- ▶ Prohibits excessive price increases for certain goods and services during a state of emergency.
 - ▶ An excessive price means a price more than **15 percent greater** than the price at which the person sold, rented, or offered for sale or rent the same product or service immediately prior to the state of emergency
- ▶ Provides **investigative and enforcement authority with the attorney general.**
- ▶ Imposes a civil penalty of no more than **\$25,000 per violation.**
- ▶ Prohibits an additional civil penalty from being assessed for the same violation under the Consumer Protection Act.



Sen. Jeannie
Darneille (D-27)

COVID-19 State Attorney General Introduced Legislation

In the event of a state of emergency no person shall sell, rent, or offer to sell or rent at an excessive price the following goods and services:

- ▶ building materials;
- ▶ consumer food items;
- ▶ goods or services used for emergency cleanup;
- ▶ emergency supplies;
- ▶ gasoline;
- ▶ health care services;
- ▶ housing;
- ▶ medical supplies;
- ▶ repair or reconstruction services;
- ▶ * transportation, freight, and **storage services**; and
- ▶ personal protective equipment.

Sponsors: *Senators Darneille, King, Billig, Carlyle, Conway, Das, Hasegawa, Hunt, Kuderer, Liias, Lovelett, Nguyen, Nobles, Randall, Salomon, Stanford and Wilson, C.; By Request of Attorney General*

STATUS HB: Dead - Amended in the House. Returned to Senate Rules 3



Bob Ferguson,
Attorney General

MONITORED: 2020-22

WA-SSA Opposes SB 5957

SB 5957 - Strengthening consumer rights to personal property stored in self-storage units

- ▶ Lengthens the time between late rent payments and the sale of personal, and when an owner may terminate the right of the occupant to the use of the storage space property from fourteen to twenty-eight consecutive days,
- ▶ Caps late fees charged by self-storage facilities from reasonable fees to no more than twenty dollars or twenty percent of the monthly rental amount, whichever is greater, for each late rental payment; and shall not constitute a penalty for each month an occupant does not pay rent when due. Provides investigative and enforcement authority with the attorney general.
- ▶ Bill was not introduced in the 2021 session, Bill Died in 2022 session
- ▶ President Patrick Reilly and WA-SSA Board took leadership in board meetings (zoom) to oppose this issue.

Sponsors: *Senator Carlyle*

HB 5957 STATUS: DEAD - Jan 2020 Frist reading, referred to Labor & Commerce



Sen. Reuven
Carlyle (D-36)

WA-SSA Opposes - 2021 Legislative Priorities (Now in Court)

- ❑ Opposed a Capital Gains Tax of 7% applied to Real-Estate and other Businesses. However, SB 5096 passed that allows a 7% on sale of stocks, bonds and precious metals - exempt real-estate. We lobbied real-estate out of the bill.

We worked together with lawmakers and Governor's office to exempt real-estate in the final days of session.

- ▶ The real-estate community and others regarded SB 5096 an **income tax** that is unconstitutional.
- ▶ The 5 cities of: Battleground, Granger, Spokane Valley and Spokane, Union Gap passed a ban on "local income tax." Yakima City has sent the ban to a vote.

COURT STATUS: Two lawsuits have been filed & it's almost assured that this will end up in the Washington State Court. Currently, the lawsuit is in Douglas County.



Sen. June
Robinson (D-38)



Chester Baldwin
WA-SSA Lobbyist

WA-SSA Opposes - 2022 Legislative Priorities

HB 1494/HJR 4204 - Split Roll Property Tax & Constitutional Amendment

- ▶ Creates Split roll property tax by giving exemption for primary residence that must be recouped by property taxes from other properties.
- ▶ Created tax exemption for principal residences up to \$250,000 of assessed value.
- ▶ The Washington Constitution requires all taxes to be applied uniformly on property within each taxing district. The Constitution also limits regular property tax levies to a maximum of 1% of a property's assessed value.
- ▶ HJR 4204 - Creates a Constitutional Amendment to get around the “Uniformity Clause” in the WA Constitution.

Sponsors: *HB 1494* - Harris-Talley, Berg, Davis, Wicks, Peterson, Ortiz-Self, Orwall, Gregerson, Chapman, Ramel, Simmons, Berry, Lekanoff, Frame, Hackney, Slatter, Duerr, Kirby, Thai, Valdez, Ormsby, Morgan; *HJR 4204* - Harris-Talley, Berg, Wicks, Peterson, Ortiz-Self, Simmons, Gregerson, Chapman, Berry, Frame, Thai, Pollet, Ormsby, Davis, Ramel

STATUS HB: DEAD - House Appropriations Committee



Rep. Kirsten Harris-Talley (D-37)

WA-SSA 2022 Session “Honorable Mention” Lawmakers Washington State



Committees:

- Agriculture, Water, Natural Resources & Parks (*Ranking Member*)
- Behavioral Health Subcommittee to Health & Long-Term Care
- Housing & Local Government
- Ways & Means

Sen. Judy Warnick (R-13)
Republican Caucus Chair
(Up For Re-Election - Nov. 2022)



Committees:

- Labor, Commerce & Tribal Affairs (*Chair*)
- Rules (*Vice Chair*)
- Health & Long-Term Care
- Ways & Means

Sen. Karen Keiser (D-33)
President Pro Tempore
(Up For Re-Election - Nov. 2022)

WA-SSA 2022 Session “Honorable Mention” Lawmakers Washington State

Supporters of the Self-Storage & Real-Estate Industry



Committees:

- Rules (*Ranking Member*)
- Labor, Commerce & Tribal Affairs
- Ways & Means

Sen. John Braun (R-20)
Senate Republican Leader



Committees:

- Ways & Means (*Ranking Member*)
- Business, Financial Services & Trade

Sen. Lynda Wilson (R-17)

WA-SSA 2022 Session “Honorable Mention” Lawmakers Washington State

Supporters of the Self-Storage & Real-Estate Industry



Committees:

- Business, Financial Services & Trade (*Chair*)
- Early Learning & K-12 Education
- Ways & Means



Committees:

- Health & Long-Term Care (*Chair*)
- Housing & Local Government
- Rules
- Transportation

Sen. Mark Mullet (D-5)
(Up For Re-Election - Nov. 2024)

Sen. Annette Cleveland (D-49)
(Up For Re-Election - Nov. 2024)

WA-SSA 2022 Session “Honorable Mention” Lawmakers Washington State

Supporters of the Self-Storage & Real-Estate Industry



Committees:

- Consumer Protection & Business (*Vice Chair*)
- Finance (*Vice Chair*)
- Civil Rights & Judiciary
- Rules

Rep. Amy Walen (D-48)
(Up For Re-Election - Nov. 2022)



Committees:

- Rules

Rep. JT Wilcox (R-2)
Minority Leader
(Up For Re-Election - Nov. 2022)



WA-SSA 2022 Session “Honorable Mention” Lawmakers Washington State

Supporters of the Self-Storage & Real-Estate Industry

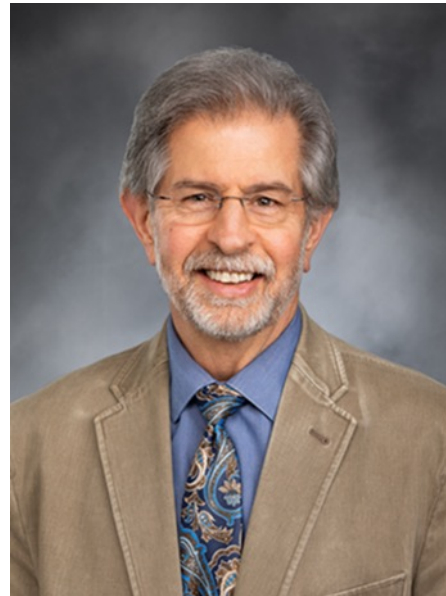


Committees:

- Health Care & Wellness
(Assistant Ranking Minority Member)
- Appropriations
- Rules

Rep. Michelle Caldier (R-26)

(Up For Re-Election - Nov. 2022)



Committees:

- Consumer Protection & Business
(Chair)
- Civil Rights & Judiciary
- Commerce & Gaming

Rep. Steve Kirby (D-29)

(Retiring)

WA-SSA 2022 Session “Honorable Mention” Lawmakers Washington State

Supporters of the Self-Storage & Real-Estate Industry



Committees:

- Transportation (*Ranking Minority Member*)
- Housing, Human Services & Veterans (*Assistant Ranking Minority Member*)

Rep. Andrew Barkis (R-2)

(Up For Re-Election - Nov. 2022)



Committees:

- Capital Budget
- Health Care & Wellness

Rep. Jacquelin Maycumber (R-7)

Minority Floor Leader

(Up For Re-Election - Nov. 2022)



WASHINGTON SELF-STORAGE ASSOCIATION

WA-SSA 2022 Session “Honorable Mention” Lawmakers Washington State

Supporters of the Self-Storage & Real-Estate Industry



Sen. Yasmin Trudeau
(D-27)

(Up For Re-Election - Nov. 2022)

Committees:

- Law & Justice (*Vice Chair*)
- Housing & Local Government
- Human Services, Reentry & Rehabilitation



THANK YOU WA-SSA!

Chester Baldwin & Mark Gjurasic

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