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Independent Insurance Agents
& Brokers of Washington

2022 State Legislative Wrap-up

The Washington State Legislature adjournment on March 10, completing its 60-day session by passing a record-setting \$64 billion operating budget, approving a nearly \$17 billion, 16-year transportation funding package, delaying implementation of the state's long-term care insurance tax and choosing not to act on credit scoring

Credit Scoring

The highest profile insurance issue continues to be credit scoring. In reaction to the OIC's then proposed three year credit scoring ban, the legislature introduced three bills to protect consumers from unfair uses of credit scoring as a compromise. All three bills died without even receiving a vote in committee.

- SB 5623 would have allowed credit scoring for new personal lines business but ban its use for renewals unless it benefits the customer. Amberlyn McQuary, Claudia McClain, Scott Potter and Wayne Lunday testified remotely in favor of the bill.
- SB 5879 would have required insurers to provide exceptions for consumers experiencing extraordinary life circumstances - a catastrophic event; serious illness/injury; death in the family; divorce, identity thief; job loss; or military deployment.
- S-4132 would have delayed the credit ban rule for 17 months until a work group of industry and consumer groups could come up with a compromise.



Long Term Care Program Delayed

Last year, lawmakers heard from tens of thousands people who were upset about the state's new Washington Cares Act, the state's mandatory payroll tax that funds a newly created long-term care insurance program. Individuals will pay 0.58 percent of their payroll income into the fund unless they had purchased a long-term care insurance policy in the private market before last November. In response, lawmakers

- delayed the collection of the payroll tax by 18 months,
- made prorated adjustments for individuals who are close to retirement age and
- gave permanent exemptions for those who work in Washington but live in another state and for partners of military veterans.

State Budget

The most significant spending item was a one-time transfer of \$2 billion from the state's operating budget to the transportation budget to supplement funding for high-priority road and environmentally focused projects. Additionally, lawmakers approved a one-time transfer of \$650 million from the operating budget to the capital construction budget.

Building from last year's budget, legislative leaders made additional investments: \$799 million for public schools; \$587 million for long-term care and developmental disabilities services; \$513 million for natural resources programs; \$350 million for the Paid Family Leave fund; \$336 million for higher education salaries and student loan programs; \$307 million for housing and homelessness programs; and additional funding for state employee compensation, and behavioral health, children and family, public health and food assistance programs.

Transportation Budget

Meanwhile, transportation budget writers embarked on an effort to fund a major transportation package of projects that include \$1 billion to replace the Vancouver-to-Portland interstate bridge, \$1 billion for four new ferries, \$3 billion for transit projects, \$3 billion for fish culverts, \$3 billion for roadway preservation and maintenance and \$1 billion for school safety and bike transportation projects.

In the original funding proposal, a tax on exported fuel from the state's oil refineries was proposed. The tax, which raised over \$2 billion, had the effect of a 6-cent per-gallon tax increase on neighboring states. In the final deal, they replaced this very unpopular revenue source by taking \$1.7 billion from the state's Public Works Trust Fund.

Elections

All 98 House races and half of the 49 senate seats are on this year's ballot. With newly drawn legislative districts resulting from the redistricting process and a political environment that spells trouble for Democrats, the 2022 election has the potential to shake up the make-up of the legislature. Even in a massive Republican tidal wave, Democrats with their 28-21 majority are likely to maintain control of the Senate - though by a tighter margin. In the House, the Democrats' 57-41 majority is much more exposed.