



## 2019 Legislative Issues

Members of the Washington Self-Storage Association:

The 2019 legislative session is to begin on **Monday, January 14** through **Sunday, April 28** for **105 days**. We expect our members to be active in communication with lawmakers and attending hearings when our Legislative Chair, Don Arsenault, and WA-SSA Lobbyists Terry Kohl, Mark Gjurasic and Chester Baldwin send out our "Legislative Alerts."

We are working very closely with the Washington Real-Estate Coalition (WREC), Building Owners and Managers Association (BOMA), International Council of Shopping Centers (ICSC), Washington Landlord Association (WLA), Washington Realtors Association and others to have a unified position on various issues. Let's review some of these that are certain to be introduced and have hearings in both the House of Representatives and the Senate.



**Patrick Reilly,**  
*WA-SSA President*

- **New State Capital Gains Tax (6% to 7%):**



- Implemented at the sale of property, stocks, bonds, precious metals and some pensions.
- This would reduce sale of properties.
- Would reduce property tax revenues to balance the state budget.

- **Residential and/or Commercial Rent Control:**



- Today there is a prohibition of allowing local jurisdictions to allow residential rent control. If given the opportunity many cities in Washington State would invoke control on rents.
- Bankers would significantly reduce loans in areas of rent control.
- Hurts tenants in that normal upkeep and renovations would be curtailed.
- Would reduce much needed housing stock and slow commercial construction.

- **Real-Estate Excise Tax (REET) Increases:**



- Current state rate tax is 1.28% and under 2018 legislation would, depending on value, increase up to 2.8%.
- More expensive real-estate would pay more under this proposal and this would create unlevel playing field for property sales in value than those of higher value.
- Bankers would be concerned in lending in an uneven tax system.

- **Sales Tax on Services:**



- Sales would be applied to real estate broker's commissions, collection agency commissions on debt collection, property management fees, janitorial services, CPA's, legal fees, etc.
- This would increase rent and lease rates.
- Reduce low income housing availability.

- **Increase B&O Tax on Services from 1.5% up to 2.5% (Proposals vary):**



- Increases in B&O tax increases lease and rental rates to consumers.
- Increases operating costs, that depending on the market, may not be able to be passed at the appropriate time.



**Don Arsenault,**  
*WA-SSA Legislative  
Chair*

You may also see proposals to allow “split roll taxation” in which residential property would be assessed at a lower rate than commercial real-estate.

Also introduced in the 2019 session will be ADA legislation. This bill will tackle the growing number of “drive-by” lawsuits siting ADA violations but not allowing the property owner to address the issue.

This bill requires that the violation or issue to be identified, and the property owner have a small window to address the issue before penalties can be assessed. Similar legislation has been passed in Arizona and California, and this bill was drafted based on that legislation.

The Washington Self-Storage Association (WA-SSA) is asking that you become more involved in the Washington State legislative process and check our webpage under the “Legislative” tab to stay abreast of updates. While on our website, please consider donating to our legislative fund. It is through the financial support from our membership that we are able to support our lobbyists to stay on top and keep us aware of these key issues.

Special thanks to Patrick Reilly, our President, Don Arsenault, Legislative Chair, Bill McKay, Ben Riehm, all of your board members, and those members who have taken their time and effort calling or addressing legislators to prevent these bills from being passed in the 2018 session. We all have worked diligently to voice our opinions and concerns about the proposed legislation and will continue in 2019 session.



**Terry Kohl**  
WA-SSA Lobbyist  
[terrykohl88@gmail.com](mailto:terrykohl88@gmail.com)  
(206) 850-6030



**Mark Gjurasic**  
WA-SSA Lobbyist  
[mgiurasic@comcast.net](mailto:mgiurasic@comcast.net)  
(360) 481-6000



**Chester Baldwin**  
WA-SSA Lobbyist/Attorney  
[chet@lobbywa.com](mailto:chet@lobbywa.com)  
(360) 688-4588