

Washington State Association of Broadcasters

Mark Allen Lobbying Report – February 1, 2019

Introduction. Washington's legislative cycle is a two-year process. 2019 is the first year in the cycle and the Bills that were introduced in the 2017-2018 cycle are no longer available and, essentially, we start over from scratch. Odd-year Sessions are scheduled to last 105 days and the 2019 Session will adjourn on April 28th.

The Legislature breaks up the session into segments. At the end of each segment is a "cut-off" deadline and for a Bill to be considered further it must have advanced past certain benchmarks by the cut-off deadline. The first cut-off deadline for the 2019 session is February 22nd. By that date a Bill must have passed out of its Committee in its house of origin, i.e., House Bills out of House Committees and Senate Bills out of Senate Committees.

First Informer Broadcaster. HB 1147 & SB 5186 are identical Bills that would establish a First Informer Broadcaster Program. They were both introduced on the second day of the Session. The Bills would define First Informer Broadcaster and prohibit the confiscation of a First Informer Broadcaster's supplies or equipment during an emergency when the broadcaster is in a disaster zone and working to return or keep a station on the air. The Bills would also protect government agencies and personnel from liability when they allow a First Informer Broadcaster into a disaster area. Both Bills have passed out of their respective Committees and are currently in the House and Senate Rules Committees awaiting placement on the Calendar for consideration by the full House and Senate.

Broadcasters B & O Tax Modernization. WSAB is pursuing legislation that would modernize the B & O Tax structure for broadcasters by reinstating the "standard" deduction for national, regional and network advertising, therefore isolating local advertising as the revenue on which stations pay B & O Tax. It also updates a provision used by border stations to take a further deduction based on out-of-state audience. Last Session's HB 2001 made it all the way through the House and onto the schedule for consideration by the full Senate time, but ran out on the final day of the Session and the Senate did not get to our Bill. WSAB is working on lining up sponsors for the Bill for 2019.

Advertising.

Public Disclosure Commission. HB 1195 and SB 5112 include a provision authorizing the PDC to require advertising media keep all political ads and make them available to the public for 5 years. Hearings have been held on both Bills. WSAB opposes that provision.

Media B & O Tax Surcharge on Pharmaceutical Advertising Revenue. SB 5659 would impose a B & O Tax surcharge on advertising revenue from the sale of space or time to prescription drug companies. This Bill is sponsored by Senator Karen Keiser (D-Des Moines). WSAB opposes this Bill and has organized a coalition of stakeholders who also oppose the Bill, including newspaper, cable and pharmaceutical interests. The Bill is not yet scheduled for a hearing.

Programming.

Free TV Time for Candidates for Local Office. HB 1180 would require TV stations to provide two, two-minute segments of airtime to all candidates for local office. WSAB's President & CEO Keith Shipman and lobbyist Mark Allen testified against the Bill at a public hearing on January 30th, emphasizing that the provisions of the Bill are in direct conflict with the federal Communications Act and the Rules of the FCC. We also pointed out the practical problems created by this requirement, notwithstanding the federal pre-emption of the State's ability to enact this requirement. The Bill is not yet scheduled for a Committee vote.

Employment.

Non-Compete Agreements. Two identical bills have been introduced dealing with non-compete agreements, HB 1450 and SB 5478. They would make non-compete agreements invalid under certain

circumstances. A non-compete agreement does not include a non-solicitation agreement; a confidentiality agreement; or, a covenant prohibiting use or disclosure of trade secrets. The Bill does not repeal the existing provision that invalidates non-compete agreements in the broadcasting industry only in the case of a reduction in force or termination without cause. Both bills had a hearing on January 29th.

Open Records & Open Meetings.

Public Records Act Exemptions. Every session sees as many as a dozen of these exemption bills introduced. WSAB scrutinizes every bill that proposes to exempt yet additional documents from public inspection and copying. Legislation regarding whether the Legislature is covered by the Public Records Act was introduced on February 1st.

Open Meetings-Advisory Board/Committees/Commissions. HB 1782 would add meetings of government agency advisory boards, committee or commissions to the entities covered by the Open Meetings Act. It is not scheduled for a hearing.

Broadcaster Legislative Day. Radio and TV managers from across Washington came to Olympia on Tuesday, January 29th to meet with their Legislators and advocate for the broadcast industry. Led by WSAB President & CEO, Keith Shipman and WSAB lobbyist Mark Allen, the broadcaster teams had a tremendously successful day garnering support for the broadcasting industry in general and for broadcasters' legislative issues, in particular.

Washington's broadcasters met with two dozen legislators, including the Speaker of the House, Frank Chopp; the House Minority (Republican) Leader, J.T. Wilcox; the Majority (Democratic) Leader of the Senate, Andy Billig; and, the Minority (Republican) Leader of the Senate, Mark Schoesler. The broadcasters educated their legislators on the First Informer Broadcaster Bills; the Broadcaster B & O Tax Modernization legislation; the issue of required free TV time for local candidates; and, the proposed 2% B & O Tax surcharge on revenue from pharmaceutical advertising. It was a hectic day at the Capitol with groups representing potato growers, apple growers, the public ports of Washington and several others vying for time to meet with their legislators. We look forward to Broadcaster Legislative Day early in the 2020 Legislative Session.