SIXTY SIXTH LEGISLATURE - REGULAR SESSION

TWENTY FIFTH DAY

House Chamber, Olympia, Thursday, February 6, 2020

The House was called to order at 10:00 a.m. by the Speaker (Representative Orwall presiding). The Clerk called the roll and a quorum was present.

The flags were escorted to the rostrum by a Sergeant at Arms Color Guard, Pages Anna Bertlin and James Johnson. The Speaker (Representative Orwall presiding) led the Chamber in the Pledge of Allegiance. The prayer was offered by Pastor Gordy Hutchins, Grace Baptist Church, Tacoma, Washington.

Reading of the Journal of the previous day was dispensed with and it was ordered to stand approved.

The Speaker assumed the chair.

There being no objection, the House advanced to the third order of business.

MESSAGE FROM THE SENATE

February 5, 2020

Mme. SPEAKER:

The Senate has passed:

SUBSTITUTE SENATE BILL NO. 5640, SENATE BILL NO. 6038, SENATE BILL NO. 6119, SUBSTITUTE SENATE BILL NO. 6127, SENATE BILL NO. 6131, SENATE BILL NO. 6136, SENATE BILL NO. 6143, SUBSTITUTE SENATE BILL NO. 6305, SENATE BILL NO. 6305, SENATE BILL NO. 6468,

and the same are herewith transmitted.

Brad Hendrickson, Secretary

There being no objection, the House advanced to the fourth order of business.

INTRODUCTION & FIRST READING

HB 2928 by Representatives Klippert, Graham, Griffey,
 McCaslin, Kretz, DeBolt, Goehner, Chambers,
 Shea, Barkis, Boehnke, Eslick, Corry, Walsh and
 Van Werven

AN ACT Relating to parental rights; adding a new chapter to Title 26 RCW; and prescribing penalties.

Referred to Committee on Civil Rights & Judiciary.

HJM 4017 by Representatives Shea and Walsh

Requesting Congress and the President to declare the Muslim Brotherhood and unindicted co-conspirators in the 2008 Holy Land Foundation Trial as designated terrorist organizations.

Referred to Committee on State Government & Tribal Relations.

SSB 5640 by Senate Committee on Human Services,
Reentry & Rehabilitation (originally sponsored by
Holy, Pedersen, Wellman, Billig, Padden, Becker,
Warnick, Short, Hasegawa, Walsh, Bailey,
Wilson, C. and Kuderer)

AN ACT Relating to youth courts; amending RCW 3.72.005, 3.72.010, 3.72.020, and 3.72.040; and reenacting and amending RCW 13.40.250.

Referred to Committee on Civil Rights & Judiciary.

<u>SB 6038</u> by Senators Rivers, Cleveland, Keiser, Short, Conway, Kuderer, Saldaña, Wilson and C.

AN ACT Relating to acupuncture and Eastern medicine; and amending RCW 18.06.010 and 18.06.230.

Referred to Committee on Health Care & Wellness.

SB 6119 by Senators Conway, Holy, King, Keiser, Pedersen, Van De Wege, Wilson, L. and Saldaña

AN ACT Relating to authorizing that money laundering forfeited proceeds and property be used for improvement of gambling-related law enforcement activities; and amending RCW 9A.83.030.

Referred to Committee on Commerce & Gaming.

SSB 6127 by Senate Committee on Higher Education & Workforce Development (originally sponsored by Randall, Conway, Hunt, Stanford, Saldaña, Wilson and C.)

AN ACT Relating to membership of the student achievement council; and amending RCW 28B.77.005.

Referred to Committee on College & Workforce Development.

SB 6131 by Senators Mullet, Hobbs, Short, Wilson, L. and Das

AN ACT Relating to repealing the debenture company laws from the securities act of Washington; amending RCW 21.20.810; and repealing RCW 21.20.705, 21.20.710, 21.20.715, 21.20.717, 21.20.720, 21.20.725, 21.20.727, 21.20.730, 21.20.732, 21.20.734, 21.20.740, 21.20.745, 21.20.750, 21.20.805, 21.20.815, 21.20.820, 21.20.825, 21.20.830, 21.20.835, 21.20.840, 21.20.845, and 21.20.850.

Referred to Committee on Consumer Protection & Business.

SB 6136 by Senators Nguyen and O'Ban

AN ACT Relating to updating restrictions on electronic benefit cards; and amending RCW 74.08.580.

Referred to Committee on Human Services & Early Learning.

SB 6143 by Senators Cleveland, Rivers and Becker

AN ACT Relating to the podiatric medical board; and amending RCW 18.22.013 and 18.22.014.

Referred to Committee on Health Care & Wellness.

SSB 6158 by Senate Committee on Health & Long
Term Care (originally sponsored by Dhingra,
Cleveland, Wilson, C., Das, Darneille, Hunt,
Keiser, Kuderer, Lovelett, Randall, Stanford and
Carlyle)

AN ACT Relating to model sexual assault protocols for hospitals and clinics; creating a new section; and providing an expiration date.

Referred to Committee on Public Safety.

SB 6305 by Senators Liias, Braun, Wagoner, Wilson and

AN ACT Relating to library districts; and amending RCW 27.12.222 and 27.15.020.

Referred to Committee on Local Government.

<u>SB 6468</u> by Senators Randall, Frockt, Saldaña, Wilson and C.

AN ACT Relating to the legislative advisory committee to the committee on advanced tuition payment; amending RCW 28B.15.067; and repealing RCW 28B.95.170.

Referred to Committee on College & Workforce Development.

There being no objection, the bills and memorial listed on the day's introduction sheet under the fourth order of business were referred to the committees so designated. There being no objection, the House advanced to the fifth order of business.

REPORTS OF STANDING COMMITTEES

February 4, 2020

HB 1191 Prime Sponsor, Representative Goodman: Concerning school notifications. Reported by Committee on Education

MAJORITY recommendation: The second substitute bill be substituted therefor and the second substitute bill do pass. Signed by Representatives Santos, Chair; Dolan, Vice Chair; Paul, Vice Chair; Bergquist; Callan; Harris; Ortiz-Self; Stonier; Thai and Valdez.

MINORITY recommendation: Do not pass. Signed by Representatives Steele, Ranking Minority Member; McCaslin, Assistant Ranking Minority Member; Volz, Assistant Ranking Minority Member; Caldier; Corry; Rude and Ybarra.

Referred to Committee on Rules for second reading.

February 3, 2020

HB 1650

Prime Sponsor, Representative Kilduff: Promoting access to earned benefits and services for lesbian, gay, bisexual, and transgender veterans. Reported by Committee on Appropriations

MAJORITY recommendation: The substitute bill be substituted therefor and the substitute bill do pass. Signed by Representatives Ormsby, Chair; Stokesbary, Ranking Minority Member; Robinson, 1st Vice Chair; Bergquist, 2nd Vice Chair; MacEwen, Assistant Ranking Minority Member; Rude, Assistant Ranking Minority Member; Caldier; Chandler; Chopp; Cody; Corry; Dolan; Fitzgibbon; Hoff; Hudgins; Kilduff; Macri; Mosbrucker; Pettigrew; Pollet; Ryu; Schmick; Senn; Springer; Steele; Sullivan; Tarleton; Tharinger and Ybarra.

MINORITY recommendation: Without recommendation. Signed by Representatives Dye; Kraft and Sutherland.

Referred to Committee on Rules for second reading.

February 4, 2020

HB 2116

Prime Sponsor, Representative Callan: Establishing a task force on improving institutional education programs and outcomes. Reported by Committee on Education

MAJORITY recommendation: The substitute bill be substituted therefor and the substitute bill do pass.

Signed by Representatives Santos, Chair; Dolan, Vice Chair; Paul, Vice Chair; Steele, Ranking Minority Member; McCaslin, Assistant Ranking Minority Member; Volz, Assistant Ranking Minority Member; Bergquist; Caldier; Callan; Corry; Harris; Ortiz-Self; Rude; Stonier; Thai; Valdez and Ybarra.

Referred to Committee on Rules for second reading.

February 4, 2020

HB 2220 Prime Sponsor, Representative Dolan:
Volunteering in schools after a criminal conviction. Reported by Committee on Education

MAJORITY recommendation: The substitute bill be substituted therefor and the substitute bill do pass. Signed by Representatives Santos, Chair; Dolan, Vice Chair; Paul, Vice Chair; Bergquist; Callan; Ortiz-Self; Stonier; Thai and Valdez.

MINORITY recommendation: Do not pass. Signed by Representatives Steele, Ranking Minority Member; McCaslin, Assistant Ranking Minority Member; Volz, Assistant Ranking Minority Member; Caldier; Corry; Rude and Ybarra.

MINORITY recommendation: Without recommendation. Signed by Representative Harris.

Referred to Committee on Rules for second reading.

February 3, 2020

HB 2233 Prime Sponsor, Representative Van Werven: Expanding the college in high school program to students in ninth grade. Reported by Committee on Education

MAJORITY recommendation: Do pass. Signed by Representatives Santos, Chair; Dolan, Vice Chair; Paul, Vice Chair; Steele, Ranking Minority Member; McCaslin, Assistant Ranking Minority Member; Volz, Assistant Ranking Minority Member; Bergquist; Caldier; Callan; Corry; Harris; Ortiz-Self; Rude; Stonier; Thai; Valdez and Ybarra.

Referred to Committee on Appropriations.

February 4, 2020

HB 2259 Prime Sponsor, Representative Rude: Expanding background check requirements for certain educational institutions. Reported by Committee on Education

MAJORITY recommendation: Do pass. Signed by Representatives Santos, Chair; Dolan, Vice Chair; Paul, Vice Chair; Steele, Ranking Minority Member; McCaslin, Assistant Ranking Minority Member; Volz, Assistant Ranking Minority Member; Bergquist; Caldier; Callan; Corry; Harris; Ortiz-Self; Rude; Stonier: Thai: Valdez and Ybarra.

Referred to Committee on Rules for second reading.

February 4, 2020

HB 2363

Prime Sponsor, Representative Smith:
Providing remedies for violations of
biometric data ownership rights. Reported
by Committee on Innovation, Technology
& Economic Development

MAJORITY recommendation: The substitute bill be substituted therefor and the substitute bill do pass. Signed by Representatives Hudgins, Chair; Kloba, Vice Chair; Smith, Ranking Minority Member; Boehnke, Assistant Ranking Minority Member; Entenman; Slatter; Tarleton; Van Werven and Wylie.

Referred to Committee on Rules for second reading.

January 31, 2020

HB 2414 Prime Sponsor, Representative Gregerson:
Concerning digital equity. Reported by
Committee on Innovation, Technology &
Economic Development

MAJORITY recommendation: The substitute bill be substituted therefor and the substitute bill do pass. Signed by Representatives Hudgins, Chair; Kloba, Vice Chair; Smith, Ranking Minority Member; Entenman; Slatter; Tarleton and Wylie.

MINORITY recommendation: Do not pass. Signed by Representatives Boehnke, Assistant Ranking Minority Member and Van Werven.

Referred to Committee on Appropriations.

February 4, 2020

HB 2416 Prime Sponsor, Representative Kilduff:
Concerning disclosures of information and records related to forensic mental health services. Reported by Committee on Health Care & Wellness

MAJORITY recommendation: Do pass. Signed by Representatives Cody, Chair; Macri, Vice Chair; Schmick, Ranking Minority Member; Caldier, Assistant Ranking Minority Member; Chambers; Chopp; Davis; DeBolt; Harris; Maycumber; Riccelli; Robinson; Stonier; Thai and Tharinger.

Referred to Committee on Rules for second reading.

February 4, 2020

HB 2427 Prime Sponsor, Representative Duerr: Tackling climate change as a goal of the growth management act. Reported by Committee on Environment & Energy

MAJORITY recommendation: The substitute bill be substituted therefor and the substitute bill do pass. Signed by Representatives Fitzgibbon, Chair; Lekanoff, Vice Chair; DeBolt, Ranking Minority Member; Doglio; Fey; Mead; Robinson and Shewmake.

MINORITY recommendation: Do not pass. Signed by Representatives Dye, Assistant Ranking Minority Member; Boehnke and Goehner.

Referred to Committee on Rules for second reading.

February 4, 2020

HB 2484 Prime Sponsor, Representative Van Werven: Concerning sunshine committee recommendations regarding juveniles. Reported by Committee on State Government & Tribal Relations

MAJORITY recommendation: The substitute bill be substituted therefor and the substitute bill do pass. Signed by Representatives Gregerson, Chair; Pellicciotti, Vice Chair; Goehner, Assistant Ranking Minority Member; Appleton; Dolan; Hudgins; Mosbrucker and Smith.

MINORITY recommendation: Without recommendation. Signed by Representative Walsh, Ranking Minority Member.

Referred to Committee on Rules for second reading.

February 4, 2020

HB 2485 Prime Sponsor, Representative Kloba:
Concerning the collection, use, and
disclosure of genetic data by direct-toconsumer genetic testing companies.
Reported by Committee on Innovation,
Technology & Economic Development

MAJORITY recommendation: Do pass. Signed by Representatives Hudgins, Chair; Kloba, Vice Chair; Smith, Ranking Minority Member; Boehnke, Assistant Ranking Minority Member; Entenman; Slatter; Tarleton; Van Werven and Wylie.

Referred to Committee on Rules for second reading.

February 5, 2020

Prime Sponsor, Representative Orwall:
Concerning interest and penalty relief for qualified mobile home and manufactured home owners. Reported by Committee on Civil Rights & Judiciary

MAJORITY recommendation: Do pass. Signed by Representatives Kilduff, Chair; Thai, Vice Chair; Dufault, Assistant Ranking Minority Member; Goodman; Hansen; Kirby; Klippert; Orwall; Peterson; Rude; Valdez; Walen and Ybarra.

Referred to Committee on Rules for second reading.

February 4, 2020

HB 2528 Prime Sponsor, Representative Ramos:
Recognizing the contributions of the state's forest products sector as part of the state's global climate response. Reported by

Committee on Rural Development, Agriculture, & Natural Resources

MAJORITY recommendation: The substitute bill be substituted therefor and the substitute bill do pass. Signed by Representatives Blake, Chair; Shewmake, Vice Chair; Chandler, Ranking Minority Member; Dent, Assistant Ranking Minority Member; Chapman; Dye; Fitzgibbon; Kretz; Lekanoff; Orcutt; Pettigrew; Ramos; Schmick and Walsh.

Referred to Committee on Appropriations.

February 4, 2020

HB 2531 Prime Sponsor, Representative Caldier:
Protecting patients from certain unsafe
dental practices. Reported by Committee
on Health Care & Wellness

MAJORITY recommendation: The substitute bill be substituted therefor and the substitute bill do pass. Signed by Representatives Cody, Chair; Macri, Vice Chair; Schmick, Ranking Minority Member; Caldier, Assistant Ranking Minority Member; Chambers; Chopp; Davis; DeBolt; Harris; Maycumber; Riccelli; Robinson; Stonier; Thai and Tharinger.

Referred to Committee on Rules for second reading.

February 4, 2020

HB 2617 Prime Sponsor, Representative Robinson:
Concerning the lease or rental of surplus property of school districts. Reported by Committee on Education

MAJORITY recommendation: Do pass. Signed by Representatives Santos, Chair; Dolan, Vice Chair; Paul, Vice Chair; Steele, Ranking Minority Member; McCaslin, Assistant Ranking Minority Member; Volz, Assistant Ranking Minority Member; Bergquist; Caldier; Callan; Harris; Ortiz-Self; Stonier; Thai and Valdez.

MINORITY recommendation: Do not pass. Signed by Representatives Rude and Ybarra.

MINORITY recommendation: Without recommendation. Signed by Representative Corry.

Referred to Committee on Rules for second reading.

February 4, 2020

HB 2621 Prime Sponsor, Representative Maycumber: Creating regulation exemptions for rural health clinics providing services in a designated home health shortage area. Reported by Committee on Health Care & Wellness

MAJORITY recommendation: The substitute bill be substituted therefor and the substitute bill do pass. Signed by Representatives Cody, Chair; Macri, Vice Chair; Schmick, Ranking Minority Member; Caldier, Assistant Ranking Minority Member; Chambers; Chopp; Davis; DeBolt; Harris; Maycumber; Riccelli; Robinson; Stonier; Thai and Tharinger.

Referred to Committee on Rules for second reading.

February 4, 2020

HB 2664 Prime Sponsor, Representative Lovick:
Concerning sheriff's office qualifications.
Reported by Committee on Public Safety

MAJORITY recommendation: Do pass. Signed by Representatives Appleton, 2nd Vice Chair; Goodman, Chair; Davis, Vice Chair; Klippert, Ranking Minority Member; Sutherland, Assistant Ranking Minority Member; Graham; Griffey; Lovick; Orwall; Pellicciotti and Pettigrew.

Referred to Committee on Rules for second reading.

February 4, 2020

HB 2677 Prime Sponsor, Representative Chopp:
Sharing health insurance information to improve the coordination of benefits between health insurers and the health care authority. Reported by Committee on Health Care & Wellness

MAJORITY recommendation: Do pass. Signed by Representatives Cody, Chair; Macri, Vice Chair; Schmick, Ranking Minority Member; Caldier, Assistant Ranking Minority Member; Chambers; Chopp; Davis; DeBolt; Harris; Maycumber; Riccelli; Robinson; Stonier; Thai and Tharinger.

Referred to Committee on Rules for second reading.

February 4, 2020

HB 2687 Prime Sponsor, Representative Barkis: Planning for affordable housing under the

growth management act. Reported by Committee on Environment & Energy

MAJORITY recommendation: Do pass. Signed by Representatives Fitzgibbon, Chair; Dye, Assistant Ranking Minority Member; Boehnke; Doglio; Fey; Goehner; Mead; Robinson and Shewmake.

Referred to Committee on Rules for second reading.

February 4, 2020

HB 2710 Prime Sponsor, Representative Robinson:
Modifying the uses, disclosure, and requirement dates of prescription drug price transparency data. Reported by Committee on Health Care & Wellness

MAJORITY recommendation: Do pass. Signed by Representatives Cody, Chair; Macri, Vice Chair; Chopp; Davis; Riccelli; Robinson; Stonier; Thai and Tharinger.

MINORITY recommendation: Do not pass. Signed by Representatives Schmick, Ranking Minority Member; Caldier, Assistant Ranking Minority Member; DeBolt and Maycumber.

MINORITY recommendation: Without recommendation. Signed by Representatives Chambers and Harris.

Referred to Committee on Rules for second reading.

February 4, 2020

HB 2714 Prime Sponsor, Representative Hoff:
Valuing the carbon in forest riparian
easements. Reported by Committee on
Rural Development, Agriculture, &
Natural Resources

MAJORITY recommendation: The substitute bill be substituted therefor and the substitute bill do pass. Signed by Representatives Blake, Chair; Shewmake, Vice Chair; Chandler, Ranking Minority Member; Dent, Assistant Ranking Minority Member; Chapman; Dye; Fitzgibbon; Kretz; Lekanoff; Orcutt; Pettigrew; Ramos; Schmick and Walsh.

Referred to Committee on Appropriations.

February 4, 2020

HB 2726 Prime Sponsor, Representative Tharinger:
Regarding marijuana-infused edible products. Reported by Committee on Commerce & Gaming

MAJORITY recommendation: Do pass. Signed by Representatives Peterson, Chair; Kloba, Vice Chair; MacEwen, Ranking Minority Member; Blake; Kirby; Morgan; Ramel; Vick and Young.

MINORITY recommendation: Do not pass. Signed by Representative Chambers, Assistant Ranking Minority Member.

MINORITY recommendation: Without recommendation. Signed by Representative Jenkin.

Referred to Committee on Appropriations.

February 5, 2020

HB 2762

Prime Sponsor, Representative Rude: Extending the peer support group testimonial privilege to include staff persons of the department of corrections. Reported by Committee on Civil Rights & Judiciary

MAJORITY recommendation: Do pass. Signed by Representatives Kilduff, Chair; Thai, Vice Chair; Dufault, Assistant Ranking Minority Member; Goodman; Graham; Hansen; Kirby; Klippert; Orwall; Peterson; Rude; Valdez; Walen and Ybarra.

Referred to Committee on Rules for second reading.

February 4, 2020

HB 2768

Prime Sponsor, Representative Ramos: Concerning urban and community forestry. Reported by Committee on Rural Development, Agriculture, & Natural Resources

MAJORITY recommendation: The substitute bill be substituted therefor and the substitute bill do pass. Signed by Representatives Blake, Chair; Shewmake, Vice Chair; Dent, Assistant Ranking Minority Member; Chapman; Fitzgibbon; Kretz; Lekanoff; Pettigrew and Ramos.

MINORITY recommendation: Do not pass. Signed by Representatives Chandler, Ranking Minority Member; Dye; Orcutt; Schmick and Walsh.

Referred to Committee on Appropriations.

February 4, 2020

HB 2785

Prime Sponsor, Representative Lekanoff: Concerning the membership of the criminal justice training commission. Reported by Committee on Public Safety

MAJORITY recommendation: The substitute bill be substituted therefor and the substitute bill do pass. Signed by Representatives Appleton, 2nd Vice Chair; Goodman, Chair; Davis, Vice Chair; Klippert, Ranking Minority Member; Sutherland, Assistant Ranking Minority Member; Graham; Griffey; Lovick; Orwall; Pellicciotti and Pettigrew.

Referred to Committee on Rules for second reading.

February 4, 2020

HB 2853

Prime Sponsor, Representative Harris: Promoting the effective and efficient administration of the Washington state charter school commission. Reported by Committee on Education

MAJORITY recommendation: Do pass. Signed by Representatives Santos, Chair; Dolan, Vice Chair; Paul, Vice Chair; Steele, Ranking Minority Member; McCaslin, Assistant Ranking Minority Member; Volz, Assistant Ranking Minority Member; Bergquist; Caldier; Callan; Corry; Harris; Rude; Thai; Valdez and Ybarra.

MINORITY recommendation: Without recommendation. Signed by Representatives Ortiz-Self and Stonier.

Referred to Committee on Rules for second reading.

February 4, 2020

HB 2856

Prime Sponsor, Representative Entenman: Concerning a moratorium on facial recognition technology. Reported by Committee on Innovation, Technology & Economic Development

MAJORITY recommendation: The substitute bill be substituted therefor and the substitute bill do pass. Signed by Representatives Hudgins, Chair; Kloba, Vice Chair; Smith, Ranking Minority Member; Boehnke, Assistant Ranking Minority Member; Entenman; Slatter; Tarleton; Van Werven and Wylie.

Referred to Committee on Rules for second reading.

There being no objection, the bills listed on the day's committee reports under the fifth order of business were referred to the committees so designated.

POINT OF PERSONAL PRIVILEGE

Representative DeBolt: "Thank you Madam Speaker. I rise for a point of personal privilege. A couple things are happening very soon and I want to remind everybody that Valentine's Day is coming and make sure you take care of your significant other or special person in your life. My special person is in the wings; my wife Amy is here today, and if you're asking why I'm rising up to talk today, I have a story to share with everyone. These shoes, "props" sorry, these shoes were purchased when I was 29 years old and I was a newly elected member of the House of Representatives and an older member told me it's very important that you have good shoes. So I went and I bought a very expensive pair, which was \$100. Twenty-four years ago, that was a lot. And every three years, or two years, I

would have to get them resoled, and I went to get them resold last year and I dropped them off and I picked them up and he didn't do anything to them. It was Jack's shoe repair; you guys know it, use it, and he said "I can't fix these anymore, they're worn out." And it was funny to me because it was at that moment I knew that it was time for me to retire. And sometimes you can do things in life that you have and you have a purpose, and it's that simple little gesture that kind of tells you it's time to go. And, I love this institution so much, and I love each and every one of you and I am so grateful to my constituents. And so, I won't be seeking reelection. I will be with you till the end so it's not like I'm walking off and leaving you, but I just wanted to do this on the floor because the floor's been such a part of my life. I love this floor, I love the debates, I love being able to, Representative Chopp, we've had a lot of great times up there, and the one thing I would remind everybody is that it's ok to disagree, and we can't fall into the trap of today where if you disagree with me I hate you. We just remember, we disagree on this bill, we move to the next. And Madam Speaker, I'm so proud of you being up there, and you and I have had such a good past and I am looking forward to watching you in the future. So, thank you very much for today in allowing me to do this on the floor.

The Speaker called upon Representative Orwall to preside.

There being no objection, the House advanced to the sixth order of business.

SECOND READING

ENGROSSED SUBSTITUTE SENATE BILL NO. 6492, by Senate Committee on Ways & Means (originally sponsored by Pedersen, Rolfes, Wilson and C.)

Addressing workforce education investment funding through business and occupation tax reform.

The bill was read the second time.

Representative Walsh moved the adoption of amendment (1066):

On page 3, line 38, after " $\underline{(i)}$ " insert "Except as provided in (g) of this subsection (2),"

On page 5, after line 36, insert the following:

"(g) Beginning July 1, 2021, the rate under (a)(i) of this subsection (2) must be reduced by an amount necessary to offset the estimated increase in general fund revenues for the 2019-2021 biennium but such reduction may not exceed 0.25 For the purpose percent. of this "estimated subsection, increase in fund revenues' general means t.he difference between general fund revenues reflected in the November 2020 revenue forecast and in the November 2019 revenue 2019-2021 forecast for the fiscal biennium. Beginning the 2021-2023 in biennium and each biennium thereafter, the state treasurer shall transfer from fund the general the workforce to education investment account an amount equal to the revenue reduction in 2021-2023 biennium from the rate reduction under this subsection (2)(g), increased by the fiscal growth factor.'

Representative Walsh spoke in favor of the adoption of the amendment.

Representative Hansen spoke against the adoption of the amendment.

Amendment (1066) was not adopted.

Representative Caldier moved the adoption of amendment (1088):

On page 4, line 11, after "year;" strike "and"

On page 4, line 15, after "82.04.260(10)" insert ";

- (D) The independent practice of general or specialized medicine or surgery by businesses comprised of one or more health practitioners having the degree of doctor of medicine or doctor of osteopathy. These practitioners operate private or group practices in their own offices or in the facilities of others, such as hospitals or health maintenance organization medical centers;
- (E) Providing a range of outpatient services, such as family planning, diagnosis and treatment of mental health disorders and alcohol and other substance abuse, and other general or specialized outpatient care by businesses with medical staff;
- (F) Medical and diagnostic laboratories, providing analytic or diagnostic services, including body fluid analysis and diagnostic imaging, generally to the medical profession or to the patient on referral from a health practitioner;
- independent practice (G) The of specialized general dentistry or dental surgery by businesses comprised of one or more health practitioners having the degree of doctor of dental medicine, doctor of dental surgery, or doctor of dental science. These practitioners operate private or group practices

their own offices or in the facilities of others, such as hospitals or health maintenance organization medical centers. They may provide either comprehensive preventive, cosmetic, or emergency care, or specialize in a single field of dentistry;

- (H) The independent practice of general or specialized medicine or surgery, or general or specialized dentistry or dental surgery, by businesses comprised of one or more independent health practitioners, other than physicians and dentists; and
- (I) Providing ambulatory health care
 services"

Representative Caldier and Caldier (again) spoke in favor of the adoption of the amendment.

Representatives Frame and Hansen spoke against the adoption of the amendment.

Amendment (1088) was not adopted.

Representative Klippert moved the adoption of amendment (1067):

On page 4, line 11, after " $\underline{\text{year}}$;" strike "and"

On page 4, line 15, after "82.04.260(10)" insert "; and

 $\underline{\mbox{(D)}}$ Oncologists and cancer care entities"

Representatives Klippert and Orcutt spoke in favor of the adoption of the amendment.

Representative Frame spoke against the adoption of the amendment.

Amendment (1067) was not adopted.

Representative Boehnke moved the adoption of amendment (1068):

On page 4, line 11, after "year;" strike "and"

On page 4, line 15, after "82.04.260(10)" insert "; and

(D) Any person engaged in providing infrastructure for hosting or data processing services"

Representatives Boehnke, Orcutt, Stokesbary, Ybarra, Kraft, Irwin and Shea spoke in favor of the adoption of the amendment.

Representative Springer spoke against the adoption of the amendment.

Amendment (1068) was not adopted.

Representative Walsh moved the adoption of amendment (1069):

On page 4, line 11, after "year;" strike "and"

On page 4, line 15, after "82.04.260(10)" insert "; and

(D) Architectural, engineering, and related services, such as drafting services, building inspection services, geophysical surveying and mapping services, surveying and mapping, except geophysical services and testing services"

Representatives Walsh, Irwin, Barkis and Walsh (again) spoke in favor of the adoption of the amendment.

Representative Springer spoke against the adoption of the amendment.

MOTIONS

On motion of Representative Griffey, Representative DeBolt was excused.

On motion of Representative Riccelli, Representative Dolan was excused.

Amendment (1069) was not adopted.

Representative Schmick moved the adoption of amendment (1070):

On page 4, line 11, after "year;" strike "and"

On page 4, line 15, after "82.04.260(10)" insert "; and

(D) Amounts received by a health care provider for services performed on patients covered in whole, or in part, by Washington's medicaid health insurance program, including reimbursement from the program and any amounts collected from the patient as part of his or her cost-sharing obligation"

Representatives Schmick, Schmick (again) Caldier and Walsh spoke in favor of the adoption of the amendment.

Representative Sullivan spoke against the adoption of the amendment.

An electronic roll call was requested.

ROLL CALL

The Clerk called the roll on the adoption of amendment (1070) and the amendment was not adopted by the following vote: Yeas, 48; Nays, 48; Absent, 0; Excused, 2.

Voting yea: Representatives Barkis, Blake, Boehnke, Caldier, Callan, Chambers, Chandler, Corry, Dent, Dufault, Dye, Eslick, Gildon, Goehner, Graham, Griffey, Harris, Hoff, Irwin, Jenkin, Klippert, Kraft, Kretz, Leavitt, MacEwen, Maycumber, McCaslin, Mead, Mosbrucker, Orcutt, Paul, Rude, Schmick, Shea, Shewmake, Slatter, Smith, Steele, Stokesbary, Sutherland, Thai, Van Werven, Vick, Volz, Walsh, Wilcox, Ybarra and Young.

Voting nay: Representatives Appleton, Bergquist, Chapman, Chopp, Cody, Davis, Doglio, Duerr, Entenman, Fey, Fitzgibbon, Frame, Goodman, Gregerson, Hansen, Hudgins, J. Johnson, Kilduff, Kirby, Kloba, Lekanoff, Lovick, Macri, Morgan, Ormsby, Ortiz-Self, Orwall, Pellicciotti, Peterson, Pettigrew, Pollet, Ramel, Ramos, Riccelli, Robinson, Ryu, Santos, Sells, Senn, Springer, Stonier, Sullivan, Tarleton, Tharinger, Valdez, Walen, Wylie and Mme. Speaker.

Excused: Representatives DeBolt and Dolan.

Amendment (1070) was not adopted.

Representative Gildon moved the adoption of amendment (1071):

On page 4, line 11, after " $\underline{\text{year}}$;" strike "and"

On page 4, line 15, after "82.04.260(10)" insert "; and

(D) Any business owned by a veteran"

Representatives Gildon, Irwin, Dufault and Boehnke spoke in favor of the adoption of the amendment.

Representative Tarleton spoke against the adoption of the amendment.

Amendment (1071) was not adopted.

Representative Orcutt moved the adoption of amendment (1072):

On page 4, line 11, after "year;" strike "and"

On page 4, line 15, after "82.04.260(10)" insert "; and

Any health care provider (D) receives medicaid reimbursement, state provides medicaid а reimbursement rate that is equal to the of the health care cost services provided"

Representatives Orcutt, Van Werven, Caldier, Smith and Caldier (again) spoke in favor of the adoption of the amendment Representatives Sullivan and Robinson spoke against the adoption of the amendment.

Amendment (1072) was not adopted.

Representative Graham moved the adoption of amendment (1073):

On page 4, line 11, after " $\underline{\text{year}}$;" strike "and"

On page 4, line 15, after "82.04.260(10)" insert "; and

(D) Commercial hauling services"

Representatives Graham and Barkis spoke in favor of the adoption of the amendment.

Representative Tarleton spoke against the adoption of the amendment.

MOTION

On motion of Representative Jenkin, Representative Wilcox was excused.

Amendment (1073) was not adopted.

Representative Caldier moved the adoption of amendment (1074):

On page 4, line 11, after " $\underline{\text{year}}$;" strike "and"

On page 4, line 15, after "82.04.260(10)" insert "; and

(D) Dental services"

Representative Caldier and Caldier (again) spoke in favor of the adoption of the amendment.

Representative Macri spoke against the adoption of the amendment.

Amendment (1074) was not adopted.

Representative Harris moved the adoption of amendment (1075):

On page 4, line 11, after "<a href="year;" strike" and"

On page 4, line 15, after "82.04.260(10)" insert "; and

(D) Establishments engaged in retailing prescription or nonprescription drugs and medicines such as pharmacies and drug stores"

Representatives Harris, Irwin, Orcutt and Schmick spoke in favor of the adoption of the amendment.

Representative Springer spoke against the adoption of the amendment.

Amendment (1075) was not adopted.

Representative Orcutt moved the adoption of amendment (1076):

On page 4, line 11, after "<a href="year;" strike" and"

On page 4, line 15, after "82.04.260(10)" insert "; and

(D) Forestry and logging services"

Representatives Orcutt, Shea and Orcutt (again) spoke in favor of the adoption of the amendment.

Representative Tarleton spoke against the adoption of the amendment.

Amendment (1076) was not adopted.

The Speaker (Representative Orwall presiding) called upon Representative Lovick to preside.

Representative Jenkin moved the adoption of amendment (1077):

On page 4, line 11, after "<a href="year;" strike" and"

On page 4, line 15, after "82.04.260(10)" insert "; and

(D) Hearing health care professionals, as defined in RCW 18.35.010"

Representatives Jenkin and Chambers spoke in favor of the adoption of the amendment.

Representative Frame spoke against the adoption of the amendment.

Amendment (1077) was not adopted.

Representative Harris moved the adoption of amendment (1078):

On page 4, line 11, after "year;" strike "and"

On page 4, line 15, after "82.04.260(10)" insert "; and

(D) Mental health providers"

Representatives Harris, Walsh and Smith spoke in favor of the adoption of the amendment.

Representative Frame spoke against the adoption of the amendment.

An electronic roll call was requested.

ROLL CALL

The Clerk called the roll on the adoption of amendment (1078) and the amendment was not adopted by the following vote: Yeas, 45; Nays, 52; Absent, 0; Excused, 1.

Voting yea: Representatives Barkis, Blake, Boehnke, Caldier, Callan, Chambers, Chandler, Corry, DeBolt, Dent, Dufault, Dye, Eslick, Gildon, Goehner, Graham, Griffey, Harris, Hoff, Irwin, Jenkin, Klippert, Kraft, Kretz, MacEwen, Maycumber, McCaslin, Mead, Mosbrucker, Orcutt, Rude, Schmick, Shea, Shewmake, Slatter, Smith, Steele, Stokesbary, Sutherland, Van Werven, Vick, Volz, Walsh, Ybarra and Young.

Voting nay: Representatives Appleton, Bergquist, Chapman, Chopp, Cody, Davis, Doglio, Dolan, Duerr, Entenman, Fey, Fitzgibbon, Frame, Goodman, Gregerson, Hansen, Hudgins, J. Johnson, Kilduff, Kirby, Kloba, Leavitt, Lekanoff, Lovick, Macri, Morgan, Ormsby, Ortiz-Self, Orwall, Paul, Pellicciotti, Peterson, Pettigrew, Pollet, Ramel, Ramos, Riccelli, Robinson, Ryu, Santos, Sells, Senn, Springer, Stonier, Sullivan, Tarleton, Thai, Tharinger, Valdez, Walen, Wylie and Mme. Speaker.

Excused: Representative Wilcox.

Representative Volz moved the adoption of amendment (1079):

On page 4, line 11, after " $\underline{\text{year}}$;" strike "and"

On page 4, line 15, after "82.04.260(10)" insert "; and

(D) Motor vehicle and parts dealers"

Representative Volz spoke in favor of the adoption of the amendment.

Representative Tarleton spoke against the adoption of the amendment.

Amendment (1079) was not adopted.

Representative Chambers moved the adoption of amendment (1080):

On page 4, line 11, after " $\underline{\text{year}}$;" strike "and"

On page 4, line 15, after "82.04.260(10)" insert "; and

 $\underline{\mbox{(D)}}$ Nursing and residential care facilities"

Representatives Chambers, Gildon, Corry, Caldier, Orcutt and Walsh spoke in favor of the adoption of the amendment.

Representative Macri spoke against the adoption of the amendment.

MOTION

On motion of Representative Jenkin, Representative Boehnke was excused.

Amendment (1080) was not adopted.

Representative Barkis moved the adoption of amendment (1081):

On page 4, line 11, after " $\underline{\text{year}}$; strike "and"

On page 4, line 15, after "82.04.260(10)" insert "; and

(D) Physician's offices, outpatient care centers, medical and diagnostic laboratories, dentist's offices, offices of other health practitioners, and other ambulatory health care services performed in a rural underserved area. For the purposes of this subsection, "rural underserved area" has the same meaning as in RCW 28B.99.010"

Representatives Barkis, Schmick and Vick spoke in favor of the adoption of the amendment.

Representative Hansen spoke against the adoption of the amendment.

An electronic roll call was requested.

ROLL CALL

The Clerk called the roll on the adoption of amendment (1081) and the amendment was not adopted by the following vote: Yeas, 44; Nays, 52; Absent, 0; Excused, 2.

Voting yea: Representatives Barkis, Blake, Caldier, Chambers, Chandler, Corry, DeBolt, Dent, Dufault, Dye, Eslick, Gildon, Goehner, Graham, Griffey, Harris, Hoff, Irwin, Jenkin, Klippert, Kraft, Kretz, Leavitt, MacEwen, Maycumber, McCaslin, Mead, Mosbrucker, Orcutt, Paul, Rude, Schmick, Shea, Shewmake, Smith, Steele, Stokesbary, Sutherland, Van Werven, Vick, Volz, Walsh, Ybarra and Young.

Voting nay: Representatives Appleton, Bergquist, Callan, Chapman, Chopp, Cody, Davis, Doglio, Dolan, Duerr, Entenman, Fey, Fitzgibbon, Frame, Goodman, Gregerson, Hansen, Hudgins, J. Johnson, Kilduff, Kirby, Kloba, Lekanoff, Lovick, Macri, Morgan, Ormsby, Ortiz-Self, Orwall, Pellicciotti, Peterson, Pettigrew, Pollet, Ramel, Ramos, Riccelli, Robinson, Ryu, Santos, Sells, Senn, Slatter, Springer, Stonier, Sullivan, Tarleton, Thai, Tharinger, Valdez, Walen, Wylie and Mme. Speaker.

Excused: Representatives Boehnke and Wilcox.

Representative Goehner moved the adoption of amendment (1082):

On page 4, line 11, after " $\underline{\text{year}}$;" strike "and"

On page 4, line 15, after "82.04.260(10)" insert "; and

(D) Providing veterinary services"

Representatives Goehner and Caldier spoke in favor of the adoption of the amendment.

Representative Hansen spoke against the adoption of the amendment.

Amendment (1082) was not adopted.

Representative Mosbrucker moved the adoption of amendment (1083):

On page 4, line 11, after " $\underline{\text{year}}$;" strike "and"

On page 4, line 15, after \$2.04.260(10)" insert "; and

and treatment to domestic violence
victims"

Representative Mosbrucker spoke in favor of the adoption of the amendment.

Representative Frame spoke against the adoption of the amendment.

Amendment (1083) was not adopted.

Representative Hoff moved the adoption of amendment (1084):

On page 4, line 11, after " $\underline{\text{year}}$;" strike "and"

On page 4, line 15, after "82.04.260(10)" insert "; and

(D) Ophthalmology services"

Representative Hoff spoke in favor of the adoption of the amendment

Representative Hansen spoke against the adoption of the amendment.

Amendment (1084) was not adopted.

Representative Caldier moved the adoption of amendment (1085):

On page 4, line 11, after "<a href="year;" strike" and"

On page 4, line 15, after "82.04.260(10)" insert "; and

(D) Optometrists"

Representative Caldier and Caldier (again) spoke in favor of the adoption of the amendment.

Representative Hansen spoke against the adoption of the amendment.

Amendment (1085) was not adopted.

Representative Eslick moved the adoption of amendment (1086):

On page 4, line 11, after " $\underline{\text{year}}$;" strike "and"

On page 4, line 15, after "82.04.260(10)" insert "; and

(D) Substance use disorder treatment
providers"

Representative Eslick spoke in favor of the adoption of the amendment.

Representative Frame spoke against the adoption of the amendment.

Amendment (1086) was not adopted.

Representative Corry moved the adoption of amendment (1087):

On page 4, line 11, after " $\underline{\text{year}}$;" strike "and"

On page 4, line 15, after "82.04.260(10)" insert "; and

 $\underline{\mbox{(D) Waste management and remediation}}$ services"

Representatives Corry, Corry (again) Orcutt, Walsh and Ybarra spoke in favor of the adoption of the amendment.

Representative Hansen spoke against the adoption of the amendment.

Amendment (1087) was not adopted.

Representative Young moved the adoption of amendment (1093):

On page 4, line 11, after " $\underline{\text{year}}$;" strike "and"

On page 4, line 15, after "82.04.260(10)" insert "; and

A person primarily engaged in architectural, engineering, and related such as drafting services, services, building inspection services, geophysical surveying mapping services, surveying and mapping, except geophysical services and testing services, who was contracted for those business activities for work on at least two affordable housing projects during the relevant tax year"

Representatives Young and Walsh spoke in favor of the adoption of the amendment.

Representative Springer spoke against the adoption of the amendment.

Amendment (1093) was not adopted.

Representative Young moved the adoption of amendment (1094):

On page 4, line 11, after " $\underline{\text{year}}$;" strike "and"

On page 4, line 15, after "82.04.260(10)" insert "; and

(D) Any health care provider for whom seventy-five percent or more of their cumulative gross amount reportable under this chapter during the entire current or immediately preceding calendar year is from medicaid payments"

Representatives Young, Irwin, Caldier and Smith spoke in favor of the adoption of the amendment.

Representative Frame and Frame (again) spoke against the adoption of the amendment.

Amendment (1094) was not adopted.

Representative Young moved the adoption of amendment (1095):

On page 4, line 11, after "year;" strike "and"

On page 4, line 15, after "82.04.260(10)" insert "; and

(D) Any person for whom fifty-one percent or more of their cumulative gross amount reportable under this chapter during the entire current or immediately preceding calendar year is from medicaid payments"

Representative Young spoke in favor of the adoption of the amendment.

Representative Frame spoke against the adoption of the amendment.

An electronic roll call was requested.

ROLL CALL

The Clerk called the roll on the adoption of amendment (1095) and the amendment was not adopted by the following vote: Yeas, 45; Nays, 51; Absent, 0; Excused, 2.

Voting yea: Representatives Barkis, Blake, Caldier, Callan, Chambers, Chandler, Corry, DeBolt, Dent, Dufault, Dye, Eslick, Gildon, Goehner, Graham, Griffey, Harris, Hoff, Irwin, Jenkin, Klippert, Kraft, Kretz, MacEwen, Maycumber, McCaslin, Mead, Mosbrucker, Orcutt, Paul, Rude, Schmick, Shea, Shewmake, Slatter, Smith, Steele, Stokesbary, Sutherland, Van Werven, Vick, Volz, Walsh, Ybarra and Young.

Voting nay: Representatives Appleton, Bergquist, Chapman, Chopp, Cody, Davis, Doglio, Dolan, Duerr, Entenman, Fey, Fitzgibbon, Frame, Goodman, Gregerson, Hansen, Hudgins, J. Johnson, Kilduff, Kirby, Kloba, Leavitt, Lekanoff, Lovick, Macri, Morgan, Ormsby, Ortiz-Self, Orwall, Pellicciotti, Peterson, Pettigrew, Pollet, Ramel, Ramos, Riccelli, Robinson, Ryu, Santos, Sells, Senn, Springer, Stonier, Sullivan, Tarleton, Thai, Tharinger, Valdez, Walen, Wylie and Mme. Speaker.

Excused: Representatives Boehnke and Wilcox.

Representative Kraft moved the adoption of amendment (1099):

On page 4, line 11, after " $\underline{\text{year}}$;" strike "and"

On page 4, line 15, after "82.04.260(10)" insert "; and

(D) Lawyers who perform more than ten percent pro bono hours when measured against their total hours"

Representative Kraft spoke in favor of the adoption of the amendment.

Representative Hansen spoke against the adoption of the amendment.

Amendment (1099) was not adopted.

Representative Stokesbary moved the adoption of amendment (1100):

Beginning on page 1, line 6, strike sections 1 through 3

Renumber the remaining sections consecutively and correct any internal references accordingly.

On page 15, line 29, after "82.04.290(2)" insert "and 82.04.2907"

On page 15, line 30, strike " $\underline{1.22}$ " and insert "1.5"

On page 18, beginning on line 9, strike sections 7 through 9 and insert the following:

"NEW SECTION. Sec. 4. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

NEW SECTION. Sec. 5. Section 1 of this act applies both prospectively and retrospectively to January 1, 2020."

Correct the title.

Representatives Stokesbary, Orcutt, and Walsh spoke in favor of the adoption of the amendment.

Representative Hansen spoke against the adoption of the amendment.

Amendment (1100) was not adopted.

Representative DeBolt moved the adoption of amendment (1092):

On page 1, line 18, after "82.04.299" strike "or subject to the tax rate under RCW 82.04.290(2)(a)(i)"

On page 2, beginning on line 21, after "82.04.299" strike all material through "82.04.290(2)(a)(i)" on line 22

Beginning on page 3, line 9, strike all of sections 2 and 3

Renumber the remaining sections consecutively, correct any internal references accordingly, and correct the title.

Beginning on page 15, line 13, after "imposed on" strike all material through "January 1, 2022.))" on page 18, line 2, and insert "((select advanced computing businesses as follows:

(i) For an affiliated group that has worldwide gross revenue of more than twenty-five billion dollars, but not more than one hundred billion dollars, during the entire current or immediately preceding calendar year, the surcharge is equal to the total amount of tax payable by each member of the affiliated group on all business activities taxed under RCW 82.04.290(2), before application of any

tax credits, multiplied by the rate of thirty-three and one-third percent.

(ii) For an affiliated group that has worldwide gross revenue of more than one hundred billion dollars during the entire current or immediately preceding calendar year, the surcharge is equal to the total amount of tax payable by each member of the affiliated group on all business activities taxed under RCW 82.04.290(2), before application of any tax credits, multiplied by the rate of sixty-six and two-thirds percent.

(b) In no case will the combined surcharge imposed under this subsection (4) paid by all members of an affiliated group be less than four million dollars or more than seven million dollars annually.

(c) For persons subject to the surcharge imposed under this subsection (4) that report under one or more tax classifications, the surcharge applies only to business activities taxed under RCW 82.04.290(2).

(d) The surcharge imposed under this subsection (4) must be reported and paid in a manner and frequency as required by the department.

(e) To aid in the effective administration of the surcharge in this subsection (4), the department may require persons believed to be engaging in advanced computing or affiliated with person believed to be engaging in advanced computing to disclose whether they are a member of an affiliated group and, if so, to identify all other members of the affiliated group subject to the surcharge. If the department determines that a person, with intent to evade the surcharge under this subsection (4), failed to fully comply with this subsection (4)(e), the seven million dollar limitation in (b) of this subsection (4) does not apply to the person's affiliated group.

(f) For the purposes of this
subsection (4) the following definitions
apply:

(i) "Advanced computing" means designing or developing computer software or computer hardware, whether directly or contracting with another person, including modifications to computer software or computer hardware, cloud computing services, or operating an online marketplace, an online search

engine, or online social networking
platform;

(ii) "Affiliate" and "affiliated" means a person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with another person;

(iii) "Affiliated group" means a
group of two or more persons that are
affiliated with each other;

(iv) "Cloud computing services" means on-demand delivery of computing resources, such as networks, servers, storage, applications, and services, over the internet;

(v) "Control" means the possession, directly or indirectly, of more than fifty percent of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting shares, by contract, or otherwise; and

(vi) "Select advanced computing business" means a person who is a member of an affiliated group with at least one member of the affiliated group engaging in the business of advanced computing, and the affiliated group has worldwide gross revenue of more than twenty-five billion dollars during the entire current or immediately preceding calendar year. A person who is primarily engaged within this state in the provision of commercial mobile service, as that term is defined in 47 U.S.C. Sec. 332(d)(1), shall not be considered a select advanced computing business. A person who is primarily engaged in this state in the operation and provision of access to transmission facilities and infrastructure that the person owns or leases for the transmission of voice, data, text, sound, and video using wired telecommunications networks shall not be considered a select advanced computing business.

(5) The workforce education investment surcharges under this section do not apply to any hospital as defined in RCW 70.41.020, including any hospital that comes within the scope of chapter 71.12 RCW if the hospital is also licensed under chapter 70.41 RCW.

(6) Revenues from the surcharges under this section must be deposited directly into the workforce education investment account established in RCW 43.79.195.

- (7) The department has the authority to determine through an audit or other investigation whether a person is subject to the surcharges imposed in this section. The department's determination that a person is subject to the surcharge is presumed to be correct unless the person shows by clear, cogent, and convincing evidence that the department's determination was incorrect. The increased evidentiary standard under this subsection (7) does not apply after January 1, 2022)) specified persons.
- (i) The gross income of the person subject to the tax under RCW 82.04.290, multiplied by a rate of two and one-half percent; or
- (ii) Three hundred million dollars per year.
- (2) For the purposes of this section, "specified person" means any person for whom all of the following apply:
- (a) The person has been registered with the department for at least thirtyseven years;
- (b) At any time after the effective date of this section, the combined employment in this state of the person exceeds forty thousand full-time and part-time employees, based on data reported to the employment security department; and
- (c) The business activities of the person primarily include the development, sales, and licensing of computer software and services.
- (3) Revenues must be deposited directly into the workforce education investment account established in RCW 43.79.195.
- (4) The department has the authority to determine through an audit or other investigation whether a person is subject to the surcharge imposed in this section. The department's determination is presumed to be correct unless the person shows by clear, cogent, and convincing evidence that the department's determination is incorrect."

On page 18, line 13, after "(2)" strike all material through "are" and insert "Section 1 of this act is"

On page 18, line 16, after "and" strike "take" and insert "takes"

On page 18, beginning on line 19, strike all of section 9

Correct the title.

Representatives DeBolt and Smith spoke in favor of the adoption of the amendment.

Representative Springer spoke against the adoption of the amendment.

Amendment (1092) was not adopted.

Representative Stokesbary moved the adoption of amendment (1096):

On page 15, line 11, after "after" strike "(($\frac{\text{January}}{\text{January}}$) April" and insert "January"

On page 15, line 11, after "1," strike "2020" and insert " $((\frac{2020}{2000}))$ 2021"

On page 18, after line 2, insert the following:

"Sec. 5. RCW 82.04.299 and 2019 c 406 s 74 are each amended to read as follows:

The legislature intends to secure additional revenue via surcharges targeted towards certain industries including select advanced computing businesses.

The legislature intends provisions of chapter 406, Laws of 2019 to be applied broadly in favor of application of the surcharges. To achieve this intent, any provision within chapter 406, Laws of 2019 that is deemed to be ambiguous by a court of competent jurisdiction, the board of tax appeals, or any other judicial or administrative body, should be construed in favor of application of the surcharges. The rule of statutory construction in favor of the application of the surcharge under this paragraph does not apply on or after January 1, 2022.

- (1)(a) Beginning with business activities occurring on or after January 1, 2020, in addition to the taxes imposed under RCW 82.04.290(2), a workforce education investment surcharge is imposed on specified persons. The surcharge is equal to the total amount of tax payable by the person on business activities taxed under RCW 82.04.290(2), before application of any tax credits, multiplied by the rate of ((twenty)) sixteen and seven-tenths of one percent.
- (b) For specified persons who report under one or more tax classifications,

this surcharge applies only to business activities taxed under RCW 82.04.290(2).

- (c) The surcharge imposed under this subsection (1) must be reported and paid in a manner and frequency as required by the department.
- (2) For the purposes of this section, "specified person" means a person who is not subject to the surcharge under subsection (4) of this section and who is primarily engaged within this state in any combination of the following activities:
- (a) Computer software publishing or publishing and reproduction. Establishments in this industry carry out operations necessary for producing and distributing computer software, such as designing, providing documentation, assisting in installation, and providing support services to software purchasers. These establishments may design, develop, and publish, or publish only. These establishments may publish and distribute software remotely through subscriptions and downloads;
- (b) Conducting original investigation undertaken on a systematic basis to gain new knowledge or the application of research findings or other scientific knowledge for the creation of new or significantly improved products or processes. Techniques may include modeling and simulation. The industries within this industry group are defined on the basis of the domain of research and on scientific expertise of the establishment;
- (c) Putting capital at risk in the process of underwriting securities issues or in making markets for securities and commodities and those acting as agents or brokers between buyers and sellers of securities and commodities, usually charging a commission;
- (d) Providing expertise in the field of information technologies through one or more of the following activities: (i) Writing, modifying, testing, and supporting computer software to meet the needs of a particular customer; (ii) planning and designing computer systems that integrate computer hardware, computer software, and communication technologies; (iii) on-site management and operation of clients' computer systems and data processing facilities; or (iv) other professional and technical computer-related advice and services;

- (e) Performing central banking functions, such as issuing currency, managing the nation's money supply and international reserves, holding deposits that represent the reserves of other banks and other central banks, and acting as a fiscal agent for the central government;
- (f)(i) Purchasing access and network capacity from owners and operators of networks telecommunications reselling wired and wireless telecommunications services, except satellite, to businesses and households; providing specialized telecommunications services, such as satellite tracking, communications telemetry, and radar station operation; (iii) providing satellite terminal stations and associated facilities connected with one or more terrestrial systems and capable of transmitting telecommunications to, and receiving telecommunications from, satellite systems; or (iv) providing internet access services or voice over internet protocol services via client-supplied telecommunications connections. Establishments in this industry do not operate as telecommunications carriers. Mobile virtual network operators are included in this industry;
- (g) (i) Acting as principals in buying or selling financial contracts, except investment bankers, securities dealers, and commodity contracts dealers; (ii) acting as agents or brokers, except securities brokerages and commodity contracts brokerages, in buying or selling financial contracts; or (iii) providing other investment services except securities and commodity exchanges, such as portfolio management, investment advice, and trust, fiduciary, and custody services;
- (h) Supplying information, such as news reports, articles, pictures, and features, to the news media. This industry comprises establishments primarily engaged in providing library or archive services. These establishments are engaged in maintaining collections of documents and facilitating the use of these documents as required to meet the informational, research, educational, or recreational needs of their user. These establishments may also acquire, research, store, preserve, and generally make accessible to the public historical documents, photographs, maps, audio material, audiovisual material,

other archival material of historical interest. All or portions of these collections may be accessible electronically. This industry comprises establishments engaged in: (i) Publishing and broadcasting content on the internet exclusively; or (ii) operating web sites that use a search engine to generate and maintain extensive databases of internet addresses and content in an easily searchable format, known as web search portals. The publishing and broadcasting establishments in this industry do not provide traditional versions of the content they publish or broadcast. They provide textual, audio, or video content of general or specific interest on the internet exclusively. Establishments known as web search portals often provide additional internet services, such as email, connections to other web sites, auctions, news, and other limited content, and serve as a home base for internet users. This industry comprises establishments primarily engaged in providing other information services, except news syndicates, libraries, archives, internet publishing and broadcasting, and web search portals;

- (i) Architectural, engineering, and related services, such as drafting services, building inspection services, geophysical surveying and mapping services, surveying and mapping, except geophysical services and testing services;
- (j) Retailing all types of merchandise using nonstore means, such as catalogs, toll-free telephone numbers, electronic media, such as interactive television or the internet, or selling directly to consumers in a nonretail, physical environment. Included in this industry are establishments primarily engaged in retailing from catalog showrooms of mail-order houses;
- (k) Providing advice and assistance to businesses and other organizations on management, environmental, scientific, and technical issues;
- (1) Providing infrastructure for hosting or data processing services. These establishments may provide specialized hosting activities, such as web hosting, streaming services, or application hosting, or they may provide general time-share mainframe facilities to clients. Data processing establishments provide complete processing and specialized reports from

data supplied by clients or provide automated data processing and data entry services;

- (m) Facilitating credit intermediation by performing activities, such as arranging loans by bringing borrowers and lenders together and clearing checks and credit card transactions;
- (n) Offering legal services, such as those offered by offices of lawyers, offices of notaries, and title abstract and settlement offices, and paralegal services;
- (o) Operating or providing access to transmission facilities and infrastructure that they own or lease for the transmission of voice, data, text, sound, and video using wired telecommunications networks. Transmission facilities may be based on a single technology or a combination of technologies. Establishments in this industry use the telecommunications network facilities that they operate to provide a variety of services, such as wired telephony services, including voice over internet protocol services, wired audio and video programming distribution, and wired broadband internet services. By exception, establishments providing satellite television distribution services using facilities and infrastructure that they operate are included in this industry;
- (p) Providing telecommunications services to other establishments in the telecommunications and broadcasting industries by forwarding and receiving communications signals via a system of satellites or reselling satellite telecommunications;
- (q) Operating and maintaining switching and transmission facilities to provide communications via the airwaves. Establishments in this industry have spectrum licenses and provide services using that spectrum, such as cellular phone services, paging services, wireless internet access, and wireless video services;
- (r) Extending credit or lending funds raised by credit market borrowing, such as issuing commercial paper or other debt instruments or by borrowing from other financial intermediaries;
- (s) Underwriting annuities and insurance policies and investing

premiums to build up a portfolio of financial assets to be used against future claims. Direct insurance carriers are establishments that are primarily engaged in initially underwriting and assuming the risk of annuities and insurance policies. Reinsurance carriers are establishments that are primarily engaged in assuming all or part of the risk associated with an existing insurance policy originally underwritten by another insurance carrier. Industries are defined in terms of the type of risk being insured against, such as death, loss of employment because of age or disability, or property damage. Contributions and premiums are set on the basis of actuarial calculations of probable payouts based on risk factors from experience tables and expected investment returns on reserves;

- (t) Merchant wholesale distribution of photographic equipment and supplies and office, computer, and computer peripheral equipment and medical, dental, hospital, ophthalmic, and other commercial and professional equipment and supplies;
- (u) Operating studios and facilities for the broadcasting of programs on a subscription or fee basis. The broadcast programming is typically narrowcast in nature. These establishments produce programming in their own facilities or acquire programming from external sources. The programming material is usually delivered to a third party, such as cable systems or direct-to-home satellite systems, for transmission to viewers;
- Publishing newspapers, magazines, other periodicals, books, directories and mailing lists, and other works, such as calendars, greeting cards, and maps. These works are characterized by the intellectual creativity required in their development and are usually protected by copyright. Publishers distribute or arrange for the distribution of these works. Publishing establishments may create the works inhouse, or contract for, purchase, or compile works that were originally created by others. These works may be published in one or more formats, such as print or electronic form, including proprietary electronic networks. Establishments in this industry may print, reproduce, or offer direct access to the works themselves or may arrange with others to carry out such functions.

- Establishments that both print and publish may fill excess capacity with commercial or job printing. However, the publishing activity is still considered to be the primary activity of these establishments;
- (w) Generating, transmitting, or distributing electric power. Establishments in this industry group may perform one or more of the following activities: (i) Operate generation facilities that produce electric energy; (ii) operate transmission systems that convey the electricity from the generation facility to the distribution system; or (iii) operate distribution systems that convey electric power received from the generation facility or the transmission system to the final consumer;
- (x) Providing specialized design services including interior design, industrial design, graphic design, and others, but not including architectural, engineering, and computer systems design;
- (y) Assigning rights to assets, such as patents, trademarks, brand names, or franchise agreements, for which a royalty payment or licensing fee is paid to the asset holder;
- (z) Acting as agents in selling annuities and insurance policies or providing other employee benefits and insurance related services, such as claims adjustment and third-party administration;
- (aa) Business-to-business electronic markets that bring together buyers and sellers of goods using the internet or other electronic means and generally receive a commission or fee for the service. Business-to-business electronic markets for durable and nondurable goods are included in this industry. This industry comprises wholesale trade agents and brokers acting on behalf of buyers or sellers in the wholesale distribution of goods. Agents and brokers do not take title to the goods being sold but rather receive a commission or fee for their service. Agents and brokers for all durable and nondurable goods are included in this industry;
- (bb) Accepting deposits or share deposits and in lending funds from these deposits. Within this group, industries are defined on the basis of differences in the types of deposit liabilities

assumed and in the nature of the credit extended;

- (cc)(i) Manufacturing complete aircraft, missiles, or space vehicles; (ii) manufacturing aerospace engines, propulsion units, auxiliary equipment or parts; (iii) developing and making prototypes of aerospace products; (iv) aircraft conversion; or (v) complete aircraft or propulsion systems overhaul and rebuilding;
- (dd) Advertising, public relations, and related services, such as media buying, independent media representation, outdoor advertising, direct mail advertising, advertising material distribution services, and other services related to advertising;
- (ee) Providing services, such as auditing of accounting records, designing accounting systems, preparing financial statements, developing budgets, preparing tax returns, processing payrolls, bookkeeping, and billing;
- (ff) The independent practice of general or specialized medicine or surgery by businesses comprised of one or more health practitioners having the degree of doctor of medicine or doctor of osteopathy. These practitioners operate private or group practices in their own offices or in the facilities of others, such as hospitals or health maintenance organization medical centers;
- (gg) Providing a range of outpatient services, such as family planning, diagnosis and treatment of mental health disorders and alcohol and other substance abuse, and other general or specialized outpatient care by businesses with medical staff;
- (hh) Pooling securities or other assets, except insurance and employee benefit funds, on behalf of shareholders, unit holders, or beneficiaries, by legal entities such as investment pools or funds;
- (ii) Promoting the interests of an organization's members, except religious organizations, social advocacy organizations, and civic and social organizations. Examples of establishments in this industry are business associations, professional organizations, labor unions, and political organizations;

- (jj) Holding the securities of or other equity interests in companies and enterprises for the purpose of owning a controlling interest or influencing management decisions or businesses that administer, oversee, and manage other establishments of the company or enterprise and that normally undertake the strategic or organizational planning and decision-making role of the company or enterprise. Establishments that administer, oversee, and manage may hold the securities of the company or enterprise;
- (kk) For medical and diagnostic laboratories, providing analytic or diagnostic services, including body fluid analysis and diagnostic imaging, generally to the medical profession or to the patient on referral from a health practitioner;
- (11) Serving as offices of chief executives and their advisory committees and commissions. This industry includes offices of the president, governors, and mayors, in addition to executive advisory commissions. This industry comprises government establishments serving as legislative bodies and their advisory committees and commissions. Included in this industry are legislative bodies, such as congress, state legislatures, and advisory and study legislative commissions. This industry comprises government establishments primarily engaged in public finance, taxation, and monetary policy. Included are financial administration activities, such as monetary policy, tax administration and collection, custody and disbursement of funds, debt and investment administration, auditing activities, and government employee retirement trust fund administration. This industry comprises government establishments serving as councils and boards of commissioners or supervisors and such bodies where the chief executive is a member of the legislative body itself. This industry comprises American Indian and Alaska Native governing bodies. Establishments in this industry perform legislative, judicial, administrative functions for American Indian and Alaska Native lands. Included in this industry are American Indian and Alaska Native councils, courts, and law enforcement bodies. This industry comprises government establishments primarily engaged in providing general support government. Such support services

include personnel services, election boards, and other general government support establishments that are not classified elsewhere in public administration;

- (mm) Providing a range of office administrative services, such as financial planning, billing and recordkeeping, personnel, and physical distribution and logistics, for others on a contract or fee basis. These establishments do not provide operating staff to carry out the complete operations of a business;
- (nn) Providing professional, scientific, or technical services including marketing research, public opinion polling, photographic services, translation and interpretation services, and veterinary services. This category does not include legal services, accounting, tax preparation, bookkeeping, architectural, engineering, and related services, specialized design services, computer systems design, management, scientific and technical consulting services, scientific research and development services, or advertising services;
- (oo) The independent practice of general or specialized dentistry or dental surgery by businesses comprised of one or more health practitioners having the degree of doctor of dental medicine, doctor of dental surgery, or doctor of dental science. These practitioners operate private or group practices in their own offices or in the facilities of others, such as hospitals or health maintenance organization medical centers. They may provide either comprehensive preventive, cosmetic, or emergency care, or specialize in a single field of dentistry;
- (pp) The independent practice of general or specialized medicine or surgery, or general or specialized dentistry or dental surgery, by businesses comprised of one or more independent health practitioners, other than physicians and dentists;
- $\ensuremath{\left(\text{qq} \right)}$ Providing ambulatory health care services.
- (3)(a)(i) For the purposes of this section, a person is primarily engaged within this state in any combination of the activities described in subsection (2) of this section if more than fifty percent of the person's cumulative gross amount reportable under this chapter

- during the entire current or immediately preceding calendar year was generated from engaging in any one or more of the activities described in subsection (2) of this section. For purposes of this subsection, "gross amount reportable" means the total value of products, gross proceeds of sales, and gross income of the business, reportable to the department before application of any tax deductions.
- (ii) If a person was not primarily engaged within this state in any combination of the activities described in subsection (2) of this section during the immediately preceding year, and the person is unsure whether the person will be subject to the workforce investment surcharge for the current calendar year until the close of the current calendar year, the person must, if necessary, file corrected returns with the department of revenue to pay any additional tax due under this section for the current calendar year. Payment of additional tax, along with corrected returns, is due and payable when the person's last return for the calendar year during which the tax liability accrued is due and payable. Additional tax due under this section is subject to penalties and interest as provided under chapter 82.32 RCW only if the tax is not paid in full by the date due as provided in this subsection (3)(a)(ii).
- (b) The entire amount of gross income of the business received by a person pursuant to a contract under which the person is obligated to perform any activity described under subsection (2) of this section is deemed to be generated from engaging in any one or more of the activities described in subsection (2) of this section.
- (4)(a) Beginning with business activities occurring on or after January 1, 2020, in addition to the taxes imposed under RCW 82.04.290(2), a workforce education investment surcharge is imposed on select advanced computing businesses as follows:
- (i) For an affiliated group that has worldwide gross revenue of more than twenty-five billion dollars, but not more than one hundred billion dollars, during the entire current or immediately preceding calendar year, the surcharge is equal to the total amount of tax payable by each member of the affiliated group on all business activities taxed under RCW 82.04.290(2), before application of any

tax credits, multiplied by the rate of thirty-three and one-third percent.

- (ii) For an affiliated group that has worldwide gross revenue of more than one hundred billion dollars during the entire current or immediately preceding calendar year, the surcharge is equal to the total amount of tax payable by each member of the affiliated group on all business activities taxed under RCW 82.04.290(2), before application of any tax credits, multiplied by the rate of sixty-six and two-thirds percent.
- (b) In no case will the combined surcharge imposed under this subsection (4) paid by all members of an affiliated group be less than four million dollars or more than seven million dollars annually.
- (c) For persons subject to the surcharge imposed under this subsection (4) that report under one or more tax classifications, the surcharge applies only to business activities taxed under RCW 82.04.290(2).
- (d) The surcharge imposed under this subsection (4) must be reported and paid in a manner and frequency as required by the department.
- To aid in the effective (e) administration of the surcharge in this subsection (4), the department may require persons believed to be engaging in advanced computing or affiliated with a person believed to be engaging in advanced computing to disclose whether they are a member of an affiliated group and, if so, to identify all other members of the affiliated group subject to the surcharge. If the department determines that a person, with intent to evade the surcharge under this subsection (4), failed to fully comply with this subsection (4)(e), the seven million dollar limitation in (b) of this subsection (4) does not apply to the person's affiliated group.
- (f) For the purposes of this subsection (4) the following definitions apply:
- (i) "Advanced computing" means designing or developing computer software or computer hardware, whether directly or contracting with another person, including modifications to computer software or computer hardware, cloud computing services, or operating an online marketplace, an online search

- engine, or online social networking
 platform;
- (ii) "Affiliate" and "affiliated"
 means a person that directly or
 indirectly, through one or more
 intermediaries, controls, is controlled
 by, or is under common control with
 another person;
- (iii) "Affiliated group" means a group of two or more persons that are affiliated with each other;
- (iv) "Cloud computing services"
 means on-demand delivery of computing
 resources, such as networks, servers,
 storage, applications, and services,
 over the internet;
- (v) "Control" means the possession, directly or indirectly, of more than fifty percent of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting shares, by contract, or otherwise; and
- (vi) "Select advanced computing business" means a person who is a member of an affiliated group with at least one member of the affiliated group engaging in the business of advanced computing, and the affiliated group has worldwide gross revenue of more than twenty-five billion dollars during the entire current or immediately preceding calendar year. A person who is primarily engaged within this state in the provision of commercial mobile service, as that term is defined in 47 U.S.C. Sec. 332(d)(1), shall not be considered a select advanced computing business. A person who is primarily engaged in this state in the operation and provision of access to transmission facilities and infrastructure that the person owns or leases for transmission of voice, data, text, sound, and video using wired telecommunications networks shall not be considered a select advanced computing business.
- (5) The workforce education investment surcharges under this section do not apply to any hospital as defined in RCW 70.41.020, including any hospital that comes within the scope of chapter 71.12 RCW if the hospital is also licensed under chapter 70.41 RCW.
- (6) Revenues from the surcharges under this section must be deposited directly into the workforce education investment account established in RCW 43.79.195.

(7) The department has the authority to determine through an audit or other investigation whether a person is subject to the surcharges imposed in this section. The department's determination that a person is subject to the surcharge is presumed to be correct unless the person shows by clear, cogent, convincing evidence that department's determination incorrect. The increased evidentiary standard under this subsection (7) does not apply after January 1, 2022.

 $\underline{\text{NEW SECTION.}}$ Sec. 6. Section 5 of this act expires January 1, 2021."

Renumber the remaining sections consecutively and correct any internal references accordingly.

On page 18, beginning on line 9, strike all of section 7 and insert the following:

"NEW SECTION. Sec. 7. (1) Sections 1 through 4 of this act take effect January 1, 2021.

(2) Section 5 of this act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately."

On page 18, line 17, after "Section" strike "4" and insert "5"

On page 18, line 21, after "after" strike "April 1, 2020" and insert "January 1, 2021"

Correct the title.

Representative Stokesbary spoke in favor of the adoption of the amendment.

Representative Hansen spoke against the adoption of the amendment.

Amendment (1096) was not adopted.

Representative Gildon moved the adoption of amendment (1097):

On page 18, after line 2, insert the following:

- "Sec. 5. RCW 28B.92.200 and 2019 c $406 ext{ s} ext{ 19}$ are each amended to read as follows:
- (1) The Washington college grant program is created to provide a statewide free college program for eligible participants and greater access to

- postsecondary education for Washington residents. The Washington college grant program is intended to increase the number of high school graduates and adults that can attain a postsecondary credential and provide them with the qualifications needed to compete for job opportunities in Washington.
- (2) The office shall implement and administer the Washington college grant program and is authorized to establish rules necessary for implementation of the program.
- (3) The legislature appropriate funding for the Washington college grant program. Allocations must be made on the basis of estimated participants enrolled eligible eligible institutions of education or apprenticeship programs. All eligible students are entitled to a Washington college grant beginning in academic year 2020-21.
- (4) The office shall award Washington college grants to all eligible students beginning in academic year 2020-21.
- (5) To be eligible for the Washington college grant, students must meet the following requirements:
- (a) Demonstrate financial need under RCW 28B.92.205;
- (b)(i) Be enrolled or accepted for enrollment for at least three quarter credits or the equivalent semester credits at an institution of higher education in Washington as defined in RCW 28B.92.030; or
- (ii) Be enrolled in a registered apprenticeship program approved under chapter 49.04 RCW;
- (c) Be a resident student as defined in RCW 28B.15.012(2) (a) through (e);
- (d) File an annual application for financial aid as approved by the office; and
- (e) Must not have earned a baccalaureate degree or higher from a postsecondary institution.
- (6) Washington college grant eligibility may not extend beyond five years or one hundred twenty-five percent of the published length of the program in which the student is enrolled or the credit or clock-hour equivalent.
- (7) Institutional aid administrators shall determine whether a student

- eligible for the Washington college grant in a given academic year may remain eligible for the ensuing year if the student's family income increases by no more than three percent.
- (8) Qualifications for receipt and renewal include maintaining satisfactory academic progress toward completion of an eligible program as determined by the office and established in rule.
- (9) Should a recipient terminate his or her enrollment for any reason during the academic year, the unused portion of the grant shall be returned to the state educational grant fund by the institution of higher education according to the institution of higher education's policy for issuing refunds, except as provided in RCW 28B.92.070.
- (10) An eligible student enrolled on a part-time basis shall receive a prorated portion of the Washington college grant for any academic period in which he or she is enrolled on a part-time basis.
- (11) The Washington college grant is intended to be used to meet the costs of postsecondary education for students with financial need. The student shall be awarded all need-based financial aid for which the student qualifies as determined by the institution.
- (12) Students and participating institutions of higher education shall comply with all the rules adopted by the council for the administration of this chapter.
- (13) An eligible student who receives
 contributions under section 2 of this
 act:
- (a) Must have any grant received from the Washington college grant program under this section reduced by an amount equal to all contributions received from all companies; and
- (b) Must submit an affidavit, in a manner and form prescribed by the council, to the council and to the institution of higher education in which the student is enrolled. The affidavit must:
- (i) Verify the amount of contributions the student has received from all companies; and
- (ii) Attest to the student's reduced Washington college grant funding to be received.

- $\underline{\text{NEW SECTION.}}$ Sec. 6. A new section is added to chapter 82.04 RCW to read as follows:
- (1) Subject to the limitations in this section, a company that owes a surcharge under RCW 82.04.299 or is subject to the tax under RCW 82.04.290(2)(i) is allowed a credit against the surcharge under RCW 82.04.299 for contributions made by that company to any eligible student for the purposes of pursuing higher education.
- (2) The credit is equal to the total amount of contributions made to all eligible students in a calendar year. The credit may not exceed the amount of the surcharge otherwise due under RCW 82.04.299 or the amount of the tax otherwise due under RCW 82.04.290(2)(i). The credit may be used against the surcharge due on tax returns due after January 31st of the calendar year in which the application was approved and before February 1st of the following calendar year. No refunds may be granted for credits under this section. A company taking an exemption under this subsection must keep and preserve records for the period required by RCW 82.32.070, documenting contributions made qualifying students.
- (3) To receive the credit, a company must submit an application to the department. Applications for tax credits under this section must be received by the department between the first day of January and the thirty-first day of January, following the calendar year in which the applicant made contributions to eligible students. The application must be made to the department in a form and manner prescribed by the department. The application must contain information including the number of eligible students to which contributions were made, the amounts paid to eligible students in total and by individual contribution, and any other information required by the department.
- (4) If the eligible student who is the recipient of a qualifying contribution returns some or all of the contribution to the company for any reason, the company must file an amended return.
- (5) An eligible student receiving a contribution from a company under this section must follow notification requirements outlined in RCW 28B.92.200(13). The company providing

the contribution must inform the eligible student of these notification requirements upon disbursement of the contribution.

- (6) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.
- (a) "Contributions" means direct financial assistance in the form of bona fide grants, scholarships, or tuition reimbursement payments provided to an eligible student for the purposes of assisting the student with the pursuit of higher education. Contributions must be used by the student to cover costs related to tuition, books, fees, room, and housing.
- (b) "Eligible student" means any individual who is:
- (i) Enrolled in an institution of higher education in Washington state; and
- (ii) Eligible for the Washington college grant program under RCW 28B.92.200."

Renumber the remaining sections consecutively and correct any internal references accordingly.

Correct the title.

Representatives Gildon, Corry and Walsh spoke in favor of the adoption of the amendment.

Representative Hansen spoke against the adoption of the amendment.

Amendment (1097) was not adopted.

Representative Barkis moved the adoption of amendment (1089):

On page 18, after line 21, insert the following:

"NEW SECTION. Sec. 10. By July 1, 2024, the joint legislative audit and review committee must evaluate the impact of the tax rate increases under this act on the regressivity of Washington's excise tax structure on households. The legislative audit and review committee must specifically evaluate the amount of Washington excise tax paid by household income threshold, prior to and after April 1, 2020. If the joint legislative audit and review committee determines that the tax structure is more regressive due to the changes in this act, this act expires January 1, 2025. The joint legislative audit and review committee must notify the department of revenue and the fiscal committees of the legislature of its findings and conclusions by August 15, 2024."

Correct the title.

Representative Barkis spoke in favor of the adoption of the amendment.

Representative Frame spoke against the adoption of the amendment.

Amendment (1089) was not adopted.

The Speaker (Representative Lovick presiding) called upon Representative Orwall to preside.

Representative Corry moved the adoption of amendment (1090):

On page 18, after line 21, insert the following:

"Sec. 10. RCW 43.88.055 and 2012 1st sp.s. c 8 s 1 are each amended to read as follows:

- (1) The legislature must adopt a four-year balanced budget as follows:
- (a) Beginning in the 2013-2015 fiscal biennium, the legislature shall enact a balanced omnibus operating appropriations bill that leaves, in total, a positive ending fund balance in the general fund and related funds.
- (b) Beginning in the 2013-2015 fiscal biennium, the projected maintenance level of the omnibus appropriations bill enacted by the legislature shall not exceed the available fiscal resources for the next ensuing fiscal biennium.
 - (2) For purposes of this section:
- "Available fiscal resources" means the beginning general fund and related fund balances and any fiscal resources estimated for the general fund and related funds, adjusted for enacted legislation, and with forecasted revenues adjusted to the greater of (i) the official general fund and related funds revenue forecast for the ensuing biennium, or (ii) the official general fund and related funds forecast for the second fiscal year of the current fiscal biennium, increased by 4.5 percent for each fiscal year of the ensuing biennium;
- (b) "Projected maintenance level" means estimated appropriations necessary to maintain the continuing costs of program and service levels either funded in that appropriations bill or mandated

by other state or federal law, and the amount of any general fund moneys projected to be transferred to the budget stabilization account pursuant Article VII, section 12 of the state Constitution ((, but does not include in the 2013-2015 and 2015-2017 fiscal biennia the costs related to the enhanced funding under the new definition of basic education as established in chapter 548, Laws of 2009, and affirmed by the decision in Mathew McCleary et al., v. The State of Washington, 173 Wn.2d 477, 269 P.3d 227, (2012), from which the exclusion short-term obligations is solely for the purposes of calculating this estimate and does not in any way indicate an intent to avoid full funding of these obligations));

- (c) "Related funds," as used in this section, means the Washington opportunity pathways account, the workforce education investment account, and the education legacy trust account.
- (3) Subsection (1) (a) and (b) of this section does not apply to an appropriations bill that makes net reductions in general fund and related funds appropriations and is enacted between July 1st and February 15th of any fiscal year.
- (4) Subsection (1) (b) of this section does not apply in a fiscal biennium in which money is appropriated from the budget stabilization account."

Correct the title.

POINT OF ORDER

Representative Stonier requested a scope and object ruling on amendment (1090) to ESSB 6492.

SPEAKER'S RULING

Madame Speaker (Representative Orwall presiding): "The title of the bill is an act relating to "addressing workforce education investment funding through business and occupation tax reform."

The amendment is wholly unrelated to the business and occupation tax and instead addresses whether the workforce education investment account should be included in the calculation of funds for purposes of the state four-year balanced budget requirement.

The Speaker therefore finds and rules that the amendment is outside the scope of the bill as defined by its title.

The point of order is well taken."

Representative Orcutt moved the adoption of the striking amendment (1091):

Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. RCW 82.04.299 (Workforce education investment surcharges) and 2019 c 406 s 74 are each repealed.

NEW SECTION. Sec. 2. The provisions of RCW 82.32.805 and 82.32.808 do not apply to this act.

<u>NEW SECTION.</u> **Sec. 3.** Section 1 of this act applies both prospectively and retroactively to January 1, 2020.

NEW SECTION. Sec. 4. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately."

Correct the title.

Representative Orcutt and Orcutt (again) spoke in favor of the adoption of the striking amendment.

Representative Hansen spoke against the adoption of the striking amendment.

The striking amendment (1091) was not adopted.

There being no objection, the rules were suspended, the second reading considered the third and the bill was placed on final passage.

Representatives Hansen, Lekanoff, Riccelli and Chopp spoke in favor of the passage of the bill.

Representatives Vick, Graham, Klippert, Kraft, Eslick, MacEwen, Dent, Jenkin, Walsh, Chambers, Stokesbary and Orcutt spoke against the passage of the bill.

The Speaker (Representative Orwall presiding) stated the question before the House to be the final passage of Engrossed Substitute Senate Bill No. 6492.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed Substitute Senate Bill No. 6492, and the bill passed the House by the following vote: Yeas, 52; Nays, 45; Absent, 0; Excused, 1.

Voting yea: Representatives Appleton, Bergquist, Blake, Callan, Chapman, Chopp, Cody, Davis, Doglio, Dolan, Duerr, Entenman, Fey, Fitzgibbon, Frame, Goodman, Gregerson, Hansen, Hudgins, J. Johnson, Kilduff, Kirby, Kloba, Lekanoff, Lovick, Macri, Morgan, Ormsby, Ortiz-Self, Orwall, Pellicciotti, Peterson, Pettigrew, Pollet, Ramel, Riccelli, Robinson, Ryu, Santos, Sells, Senn, Slatter, Springer, Stonier, Sullivan, Tarleton, Thai, Tharinger, Valdez, Walen, Wylie and Mme. Speaker.

Voting nay: Representatives Barkis, Caldier, Chambers, Chandler, Corry, DeBolt, Dent, Dufault, Dye, Eslick,

Gildon, Goehner, Graham, Griffey, Harris, Hoff, Irwin, Jenkin, Klippert, Kraft, Kretz, Leavitt, MacEwen, Maycumber, McCaslin, Mead, Mosbrucker, Orcutt, Paul, Ramos, Rude, Schmick, Shea, Shewmake, Smith, Steele, Stokesbary, Sutherland, Van Werven, Vick, Volz, Walsh, Wilcox, Ybarra and Young.

Excused: Representative Boehnke.

ENGROSSED SUBSTITUTE SENATE BILL NO. 6492, having received the necessary constitutional majority, was declared passed.

There being no objection, the House adjourned until 9:55 a.m., February 7, 2020, the 26th Day of the Regular Session.

LAURIE JINKINS, Speaker

BERNARD DEAN, Chief Clerk

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