

NINETY SEVENTH DAY

MORNING SESSION

Senate Chamber, Olympia
Saturday, April 19, 2025

The Senate was called to order at 9 o'clock a.m. by the Vice President Pro Tempore, Senator Lovick presiding. The Secretary called the roll and announced to the Vice President Pro Tempore that all Senators were present.

The Sergeant at Arms Color Guard consisting of Pages Mr. Michael Leone and Mr. Cobi Clark, presented the Colors.

Intern Miss Isabel Murillo led the Senate in the Pledge of Allegiance.

The prayer was offered by Senator Matt Boehnke of 8th Legislative District, Kennewick.

MOTIONS

On motion of Senator Riccelli, the reading of the Journal of the previous day was dispensed with and it was approved.

On motion of Senator Riccelli, Rule 15 was suspended for the remainder of the day for the purpose of allowing continued floor action.

EDITOR'S NOTE: Senate Rule 15 establishes the floor schedule and calls for a lunch and dinner break of 90 minutes each per day during regular daily sessions.

There being no objection, the Senate advanced to the first order of business.

REPORTS OF STANDING COMMITTEES

April 18, 2025

SB 5393 Prime Sponsor, Senator Robinson: Closing the Yakima Valley school and Rainier school. Reported by Committee on Ways & Means

MAJORITY recommendation: That Substitute Senate Bill No. 5393 be substituted therefor, and the substitute bill do pass. Signed by Senators Robinson, Chair; Stanford, Vice Chair, Operating; Frame, Vice Chair, Finance; Braun; Cleveland; Dhingra; Hansen; Hasegawa; Pedersen; Riccelli; Saldaña; Wellman and Wilson, C.

MINORITY recommendation: Do not pass. Signed by Senators Trudeau, Vice Chair, Capital; Schoesler, Ranking Member, Capital; Dozier, Assistant Ranking Member, Capital; Boehnke; Conway; Muzzall; Wagoner and Warnick.

MINORITY recommendation: That it be referred without recommendation. Signed by Senators Gildon, Ranking Member, Operating; Torres, Assistant Ranking Member, Operating and Kauffman.

Referred to Committee on Rules for second reading.

April 18, 2025

SB 5785 Prime Sponsor, Senator Robinson: Modifying students' share of the education costs at institutions of higher education. Reported by Committee on Ways & Means

MAJORITY recommendation: That Substitute Senate Bill No. 5785 be substituted therefor, and the substitute bill do pass. Signed by Senators Robinson, Chair; Stanford, Vice Chair, Operating; Trudeau, Vice Chair, Capital; Frame, Vice Chair, Finance; Cleveland; Conway; Dhingra; Hansen; Hasegawa; Kauffman; Pedersen; Riccelli; Saldaña; Wellman and Wilson, C.

MINORITY recommendation: Do not pass. Signed by Senators Schoesler, Ranking Member, Capital; Dozier, Assistant Ranking Member, Capital; Boehnke and Warnick.

MINORITY recommendation: That it be referred without recommendation. Signed by Senators Gildon, Ranking Member, Operating; Torres, Assistant Ranking Member, Operating; Braun; Muzzall and Wagoner.

Referred to Committee on Rules for second reading.

April 18, 2025

SB 5790 Prime Sponsor, Senator Robinson: Concerning cost-of-living adjustments for community and technical college employees. Reported by Committee on Ways & Means

MAJORITY recommendation: That Substitute Senate Bill No. 5790 be substituted therefor, and the substitute bill do pass. Signed by Senators Robinson, Chair; Stanford, Vice Chair, Operating; Trudeau, Vice Chair, Capital; Frame, Vice Chair, Finance; Gildon, Ranking Member, Operating; Torres, Assistant Ranking Member, Operating; Schoesler, Ranking Member, Capital; Cleveland; Conway; Dhingra; Hansen; Kauffman; Pedersen; Riccelli; Saldaña; Wagoner; Wellman and Wilson, C.

MINORITY recommendation: Do not pass. Signed by Senator Boehnke.

MINORITY recommendation: That it be referred without recommendation. Signed by Senators Dozier, Assistant Ranking Member, Capital; Braun; Hasegawa; Muzzall and Warnick.

Referred to Committee on Rules for second reading.

April 18, 2025

SB 5794 Prime Sponsor, Senator Salomon: Adopting recommendations from the tax preference performance review process, eliminating obsolete tax preferences, clarifying legislative intent, and addressing changes in constitutional law. Reported by Committee on Ways & Means

MAJORITY recommendation: That Substitute Senate Bill No. 5794 be substituted therefor, and the substitute bill do pass. Signed by Senators Robinson, Chair; Stanford, Vice Chair, Operating; Trudeau, Vice Chair, Capital; Frame, Vice Chair, Finance; Cleveland; Conway; Dhingra; Hansen; Hasegawa; Kauffman; Pedersen; Riccelli; Saldaña; Wellman and Wilson, C.

MINORITY recommendation: Do not pass. Signed by

Senators Gildon, Ranking Member, Operating; Torres, Assistant Ranking Member, Operating; Schoesler, Ranking Member, Capital; Dozier, Assistant Ranking Member, Capital; Boehnke; Braun; Muzzall; Wagoner and Warnick.

Referred to Committee on Rules for second reading.

April 18, 2025

SB 5797 Prime Sponsor, Senator Frame: Enacting a tax on stocks, bonds, and other financial intangible assets for the benefit of public schools. Reported by Committee on Ways & Means

MAJORITY recommendation: That Substitute Senate Bill No. 5797 be substituted therefor, and the substitute bill do pass. Signed by Senators Robinson, Chair; Stanford, Vice Chair, Operating; Trudeau, Vice Chair, Capital; Frame, Vice Chair, Finance; Cleveland; Conway; Dhingra; Hasegawa; Pedersen; Riccelli; Saldaña; Wellman and Wilson, C.

MINORITY recommendation: Do not pass. Signed by Senators Gildon, Ranking Member, Operating; Torres, Assistant Ranking Member, Operating; Schoesler, Ranking Member, Capital; Dozier, Assistant Ranking Member, Capital; Boehnke; Braun; Hansen; Muzzall; Wagoner and Warnick.

MINORITY recommendation: That it be referred without recommendation. Signed by Senator Kauffman.

Referred to Committee on Rules for second reading.

April 18, 2025

SB 5798 Prime Sponsor, Senator Pedersen: Concerning property tax reform. Reported by Committee on Ways & Means

MAJORITY recommendation: That Substitute Senate Bill No. 5798 be substituted therefor, and the substitute bill do pass. Signed by Senators Robinson, Chair; Stanford, Vice Chair, Operating; Trudeau, Vice Chair, Capital; Frame, Vice Chair, Finance; Cleveland; Conway; Dhingra; Hansen; Hasegawa; Kauffman; Pedersen; Riccelli; Saldaña; Wellman and Wilson, C.

MINORITY recommendation: That it be referred without recommendation. Signed by Senators Gildon, Ranking Member, Operating; Torres, Assistant Ranking Member, Operating; Schoesler, Ranking Member, Capital; Dozier, Assistant Ranking Member, Capital; Boehnke; Braun; Muzzall; Wagoner and Warnick.

Referred to Committee on Rules for second reading.

April 18, 2025

SB 5802 Prime Sponsor, Senator Liias: Rebalancing statutory fund transfers and revenue dedications for transportation. Reported by Committee on Ways & Means

MAJORITY recommendation: That Second Substitute Senate Bill No. 5802 be substituted therefor, and the second substitute bill do pass. Signed by Senators Robinson, Chair; Stanford, Vice Chair, Operating; Trudeau, Vice Chair, Capital; Frame, Vice Chair, Finance; Cleveland; Conway; Dhingra; Hansen; Kauffman; Pedersen; Riccelli; Saldaña; Wellman and Wilson, C.

MINORITY recommendation: That it be referred without recommendation. Signed by Senators Gildon, Ranking Member, Operating; Torres, Assistant Ranking Member, Operating; Schoesler, Ranking Member, Capital; Dozier, Assistant Ranking Member, Capital; Boehnke; Braun; Hasegawa; Muzzall; Wagoner and Warnick.

Referred to Committee on Rules for second reading.

April 18, 2025

SB 5807 Prime Sponsor, Senator Robinson: Concerning wellness incentives for public and school employee health benefit plans. Reported by Committee on Ways & Means

MAJORITY recommendation: Do pass. Signed by Senators Robinson, Chair; Stanford, Vice Chair, Operating; Trudeau, Vice Chair, Capital; Frame, Vice Chair, Finance; Gildon, Ranking Member, Operating; Torres, Assistant Ranking Member, Operating; Schoesler, Ranking Member, Capital; Dozier, Assistant Ranking Member, Capital; Braun; Cleveland; Conway; Hansen; Kauffman; Pedersen; Riccelli; Saldaña; Wellman and Wilson, C.

MINORITY recommendation: Do not pass. Signed by Senator Wagoner.

MINORITY recommendation: That it be referred without recommendation. Signed by Senators Boehnke; Dhingra; Hasegawa; Muzzall and Warnick.

Referred to Committee on Rules for second reading.

April 18, 2025

SB 5813 Prime Sponsor, Senator Wilson, C.: Increasing funding to the education legacy trust account by creating a more progressive rate structure for the capital gains tax and estate tax. Reported by Committee on Ways & Means

MAJORITY recommendation: That Substitute Senate Bill No. 5813 be substituted therefor, and the substitute bill do pass. Signed by Senators Robinson, Chair; Stanford, Vice Chair, Operating; Trudeau, Vice Chair, Capital; Frame, Vice Chair, Finance; Cleveland; Conway; Dhingra; Hansen; Hasegawa; Pedersen; Riccelli; Saldaña; Wellman and Wilson, C.

MINORITY recommendation: Do not pass. Signed by Senators Gildon, Ranking Member, Operating; Torres, Assistant Ranking Member, Operating; Schoesler, Ranking Member, Capital; Dozier, Assistant Ranking Member, Capital; Boehnke; Braun; Muzzall; Wagoner and Warnick.

MINORITY recommendation: That it be referred without recommendation. Signed by Senator Kauffman.

Referred to Committee on Rules for second reading.

April 18, 2025

SB 5814 Prime Sponsor, Senator Frame: Modernizing the excise taxes on select services and nicotine products and requiring certain large businesses to make a one-time prepayment of state sales tax collection. Reported by Committee on Ways & Means

MAJORITY recommendation: That Substitute Senate Bill No. 5814 be substituted therefor, and the substitute bill do pass. Signed by Senators Robinson, Chair; Stanford, Vice

NINETY SEVENTH DAY, APRIL 19, 2025

2025 REGULAR SESSION

Chair, Operating; Trudeau, Vice Chair, Capital; Frame, Vice Chair, Finance; Cleveland; Conway; Dhingra; Hansen; Hasegawa; Pedersen; Riccelli; Saldaña; Wellman and Wilson, C.

ENGROSSED SUBSTITUTE HOUSE BILL NO. 1620,
and the same are herewith transmitted.

MELISSA PALMER, Deputy Chief Clerk

April 18, 2025

MINORITY recommendation: Do not pass. Signed by Senators Gildon, Ranking Member, Operating; Torres, Assistant Ranking Member, Operating; Schoesler, Ranking Member, Capital; Dozier, Assistant Ranking Member, Capital; Boehnke; Braun; Muzzall; Wagoner and Warnick.

MR. PRESIDENT:

The House has passed:

SUBSTITUTE HOUSE BILL NO. 1958,
and the same are herewith transmitted.

BERNARD DEAN, Chief Clerk

MINORITY recommendation: That it be referred without recommendation. Signed by Senator Kauffman.

MOTION

On motion of Senator Riccelli, the Senate advanced to the fifth order of business.

Referred to Committee on Rules for second reading.

MOTIONS

On motion of Senator Riccelli, all measures listed on the Standing Committee report were referred to the committees as designated.

On motion of Senator Riccelli, the Senate advanced to the third order of business.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

2SHB 1207 by House Committee on Appropriations
(originally sponsored by Thai, and Ryu)
AN ACT Relating to superior court clerk fees; and amending
RCW 36.18.020.

Referred to Committee on Ways & Means.

MESSAGE FROM THE GOVERNOR GUBERNATORIAL APPOINTMENTS

April 16, 2025

TO THE HONORABLE, THE SENATE OF THE STATE OF
WASHINGTON

Ladies and Gentlemen:

I have the honor to submit the following appointment, subject to your confirmation.

VICTOR B. GARCIA, appointed April 5, 2025, for the term ending December 31, 2030, as Member of the Fish and Wildlife Commission.

Sincerely,

BOB FERGUSON, Governor

Referred to Committee on Agriculture & Natural Resources as Senate Gubernatorial Appointment No. 9243.

SHB 2047 by House Committee on Appropriations
(originally sponsored by Richards, Parshley, Macri, and Gregerson)

AN ACT Relating to eliminating the Washington employee ownership program; amending RCW 82.04.4488; creating a new section; repealing RCW 43.330.590, 43.330.592, and 43.330.595; providing an effective date; providing an expiration date; and declaring an emergency.

Referred to Committee on Ways & Means.

MOTION

On motion of Senator Riccelli, all measures listed on the Introduction and First Reading report were referred to the committees as designated.

Senator Hasegawa announced a meeting of the Democratic Caucus immediately following the meeting of the Committee on Rules.

Senator Warnick announced a meeting of the Republican Caucus immediately following the meeting of the Committee on Rules.

MOTION

At 9:10 a.m., on motion of Senator Riccelli, the Senate was declared to be at ease for the purpose of a meeting of the Committee on Rules and caucuses.

The Senate was called to order at 10:16 a.m. by Vice President Pro Tempore Lovick.

MOTION

On motion of Senator Riccelli, the Senate reverted to the fourth order of business.

April 18, 2025

MESSAGES FROM THE HOUSE

April 18, 2025

MR. PRESIDENT:

The House has passed:

SUBSTITUTE HOUSE BILL NO. 1848,
HOUSE BILL NO. 2003,

and the same are herewith transmitted.

MELISSA PALMER, Deputy Chief Clerk

April 18, 2025

MR. PRESIDENT:

The House concurred in the Senate amendments to the following bills and passed the bills as amended by the Senate:

ENGROSSED HOUSE BILL NO. 1052,
ENGROSSED SUBSTITUTE HOUSE BILL NO. 1395,
SUBSTITUTE HOUSE BILL NO. 1488,

MR. PRESIDENT:

The Speaker has signed:

HOUSE BILL NO. 1012,
ENGROSSED HOUSE BILL NO. 1014,
HOUSE BILL NO. 1046,
ENGROSSED HOUSE BILL NO. 1052,
ENGROSSED SUBSTITUTE HOUSE BILL NO. 1149,
SUBSTITUTE HOUSE BILL NO. 1171,
ENGROSSED HOUSE BILL NO. 1173,
ENGROSSED HOUSE BILL NO. 1185,
SUBSTITUTE HOUSE BILL NO. 1244,
SUBSTITUTE HOUSE BILL NO. 1308,
ENGROSSED SUBSTITUTE HOUSE BILL NO. 1332,
HOUSE BILL NO. 1372,
ENGROSSED SUBSTITUTE HOUSE BILL NO. 1395,
ENGROSSED HOUSE BILL NO. 1403,
SECOND SUBSTITUTE HOUSE BILL NO. 1427,
ENGROSSED SUBSTITUTE HOUSE BILL NO. 1483,
SUBSTITUTE HOUSE BILL NO. 1488,
SECOND SUBSTITUTE HOUSE BILL NO. 1516,
ENGROSSED SUBSTITUTE HOUSE BILL NO. 1533,
SUBSTITUTE HOUSE BILL NO. 1539,
ENGROSSED SUBSTITUTE HOUSE BILL NO. 1572,
HOUSE BILL NO. 1605,
ENGROSSED SUBSTITUTE HOUSE BILL NO. 1620,
HOUSE BILL NO. 1698,
ENGROSSED SUBSTITUTE HOUSE BILL NO. 1815,
SUBSTITUTE HOUSE BILL NO. 1899,
ENGROSSED SUBSTITUTE HOUSE BILL NO. 1971,
HOUSE JOINT MEMORIAL NO. 4002,

and the same are herewith transmitted.

MELISSA PALMER, Deputy Chief Clerk

April 18, 2025

MR. PRESIDENT:

The House has passed:

ENGROSSED SUBSTITUTE HOUSE BILL NO. 1468,
ENGROSSED SUBSTITUTE HOUSE BILL NO. 2061,
and the same are herewith transmitted.

MELISSA PALMER, Deputy Chief Clerk

April 18, 2025

MR. PRESIDENT:

The House concurred in the Senate amendments to the following bills and passed the bills as amended by the Senate:

SUBSTITUTE HOUSE BILL NO. 1539,
ENGROSSED HOUSE BILL NO. 1628,
HOUSE BILL NO. 1757,
ENGROSSED SUBSTITUTE HOUSE BILL NO. 1815,
ENGROSSED SUBSTITUTE HOUSE BILL NO. 1829,
ENGROSSED HOUSE BILL NO. 1874,

and the same are herewith transmitted.

MELISSA PALMER, Deputy Chief Clerk

MOTION

On motion of Senator Riccelli, the Senate advanced to the sixth order of business.

SECOND READING

SENATE BILL NO. 5814, by Senators Frame, Trudeau, Alvarado, Nobles, Pedersen, Valdez, and Wilson, C.

Modernizing the excise taxes on select services and nicotine products and requiring certain large businesses to make a one-time prepayment of state sales tax collection.

MOTION

On motion of Senator Frame, Substitute Senate Bill No. 5814 was substituted for Senate Bill No. 5814 and the substitute bill was placed on the second reading and read the second time.

SECOND READING

SUBSTITUTE SENATE BILL NO. 5814, by Senate Committee on Ways & Means (originally sponsored by Frame, Trudeau, Alvarado, Nobles, Pedersen, Valdez, and Wilson, C.)

Revised for 1st Substitute: Modifying the application and administration of certain excise taxes.

The measure was read the second time.

MOTION

Senator Boehnke moved that the following floor amendment no. 0464 by Senator Boehnke be adopted:

On page 6, line 11, after "consulting" insert ", except when provided to a hospital licensed under chapter 70.41 or 71.12 RCW"

On page 6, line 16, after "processing services" insert ", except when provided to a hospital licensed under chapter 70.41 or 71.12 RCW"

Senator Boehnke spoke in favor of adoption of the amendment.

Senator Robinson spoke against adoption of the amendment.

The Vice President Pro Tempore declared the question before the Senate to be the adoption of floor amendment no. 0464 by Senator Boehnke on page 6, line 11 to Substitute Senate Bill No. 5814.

The motion by Senator Boehnke did not carry and floor amendment no. 0464 was not adopted by voice vote.

MOTION

Senator Warnick moved that the following floor amendment no. 0446 by Senator Warnick be adopted:

On page 6, line 26, after "services" insert the following: "or security services used by a retail establishment"

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

Senators Warnick and MacEwen spoke in favor of adoption of the amendment.

Senator Frame spoke against adoption of the amendment.

The Vice President Pro Tempore declared the question before the Senate to be the adoption of floor amendment no. 0446 by Senator Warnick on page 6, line 26 to Substitute Senate Bill No. 5814.

The motion by Senator Warnick did not carry and floor amendment no. 0446 was not adopted by voice vote.

MOTION

Senator Dhingra moved that the following floor amendment no. 0452 by Senator Fortunato be adopted:

On page 6, line 26, after "services" insert "or any security monitoring service associated with the enforcement of a court"

NINETY SEVENTH DAY, APRIL 19, 2025
protection order"

2025 REGULAR SESSION

MacEwen on page 6, line 30, to Substitute Senate Bill No. 5814.

Senators Fortunato, Torres, and Gildon spoke in favor of adoption of the amendment.

Senators Dhingra and Robinson spoke against adoption of the amendment.

Senator Torres demanded a roll call.

The President declared that one-sixth of the members supported the demand and the demand was sustained.

The Vice President Pro Tempore declared the question before the Senate to be the adoption of the amendment by Senator Fortunato on page 6, line 26 to Substitute Senate Bill No. 5814.

ROLL CALL

The Secretary called the roll on the adoption of the amendment by Senator Fortunato and the amendment was not adopted by the following vote: Yeas, 19; Nays, 30; Absent, 0; Excused, 0.

Voting yea: Senators Boehnke, Braun, Christian, Dozier, Fortunato, Gildon, Goehner, Harris, Holy, King, MacEwen, McCune, Muzzall, Schoesler, Short, Torres, Wagoner, Warnick and Wilson, J.

Voting nay: Senators Alvarado, Bateman, Chapman, Cleveland, Conway, Cortes, Dhingra, Frame, Hansen, Hasegawa, Kauffman, Krishnadasan, Liias, Lovelett, Lovick, Nobles, Orwall, Pedersen, Ramos, Riccelli, Robinson, Saldaña, Salomon, Shewmake, Slatter, Stanford, Trudeau, Valdez, Wellman and Wilson, C.

MOTION

Senator Gildon moved that the following floor amendment no. 0457 by Senator Gildon be adopted:

On page 6, line 26, after "services" insert "or home security monitoring services"

Senator Gildon spoke in favor of adoption of the amendment.

Senator Liias spoke against adoption of the amendment.

The Vice President Pro Tempore declared the question before the Senate to be the adoption of floor amendment no. 0457 by Senator Gildon on page 6, line 26 to Substitute Senate Bill No. 5814.

The motion by Senator Gildon did not carry and floor amendment no. 0457 was not adopted by voice vote.

MOTION

Senator MacEwen moved that the following floor amendment no. 0443 by Senator MacEwen be adopted:

On page 6, line 30, after "RCW" insert "and day care centers or child care facilities as those terms are defined in RCW 35.63.170"

Senator MacEwen spoke in favor of adoption of the amendment.

Senator Wilson, C. spoke against adoption of the amendment.

Senator MacEwen demanded a roll call.

The Vice President Pro Tempore declared that one-sixth of the members supported the demand and the demand was sustained.

The Vice President Pro Tempore declared the question before the Senate to be the adoption of the amendment by Senator

ROLL CALL

The Secretary called the roll on the adoption of the amendment by Senator MacEwen and the amendment was not adopted by the following vote:

Yeas, 19; Nays, 30; Absent, 0; Excused, 0.

Voting yea: Senators Boehnke, Braun, Christian, Dozier, Fortunato, Gildon, Goehner, Harris, Holy, King, MacEwen, McCune, Muzzall, Schoesler, Short, Torres, Wagoner, Warnick and Wilson, J.

Voting nay: Senators Alvarado, Bateman, Chapman, Cleveland, Conway, Cortes, Dhingra, Frame, Hansen, Hasegawa, Kauffman, Krishnadasan, Liias, Lovelett, Lovick, Nobles, Orwall, Pedersen, Ramos, Riccelli, Robinson, Saldaña, Salomon, Shewmake, Slatter, Stanford, Trudeau, Valdez, Wellman and Wilson, C.

MOTION

Senator Wagoner moved that the following floor amendment no. 0444 by Senator Wagoner be adopted:

On page 6, line 30, after "RCW" insert "and behavioral health facilities"

Senators Wagoner and Goehner spoke in favor of adoption of the amendment.

Senator Dhingra spoke against adoption of the amendment.

The Vice President Pro Tempore declared the question before the Senate to be the adoption of floor amendment no. 0444 by Senator Wagoner on page 6, line 30 to Substitute Senate Bill No. 5814.

The motion by Senator Wagoner did not carry and floor amendment no. 0444 was not adopted by voice vote.

MOTION

Senator Braun moved that the following floor amendment no. 0449 by Senator Braun be adopted:

On page 6, line 30, after "RCW" insert "and any business hiring temporary workers to fill vacancies for employees on family and medical leave"

Senator Braun spoke in favor of adoption of the amendment.

Senator Stanford spoke against adoption of the amendment.

The Vice President Pro Tempore declared the question before the Senate to be the adoption of floor amendment no. 0449 by Senator Braun on page 6, line 30 to Substitute Senate Bill No. 5814.

The motion by Senator Braun did not carry and floor amendment no. 0449 was not adopted by voice vote.

MOTION

Senator Boehnke moved that the following floor amendment no. 0451 by Senator Boehnke be adopted:

On page 6, line 30, after "RCW" insert "and chemical and substance use disorder treatment facilities"

Senator Boehnke spoke in favor of adoption of the amendment.

Senator Dhingra spoke against adoption of the amendment.

The Vice President Pro Tempore declared the question before the Senate to be the adoption of floor amendment no. 0451 by Senator Boehnke on page 6, line 30 to Substitute Senate Bill No. 5814.

The motion by Senator Boehnke did not carry and floor amendment no. 0451 was not adopted by voice vote.

MOTION

Senator Muzzall moved that the following floor amendment no. 0459 by Senator Muzzall be adopted:

On page 6, line 30, after "RCW" insert "or nursing homes licensed under chapter 18.51 RCW"

On page 6, line 32, after "basis" insert ". 'Temporary staffing services' does not include work performed by health professionals regulated under chapter 18.130 RCW"

Senators Muzzall, Braun and Torres spoke in favor of adoption of the amendment.

Senator Robinson spoke against adoption of the amendment.

Senator Torres demanded a roll call.

The Vice President Pro Tempore declared that one-sixth of the members supported the demand and the demand was sustained.

The Vice President Pro Tempore declared the question before the Senate to be the adoption of the amendment by Senator Muzzall on page 6, line 30 to Substitute Senate Bill No. 5814.

ROLL CALL

The Secretary called the roll on the adoption of the amendment by Senator Muzzall and the amendment was not adopted by the following vote:

Yeas, 19; Nays, 30; Absent, 0; Excused, 0.

Voting yea: Senators Boehnke, Braun, Christian, Dozier, Fortunato, Gildon, Goehner, Harris, Holy, King, MacEwen, McCune, Muzzall, Schoesler, Short, Torres, Wagoner, Warnick and Wilson, J.

Voting nay: Senators Alvarado, Bateman, Chapman, Cleveland, Conway, Cortes, Dhingra, Frame, Hansen, Hasegawa, Kauffman, Krishnadasan, Lias, Lovelett, Lovick, Nobles, Orwall, Pedersen, Ramos, Riccelli, Robinson, Saldaña, Salomon, Shewmake, Slatter, Stanford, Trudeau, Valdez, Wellman and Wilson, C.

MOTION

Senator Boehnke moved that the following floor amendment no. 0467 by Senator Boehnke be adopted:

On page 6, line 30, after "71.12 RCW," insert "and except for facilities generating electricity using nonemitting electric generation or a renewable resource, as those terms are defined in RCW 19.405.020,"

Senator Boehnke spoke in favor of adoption of the amendment.

Senator Lovelett spoke against adoption of the amendment.

The Vice President Pro Tempore declared the question before the Senate to be the adoption of floor amendment no. 0467 by Senator Boehnke on page 6, line 30 to Substitute Senate Bill No. 5814.

The motion by Senator Boehnke did not carry and floor amendment no. 0467 was not adopted by voice vote.

MOTION

Senator Torres moved that the following floor amendment no. 0445 by Senator Torres be adopted:

On page 6, line 32, after "basis" insert ". 'Temporary staffing services' does not include long-term care workers as defined in RCW 74.39A.009"

Senators Torres and Muzzall spoke in favor of adoption of the amendment.

Senator Robinson spoke against adoption of the amendment.

The Vice President Pro Tempore declared the question before the Senate to be the adoption of floor amendment no. 0445 by Senator Torres on page 6, line 32 to Substitute Senate Bill No. 5814.

The motion by Senator Torres did not carry and floor amendment no. 0445 was not adopted by voice vote.

MOTION

Senator Muzzall moved that the following floor amendment no. 0461 by Senator Muzzall be adopted:

On page 6, line 32, after "basis" insert ". 'Temporary staffing services' does not apply to any work performed by dentists licensed or regulated under chapter 18.32 RCW"

Senator Muzzall spoke in favor of adoption of the amendment.

Senator Riccelli spoke against adoption of the amendment.

The Vice President Pro Tempore declared the question before the Senate to be the adoption of floor amendment no. 0461 by Senator Muzzall on page 6, line 32 to Substitute Senate Bill No. 5814.

The motion by Senator Muzzall did not carry and floor amendment no. 0461 was not adopted by voice vote.

MOTION

Senator Braun moved that the following floor amendment no. 0468 by Senator Braun be adopted:

On page 6, line 36, after "radio," insert "cable, direct-to-home satellite, streaming."

Senators Braun, Dozier and Boehnke spoke in favor of adoption of the amendment.

Senator Frame spoke against adoption of the amendment.

The Vice President Pro Tempore declared the question before the Senate to be the adoption of floor amendment no. 0468 by Senator Braun on page 6, line 36 to Substitute Senate Bill No. 5814.

The motion by Senator Braun did not carry and floor amendment no. 0468 was not adopted by voice vote.

MOTION

Senator Muzzall moved that the following floor amendment no. 0460 by Senator Muzzall be adopted:

On page 9, line 27, after "software" insert ", except for certified electronic health records, electronic medical records, or telehealth platform technologies required by state or federal law,"

On page 10, line 1, after "computer software" insert ", except for certified electronic health records, electronic medical records, or telehealth platform technologies required by state or federal law"

NINETY SEVENTH DAY, APRIL 19, 2025

On page 10, line 8, after "software" insert ", except for certified electronic health records, electronic medical records, or telehealth platform technologies required by state or federal law."

Senators Muzzall, MacEwen and Dozier spoke in favor of adoption of the amendment.

Senator Riccelli spoke against adoption of the amendment.

The Vice President Pro Tempore declared the question before the Senate to be the adoption of floor amendment no. 0460 by Senator Muzzall on page 9, line 27 to Substitute Senate Bill No. 5814.

The motion by Senator Muzzall did not carry and floor amendment no. 0460 was not adopted by voice vote.

MOTION

Senator Cleveland moved that the following floor amendment no. 0441 by Senator Cleveland be adopted:

On page 22, beginning on line 39, after "tobacco" strike all material through "nicotine." on line 40

On page 25, line 6, after "82.24.010" insert "or a drug, device, or combination product approved, as of December 31, 2024, for sale by the United States food and drug administration, as those terms are defined in the federal food, drug, and cosmetic act (21 U.S.C. Sec. 301 et seq.) as it exists on the effective date of this section"

Senator Cleveland spoke in favor of adoption of the amendment.

Senator Braun spoke against adoption of the amendment.

Senator Braun demanded a roll call.

The Vice President Pro Tempore declared that one-sixth of the members supported the demand and the demand was sustained.

The President declared the question before the Senate to be the adoption of the amendment by Senator Cleveland on page 22, line 39 to Substitute Senate Bill No. 5714.

ROLL CALL

The Secretary called the roll on the adoption of the amendment by Senator Cleveland and the amendment was adopted by the following vote: Yeas, 31; Nays, 18; Absent, 0; Excused, 0.

Voting yea: Senators Alvarado, Bateman, Chapman, Cleveland, Conway, Cortes, Dhingra, Frame, Hansen, Harris, Hasegawa, Kauffman, Krishnadasan, Liias, Lovelett, Lovick, Nobles, Orwall, Pedersen, Ramos, Riccelli, Robinson, Saldaña, Salomon, Shewmake, Slatte, Stanford, Trudeau, Valdez, Wellman and Wilson, C.

Voting nay: Senators Boehnke, Braun, Christian, Dozier, Fortunato, Gildon, Goehner, Holy, King, MacEwen, McCune, Muzzall, Schoesler, Short, Torres, Wagoner, Warnick and Wilson, J.

SIGNED BY THE PRESIDENT

Pursuant to Article 2, Section 32 of the State Constitution and Senate Rule 1(5), the President announced the signing of and thereupon did sign in open session:

HOUSE BILL NO. 1012,
ENGROSSED HOUSE BILL NO. 1014,
HOUSE BILL NO. 1046,
ENGROSSED HOUSE BILL NO. 1052,
ENGROSSED SUBSTITUTE HOUSE BILL NO. 1149,
SUBSTITUTE HOUSE BILL NO. 1171,

2025 REGULAR SESSION

ENGROSSED HOUSE BILL NO. 1173,
ENGROSSED HOUSE BILL NO. 1185,
SUBSTITUTE HOUSE BILL NO. 1244,
SUBSTITUTE HOUSE BILL NO. 1308,
ENGROSSED SUBSTITUTE HOUSE BILL NO. 1332,
HOUSE BILL NO. 1372,
ENGROSSED SUBSTITUTE HOUSE BILL NO. 1395,
ENGROSSED HOUSE BILL NO. 1403,
SECOND SUBSTITUTE HOUSE BILL NO. 1427,
ENGROSSED SUBSTITUTE HOUSE BILL NO. 1483,
SUBSTITUTE HOUSE BILL NO. 1488,
SECOND SUBSTITUTE HOUSE BILL NO. 1516,
ENGROSSED SUBSTITUTE HOUSE BILL NO. 1533,
SUBSTITUTE HOUSE BILL NO. 1539,
ENGROSSED SUBSTITUTE HOUSE BILL NO. 1572,
HOUSE BILL NO. 1605,
ENGROSSED SUBSTITUTE HOUSE BILL NO. 1620,
HOUSE BILL NO. 1698,
ENGROSSED SUBSTITUTE HOUSE BILL NO. 1815,
SUBSTITUTE HOUSE BILL NO. 1899,
ENGROSSED SUBSTITUTE HOUSE BILL NO. 1971,
HOUSE JOINT MEMORIAL NO. 4002.

MOTION

Senator Braun moved that the following floor amendment no. 0454 by Senator Braun be adopted:

On page 22, beginning on line 39, after "tobacco" strike all material through "nicotine." on line 40

On page 23, line 3, after "(14)" insert "(a) "Nicotine analogue" means a substance:

(i) The chemical structure of which is substantially similar to the chemical structure of nicotine; or

(ii) Which has, purports to have, or is represented to have, an effect on the central nervous system that is similar to or greater than the effect of nicotine on the central nervous system.

(b) Factors relevant to determining whether a substance is a nicotine analogue include, but are not limited to, the marketing, advertising, and labeling of the substance, and whether the substance has been manufactured, formulated, sold, distributed, or marketed with the intent to avoid the provisions of this subsection (14) and other applicable provisions of law.

(15) "Oral nicotine product" means any noncombustible product containing nicotine, whether derived from tobacco or created synthetically, or a nicotine analogue, that is in the form of a solid, gel, gum, or paste that is intended for human consumption or placement in the oral cavity for absorption into the human body by any means other than inhalation. "Oral nicotine products" are not moist snuff products nor is any oral nicotine product included in the definition of any smokeless tobacco product, vapor product, cigarette, or any product regulated as a drug or device by the United States food and drug administration under chapter V of the food, drug, and cosmetic act.

(16)"

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

On page 25, line 1, after "smoking," insert "oral nicotine products, nicotine analogues."

On page 25, beginning on line 2, after "tobacco" strike all material through "synthetically" on line 3

On page 25, line 6, after "82.24.010" insert "or vapor products as defined in RCW 82.25.005"

On page 25, after line 12, insert the following:

"**Sec. 302.** RCW 82.26.020 and 2019 c 445 s 404 are each amended to read as follows:

(1) There is levied and collected a tax upon the sale, handling,

or distribution of all tobacco products in this state at the following rate:

(a) For cigars except little cigars, ~~((ninety-five))~~ 95 percent of the taxable sales price of cigars, not to exceed ~~((sixty-five cents))~~ \$0.65 per cigar;

(b) For all tobacco products except those covered under separate provisions of this subsection, ~~((ninety-five))~~ 95 percent of the taxable sales price. The tax imposed on a product under this subsection must be reduced by ~~((fifty))~~ 50 percent if that same product is issued a modified risk tobacco product order by the secretary of the United States department of health and human services pursuant to Title 21 U.S.C. Sec. 387k(g)(1), or by ~~((twenty-five))~~ 25 percent if that same product is issued a modified risk tobacco product order by the secretary of the United States department of health and human services pursuant to Title 21 U.S.C. Sec. 387k(g)(2). The tax reduction applies during the period the modified risk tobacco product order is in effect;

(c) For moist snuff, as established in this subsection (1)(c) and computed on the net weight listed by the manufacturer:

(i) On each single unit consumer-sized can or package whose net weight is ~~((one and two tenths))~~ 1.2 ounces or less, a rate per single unit that is equal to the greater of \$2.526 ~~((dollars))~~ or ~~((eighty-three and one-half))~~ 83.5 percent of the cigarette tax under chapter 82.24 RCW multiplied by ~~((twenty))~~ 20; or

(ii) On each single unit consumer-sized can or package whose net weight is more than ~~((one and two tenths))~~ 1.2 ounces, a proportionate tax at the rate established in (c)(i) of this subsection (1) on each ounce or fractional part of an ounce; ~~((and))~~

(d) For little cigars, an amount per cigar equal to the cigarette tax under chapter 82.24 RCW; and

(e) For oral nicotine products, \$0.0225 per discrete consumable unit. The tax imposed on a package that contains less than 20 discrete consumable units is equal to the tax imposed on a package of 20 discrete consumable units.

(2) Taxes under this section must be imposed at the time the distributor (a) brings, or causes to be brought, into this state from without the state tobacco products for sale, (b) makes, manufactures, fabricates, or stores tobacco products in this state for sale in this state, (c) ships or transports tobacco products to retailers in this state, to be sold by those retailers, or (d) handles for sale any tobacco products that are within this state but upon which tax has not been imposed.

(3) The moneys collected under this section must be deposited into the state general fund."

On page 29, line 23, after "**504.**" strike "Section 301 of this act takes" and insert "Sections 301 and 302 of this act take"

On page 1, line 4 of the title, after "82.26.010," insert "82.26.020,"

Senator Braun spoke in favor of adoption of the amendment.

Senator Cleveland spoke against adoption of the amendment.

The Vice President Pro Tempore declared the question before the Senate to be the adoption of floor amendment no. 0454 by Senator Braun on page 22, line 39 to 5814-S.

The motion by Senator Braun did not carry and floor amendment no. 0454 was not adopted by rising vote.

MOTION

Senator Muzzall moved that the following floor amendment no. 0462 by Senator Muzzall be adopted:

Beginning on page 25, line 14, strike all material through "**PART V**" on page 29, line 13

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

On page 29, beginning on line 25, strike all of section 505

On page 1, beginning on line 4 of the title, after "taxes;" strike all material through "82.32.050" on line 7 and insert "amending RCW 82.04.192 and 82.26.010; reenacting and amending RCW 82.04.050"

Senators Muzzall, Dozier and MacEwen spoke in favor of adoption of the amendment.

Senators Robinson and Frame spoke against adoption of the amendment.

REMARKS BY THE VICE PRESIDENT PRO TEMPORE

Vice President Pro Tempore Lovick: "The President would remind members to address their remarks to the President and not to small businesses or anyone."

Senators Gildon and King spoke in favor of adoption of the amendment.

The Vice President Pro Tempore declared the question before the Senate to be the adoption of floor amendment no. 0462 by Senator Muzzall on page 25, line 14 to Substitute Senate Bill No. 5814.

The motion by Senator Muzzall did not carry and floor amendment no. 0462 was not adopted by voice vote.

MOTION

Senator Robinson moved that the following floor amendment no. 0466 by Senator Robinson be adopted:

On page 29, after line 12, insert the following:

"PART V CIGARETTE TAX

NEW SECTION. Sec. 501. A new section is added to chapter 82.24 RCW to read as follows:

(1) In addition to the tax imposed upon the sale, use, consumption, handling, possession, or distribution of cigarettes set forth in RCW 82.24.020 and 82.24.026, there is imposed a tax in an amount equal to \$0.10 per cigarette.

(2) Beginning December 2028, and every three years thereafter, the department shall adjust the amount of the tax under this section by multiplying the current amount by one plus the percentage by which the most current consumer price index available on December 1st of the current year exceeds the consumer price index for the prior 36-month period. If an adjustment under this subsection (2) would reduce the applicable amounts, the department may not adjust the applicable amounts for use in the following year. The department shall publish the adjusted applicable amounts on its public website by December 31st. The adjusted applicable amounts calculated under this subsection (2) take effect for taxes due in January of the calendar year that is two years after the year of the calculation.

(3) The revenue collected under this section must be deposited as follows:

(a) The first \$10,000,000 per fiscal year must be deposited in the youth tobacco and vapor products prevention account created in RCW 70.155.120; and

(b) The remainder must be deposited into the general fund.

(4) For purposes of this section, "consumer price index" means the consumer price index for all urban consumers, all items, for the Seattle area as calculated by the United States bureau of labor statistics or its successor agency."

NINETY SEVENTH DAY, APRIL 19, 2025

2025 REGULAR SESSION

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

On page 1, line 5 of the title, after "82.32.050;" insert "adding a new section to chapter 82.24 RCW;"

Senators Robinson and Harris spoke in favor of adoption of the amendment.

Senators Braun and Muzzall spoke against adoption of the amendment.

Senator MacEwen spoke on adoption of the amendment.

Senator Braun demanded a roll call.

The President declared that one-sixth of the members supported the demand and the demand was sustained.

The Vice President Pro Tempore declared the question before the Senate to be the adoption of the amendment by Senator Robinson on page 29, line 12 to Substitute Senate Bill No. 5814.

ROLL CALL

The Secretary called the roll on the adoption of the amendment by Senator Robinson and the amendment was adopted by the following vote: Yeas, 29; Nays, 20; Absent, 0; Excused, 0.

Voting yea: Senators Alvarado, Bateman, Cleveland, Conway, Cortes, Dhingra, Frame, Hansen, Harris, Hasegawa, Kauffman, Liias, Lovelett, Lovick, Nobles, Orwall, Pedersen, Ramos, Riccelli, Robinson, Saldaña, Salomon, Shewmake, Slatter, Stanford, Trudeau, Valdez, Wellman and Wilson, C.

Voting nay: Senators Boehnke, Braun, Chapman, Christian, Dozier, Fortunato, Gildon, Goehner, Holy, King, Krishnadasan, MacEwen, McCune, Muzzall, Schoesler, Short, Torres, Wagoner, Warnick and Wilson, J.

MOTION

Senator Wilson, J. moved that the following floor amendment no. 0450 by Senator Wilson, J. be adopted:

On page 29, beginning on line 19, strike all of section 502
Renumber the remaining sections consecutively and correct any internal references accordingly.

Senator Wilson, J. spoke in favor of adoption of the amendment.

Senator Pedersen spoke against adoption of the amendment.

The Vice President Pro Tempore declared the question before the Senate to be the adoption of floor amendment no. 0450 by Senator Wilson, J. on page 29, line 19 to Substitute Senate Bill No. 5814.

The motion by Senator Wilson, J. did not carry and floor amendment no. 0450 was not adopted by voice vote.

MOTION

On motion of Senator Frame, the rules were suspended, Engrossed Substitute Senate Bill No. 5814 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Frame spoke in favor of passage of the bill.

Senators Torres, Wagoner, McCune, Wilson, J., MacEwen, Fortunato, and Christian spoke against passage of the bill.

POINT OF ORDER

Senator Riccelli: "Thank you Mr. President. May I read from

our Senate Rules?"

Vice President Pro Tempore Lovick: "Will the senator please state your point?"

Senator Riccelli: "I believe the good gentleman is not maintain decorum according to our Senate Rules."

Vice President Pro Tempore Lovick: "The President would like to know your specific objection."

Senator Riccelli: "Yes. Under our Senate Rules, all members must speak in a courteous manner to the question ahead, I believe several of his remarks have been borderline, bordering on impugning and not maintaining the decorum of our rules."

RULING BY THE VICE PRESIDENT PRO TEMPORE

Vice President Pro Tempore Lovick: "The President would remind the senator that it is a good reminder that tensions are high, but the President feels that the member from the 4th District was stating his opinion and not necessarily impugning other members. But the President would remind members to please be careful with not only the tone, but tenor of what we say. Please proceed."

Senator Liias spoke in favor of passage of the bill.

Senator Gildon spoke against passage of the bill.

The Vice President Pro Tempore declared the question before the Senate to be the final passage of Engrossed Substitute Senate Bill No. 5814.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute Senate Bill No. 5814 and the bill passed the Senate by the following vote: Yeas, 27; Nays, 22; Absent, 0; Excused, 0.

Voting yea: Senators Alvarado, Bateman, Cleveland, Conway, Dhingra, Frame, Hansen, Hasegawa, Kauffman, Liias, Lovelett, Lovick, Nobles, Orwall, Pedersen, Ramos, Riccelli, Robinson, Saldaña, Salomon, Shewmake, Slatter, Stanford, Trudeau, Valdez, Wellman and Wilson, C.

Voting nay: Senators Boehnke, Braun, Chapman, Christian, Cortes, Dozier, Fortunato, Gildon, Goehner, Harris, Holy, King, Krishnadasan, MacEwen, McCune, Muzzall, Schoesler, Short, Torres, Wagoner, Warnick and Wilson, J.

ENGROSSED SUBSTITUTE SENATE BILL NO. 5814, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

PERSONAL PRIVILEGE

Senator Hasegawa: "Thank you Mr. President. Last week we had a conversation on a bill that named a bridge for the Medal of Honor recipients in the state. And as I talked to members, most had not ever seen a Medal of Honor. So, I have my wife's father's Congressional Gold Medal of Honor up here if you would like to take a look. So, it is just for your information. Thank you Mr. President."

EDITOR'S NOTE: "Senator Hasegawa was referencing the Chinese-American Veterans of World War II Congressional Gold Medal authorized December 20, 2018. The authorizing legislation states "the Chinese-American Veterans of World War II, in

recognition of their dedicated service during World War II... Despite the anti-Chinese discrimination at the time, as many as 20,000 Chinese Americans served in the Armed Forces during World War II, of whom, approximately 40 percent were not United States citizens due to the laws that denied citizenship to persons of Chinese descent".

Senator Hasegawa announced a meeting or the Democratic Caucus at 1:15 p.m.

Senator Warnick announced a meeting or the Republican Caucus at 1:15 p.m.

MOTION

At 12:38 p.m., on motion of Senator Riccelli, the Senate was declared to be at ease for the purpose of caucuses.

The Senate was called to order at 1:46 p.m. by Vice President Pro Tempore Lovick.

SECOND READING

SENATE BILL NO. 5794, by Senators Salomon, Lovelett, Alvarado, Bateman, Dhingra, Frame, Hasegawa, Nobles, Ramos, Riccelli, Trudeau, and Wellman

Adopting recommendations from the tax preference performance review process, eliminating obsolete tax preferences, clarifying legislative intent, and addressing changes in constitutional law.

MOTION

On motion of Senator Salomon, Substitute Senate Bill No. 5794 was substituted for Senate Bill No. 5794 and the substitute bill was placed on the second reading and read the second time.

SECOND READING

SUBSTITUTE SENATE BILL NO. 5794, by Senate Committee on Ways & Means (originally sponsored by Salomon, Lovelett, Alvarado, Bateman, Dhingra, Frame, Hasegawa, Nobles, Ramos, Riccelli, Trudeau, and Wellman)

Adopting recommendations from the tax preference performance review process, eliminating obsolete tax preferences, clarifying legislative intent, and addressing changes in constitutional law.

The measure was read the second time.

MOTION

Senator Frame moved that the following striking floor amendment no. 0438 by Senator Frame be adopted:

Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. (1) The legislature finds that, according to the most recent tax exemption study published by the department of revenue, there are currently 786 tax exemptions for the major state and local tax sources in Washington. The exemptions result in nearly \$200,000,000,000 of taxpayer savings for the current biennium. The legislature acknowledges that certain tax preferences, such as the sales and use tax exemption

for food and the working families tax credit, are intended to rebalance Washington's tax code for working people. However, the legislature further acknowledges that many existing tax preferences are the result of private interests securing preferential tax treatment.

(2) For that reason, the legislature enacted robust tax preference performance measures to create greater tax preference transparency and accountability and provide a framework for legislators to make informed decisions on the most efficient use of taxpayer dollars. To ensure tax exemptions meet certain public policy objectives, the joint legislative audit and review committee, a nonpartisan legislative agency, routinely evaluates tax preferences based on specific criteria provided in law and reports that information to the legislature each year. The reports provide accurate, comprehensive, unbiased data that policymakers may use to determine if a tax preference should be continued, modified, or repealed. Additionally, the citizen commission for performance measurement of tax preferences is responsible for selecting which tax preferences are reviewed each year and provides comment on the legislative auditor's reports. Both entities provide recommendations to the legislature on the effectiveness of a tax preference in meeting certain performance measures.

(3) Furthermore, the department of revenue assists in the tax preference evaluation process by collecting data from taxpayer beneficiaries and regularly reviewing changes in state and federal law. The analysis by the department and legislative auditor often reveals that a tax exemption is legally obsolete, meaning the specific legal conditions that existed when the exemption was enacted have since changed and the original legislative intent is no longer applicable. Additionally, some tax exemptions are simply not used and should be removed from the tax code to create better clarity for taxpayers.

(4) The legislature recognizes that more progress is needed for the state to have a fair and balanced tax system that provides sustainable and ample funding for public schools, health care, and other programs that protect the safety and well-being of the public, as well as social services that provide critical, basic-needs assistance for our state's most vulnerable residents. The legislature further recognizes that the tax preference performance review process provides an opportunity for policymakers to evaluate the tax code to ensure the state is not losing essential revenue due to inefficient or no longer applicable tax exemptions.

(5) Thus, the legislature intends to enact recommendations from the joint legislative audit and review committee, the citizen commission for performance measurement of tax preferences, and the department of revenue, including eliminating several obsolete tax preferences, clarifying legislative intent to better inform future tax preference performance reviews, adding expiration dates, and other actions aimed at creating a fair and balanced tax system.

PART I

ELIMINATING OBSOLETE TAX PREFERENCES

Sec. 101. RCW 82.04.260 and 2023 c 422 s 5 and 2023 c 286 s 3 are each reenacted and amended to read as follows:

(1) Upon every person engaging within this state in the business of manufacturing:

(a) Wheat into flour, barley into pearl barley, soybeans into soybean oil, canola into canola oil, canola meal, or canola by-products, or sunflower seeds into sunflower oil; as to such persons the amount of tax with respect to such business is equal to the value of the flour, pearl barley, oil, canola meal, or canola by-product manufactured, multiplied by the rate of 0.138 percent;

(b) Beginning July 1, 2035, seafood products that remain in a

NINETY SEVENTH DAY, APRIL 19, 2025

2025 REGULAR SESSION

raw, raw frozen, or raw salted state at the completion of the manufacturing by that person; or selling manufactured seafood products that remain in a raw, raw frozen, or raw salted state at the completion of the manufacturing, to purchasers who transport in the ordinary course of business the goods out of this state; as to such persons the amount of tax with respect to such business is equal to the value of the products manufactured or the gross proceeds derived from such sales, multiplied by the rate of 0.138 percent. Sellers must keep and preserve records for the period required by RCW 82.32.070 establishing that the goods were transported by the purchaser in the ordinary course of business out of this state;

(c)(i) Except as provided otherwise in (c)(iii) of this subsection, beginning July 1, 2035, until January 1, 2046, dairy products; or selling dairy products that the person has manufactured to purchasers who either transport in the ordinary course of business the goods out of state or purchasers who use such dairy products as an ingredient or component in the manufacturing of a dairy product; as to such persons the tax imposed is equal to the value of the products manufactured or the gross proceeds derived from such sales multiplied by the rate of 0.138 percent. Sellers must keep and preserve records for the period required by RCW 82.32.070 establishing that the goods were transported by the purchaser in the ordinary course of business out of this state or sold to a manufacturer for use as an ingredient or component in the manufacturing of a dairy product.

(ii) For the purposes of this subsection (1)(c), "dairy products" means:

(A) Products, not including any cannabis-infused product, that as of September 20, 2001, are identified in 21 C.F.R., chapter 1, parts 131, 133, and 135, including by-products from the manufacturing of the dairy products, such as whey and casein; and

(B) Products comprised of not less than 70 percent dairy products that qualify under (c)(ii)(A) of this subsection, measured by weight or volume.

(iii) The preferential tax rate provided to taxpayers under this subsection (1)(c) does not apply to sales of dairy products on or after July 1, 2023, where a dairy product is used by the purchaser as an ingredient or component in the manufacturing in Washington of a dairy product;

(d)(i) Beginning July 1, 2035, fruits or vegetables by canning, preserving, freezing, processing, or dehydrating fresh fruits or vegetables, or selling at wholesale fruits or vegetables manufactured by the seller by canning, preserving, freezing, processing, or dehydrating fresh fruits or vegetables and sold to purchasers who transport in the ordinary course of business the goods out of this state; as to such persons the amount of tax with respect to such business is equal to the value of the products manufactured or the gross proceeds derived from such sales multiplied by the rate of 0.138 percent. Sellers must keep and preserve records for the period required by RCW 82.32.070 establishing that the goods were transported by the purchaser in the ordinary course of business out of this state.

(ii) For purposes of this subsection (1)(d), "fruits" and "vegetables" do not include cannabis, useable cannabis, or cannabis-infused products; and

(e) Wood biomass fuel; as to such persons the amount of tax with respect to the business is equal to the value of wood biomass fuel manufactured, multiplied by the rate of 0.138 percent. For the purposes of this section, "wood biomass fuel" means a liquid or gaseous fuel that is produced from lignocellulosic feedstocks, including wood, forest, or field residue and dedicated energy crops, and that does not include wood treated with chemical preservations such as creosote, pentachlorophenol, or copper-

chrome-arsenic.

(2) Upon every person engaging within this state in the business of splitting or processing dried peas; as to such persons the amount of tax with respect to such business is equal to the value of the peas split or processed, multiplied by the rate of 0.138 percent.

(3) Upon every nonprofit corporation and nonprofit association engaging within this state in research and development, as to such corporations and associations, the amount of tax with respect to such activities is equal to the gross income derived from such activities multiplied by the rate of 0.484 percent.

(4) Upon every person engaging within this state in the business of slaughtering, breaking and/or processing perishable meat products and/or selling the same at wholesale only and not at retail; as to such persons the tax imposed is equal to the gross proceeds derived from such sales multiplied by the rate of 0.138 percent.

(5)(a) Upon every person engaging within this state in the business of acting as a travel agent or tour operator and whose annual taxable amount for the prior calendar year from such business was \$250,000 or less; as to such persons the amount of the tax with respect to such activities is equal to the gross income derived from such activities multiplied by the rate of 0.275 percent.

(b) Upon every person engaging within this state in the business of acting as a travel agent or tour operator and whose annual taxable amount for the prior calendar year from such business was more than \$250,000; as to such persons the amount of the tax with respect to such activities is equal to the gross income derived from such activities multiplied by the rate of 0.275 percent through June 30, 2019, and 0.9 percent beginning July 1, 2019.

(6) Upon every person engaging within this state in business as an international steamship agent, international customs house broker, international freight forwarder, vessel and/or cargo charter broker in foreign commerce, and/or international air cargo agent; as to such persons the amount of the tax with respect to only international activities is equal to the gross income derived from such activities multiplied by the rate of 0.275 percent.

(7) Upon every person engaging within this state in the business of stevedoring and associated activities pertinent to the movement of goods and commodities in waterborne interstate or foreign commerce; as to such persons the amount of tax with respect to such business is equal to the gross proceeds derived from such activities multiplied by the rate of 0.275 percent. Persons subject to taxation under this subsection are exempt from payment of taxes imposed by chapter 82.16 RCW for that portion of their business subject to taxation under this subsection. Stevedoring and associated activities pertinent to the conduct of goods and commodities in waterborne interstate or foreign commerce are defined as all activities of a labor, service or transportation nature whereby cargo may be loaded or unloaded to or from vessels or barges, passing over, onto or under a wharf, pier, or similar structure; cargo may be moved to a warehouse or similar holding or storage yard or area to await further movement in import or export or may move to a consolidation freight station and be stuffed, unstuffed, containerized, separated or otherwise segregated or aggregated for delivery or loaded on any mode of transportation for delivery to its consignee. Specific activities included in this definition are: Wharfage, handling, loading, unloading, moving of cargo to a convenient place of delivery to the consignee or a convenient place for further movement to export mode; documentation services in connection with the receipt, delivery, checking, care, custody and control of cargo required in the transfer of cargo; imported automobile handling

prior to delivery to consignee; terminal stevedoring and incidental vessel services, including but not limited to plugging and unplugging refrigerator service to containers, trailers, and other refrigerated cargo receptacles, and securing ship hatch covers.

(8)(a) Upon every person engaging within this state in the business of disposing of low-level waste, as defined in RCW 70A.380.010; as to such persons the amount of the tax with respect to such business is equal to the gross income of the business, excluding any fees imposed under chapter 70A.384 RCW, multiplied by the rate of 3.3 percent.

(b) If the gross income of the taxpayer is attributable to activities both within and without this state, the gross income attributable to this state must be determined in accordance with the methods of apportionment required under RCW 82.04.460.

~~(9) ((Upon every person engaging within this state as an insurance producer or title insurance agent licensed under chapter 48.17 RCW or a surplus line broker licensed under chapter 48.15 RCW; as to such persons, the amount of the tax with respect to such licensed activities is equal to the gross income of such business multiplied by the rate of 0.484 percent.~~

~~((44)) (10)~~ Upon every person engaging within this state in business as a hospital, as defined in chapter 70.41 RCW, that is operated as a nonprofit corporation or by the state or any of its political subdivisions, as to such persons, the amount of tax with respect to such activities is equal to the gross income of the business multiplied by the rate of 0.75 percent through June 30, 1995, and 1.5 percent thereafter.

~~((44)) (10)~~(a) Beginning October 1, 2005, upon every person engaging within this state in the business of manufacturing commercial airplanes, or components of such airplanes, or making sales, at retail or wholesale, of commercial airplanes or components of such airplanes, manufactured by the seller, as to such persons the amount of tax with respect to such business is, in the case of manufacturers, equal to the value of the product manufactured and the gross proceeds of sales of the product manufactured, or in the case of processors for hire, equal to the gross income of the business, multiplied by the rate of:

(i) 0.4235 percent from October 1, 2005, through June 30, 2007;

(ii) 0.2904 percent beginning July 1, 2007, through March 31, 2020; and

(iii) Beginning April 1, 2020, 0.484 percent, subject to any reduction required under (e) of this subsection ~~((44)) (10)~~. The tax rate in this subsection ~~((44)) (10)~~(a)(iii) applies to all business activities described in this subsection ~~((44)) (10)~~(a).

(b) Beginning July 1, 2008, upon every person who is not eligible to report under the provisions of (a) of this subsection ~~((44)) (10)~~ and is engaging within this state in the business of manufacturing tooling specifically designed for use in manufacturing commercial airplanes or components of such airplanes, or making sales, at retail or wholesale, of such tooling manufactured by the seller, as to such persons the amount of tax with respect to such business is, in the case of manufacturers, equal to the value of the product manufactured and the gross proceeds of sales of the product manufactured, or in the case of processors for hire, be equal to the gross income of the business, multiplied by the rate of:

(i) 0.2904 percent through March 31, 2020; and

(ii) Beginning April 1, 2020, the following rates, which are subject to any reduction required under (e) of this subsection ~~((44)) (10)~~:

(A) The rate under RCW 82.04.250(1) on the business of making retail sales of tooling specifically designed for use in manufacturing commercial airplanes or components of such airplanes; and

(B) 0.484 percent on all other business activities described in

this subsection ~~((44)) (10)~~(b).

(c) For the purposes of this subsection ~~((44)) (10)~~, "commercial airplane" and "component" have the same meanings as provided in RCW 82.32.550.

(d)(i) In addition to all other requirements under this title, a person reporting under the tax rate provided in this subsection ~~((44)) (10)~~ must file a complete annual tax performance report with the department under RCW 82.32.534. However, this requirement does not apply to persons reporting under the tax rate in (a)(iii) of this subsection ~~((44)) (10)~~, so long as that rate remains 0.484 percent, or under any of the tax rates in (b)(ii)(A) and (B) of this subsection ~~((44)) (10)~~, so long as those tax rates remain the rate imposed pursuant to RCW 82.04.250(1) and 0.484 percent, respectively.

(ii) Nothing in (d)(i) of this subsection ~~((44)) (10)~~ may be construed as affecting the obligation of a person reporting under a tax rate provided in this subsection ~~((44)) (10)~~ to file a complete annual tax performance report with the department under RCW 82.32.534: (A) Pursuant to another provision of this title as a result of claiming a tax credit or exemption; or (B) pursuant to (d)(i) of this subsection ~~((44)) (10)~~ as a result of claiming the tax rates in (a)(ii) or (b)(i) of this subsection ~~((44)) (10)~~ for periods ending before April 1, 2020.

(e)(i) After March 31, 2021, the tax rates under (a)(iii) and (b)(ii) of this subsection ~~((44)) (10)~~ must be reduced to 0.357 percent provided the conditions in RCW 82.04.2602 are met. The effective date of the rates authorized under this subsection ~~((44)) (10)~~(e) must occur on the first day of the next calendar quarter that is at least 60 days after the department receives the last of the two written notices pursuant to RCW 82.04.2602 (3) and (4).

(ii) Both a significant commercial airplane manufacturer separately and the rest of the aerospace industry as a whole, receiving the rate of 0.357 percent under this subsection ~~((44)) (10)~~(e) are subject to the aerospace apprenticeship utilization rates required under RCW 49.04.220 by April 1, 2026, or five years after the effective date of the 0.357 percent rate authorized under this subsection ~~((44)) (10)~~(e), whichever is later, as determined by the department of labor and industries.

(iii) The provisions of RCW 82.32.805 and 82.32.808 do not apply to this subsection ~~((44)) (10)~~(e).

(f)(i) Except as provided in (f)(ii) of this subsection ~~((44)) (10)~~, this subsection ~~((44)) (10)~~ does not apply on and after July 1, 2040.

(ii) With respect to the manufacturing of commercial airplanes or making sales, at retail or wholesale, of commercial airplanes, this subsection ~~((44)) (10)~~ does not apply on and after July 1st of the year in which the department makes a determination that any final assembly or wing assembly of any version or variant of a commercial airplane that is the basis of a siting of a significant commercial airplane manufacturing program in the state under RCW 82.32.850 has been sited outside the state of Washington. This subsection ~~((44)) (10)~~(f)(ii) only applies to the manufacturing or sale of commercial airplanes that are the basis of a siting of a significant commercial airplane manufacturing program in the state under RCW 82.32.850. This subsection ~~((44)) (10)~~(f)(ii) continues to apply during the time that a person is subject to the tax rate in (a)(iii) of this subsection ~~((44)) (10)~~.

(g) For the purposes of this subsection, "a significant commercial airplane manufacturer" means a manufacturer of commercial airplanes with at least 50,000 full-time employees in Washington as of January 1, 2021.

~~((42)) (11)~~(a) Until July 1, 2045, upon every person engaging within this state in the business of extracting timber or extracting for hire timber; as to such persons the amount of tax with respect to the business is, in the case of extractors, equal to the value of products, including by-products, extracted, or in the case of

NINETY SEVENTH DAY, APRIL 19, 2025

2025 REGULAR SESSION

extractors for hire, equal to the gross income of the business, multiplied by the rate of 0.4235 percent from July 1, 2006, through June 30, 2007, and 0.2904 percent from July 1, 2007, through June 30, 2045.

(b) Until July 1, 2045, upon every person engaging within this state in the business of manufacturing or processing for hire: (i) Timber into timber products or wood products; (ii) timber products into other timber products or wood products; or (iii) products defined in RCW 19.27.570(1); as to such persons the amount of the tax with respect to the business is, in the case of manufacturers, equal to the value of products, including by-products, manufactured, or in the case of processors for hire, equal to the gross income of the business, multiplied by the rate of 0.4235 percent from July 1, 2006, through June 30, 2007, and 0.2904 percent from July 1, 2007, through June 30, 2045.

(c) Until July 1, 2045, upon every person engaging within this state in the business of selling at wholesale: (i) Timber extracted by that person; (ii) timber products manufactured by that person from timber or other timber products; (iii) wood products manufactured by that person from timber or timber products; or (iv) products defined in RCW 19.27.570(1) manufactured by that person; as to such persons the amount of the tax with respect to the business is equal to the gross proceeds of sales of the timber, timber products, wood products, or products defined in RCW 19.27.570(1) multiplied by the rate of 0.4235 percent from July 1, 2006, through June 30, 2007, and 0.2904 percent from July 1, 2007, through June 30, 2045.

(d) Until July 1, 2045, upon every person engaging within this state in the business of selling standing timber; as to such persons the amount of the tax with respect to the business is equal to the gross income of the business multiplied by the rate of 0.2904 percent. For purposes of this subsection ~~((42))~~ (11)(d), "selling standing timber" means the sale of timber apart from the land, where the buyer is required to sever the timber within 30 months from the date of the original contract, regardless of the method of payment for the timber and whether title to the timber transfers before, upon, or after severance.

(e) For purposes of this subsection, the following definitions apply:

(i) "Biocomposite surface products" means surface material products containing, by weight or volume, more than 50 percent recycled paper and that also use nonpetroleum-based phenolic resin as a bonding agent.

(ii) "Paper and paper products" means products made of interwoven cellulosic fibers held together largely by hydrogen bonding. "Paper and paper products" includes newsprint; office, printing, fine, and pressure-sensitive papers; paper napkins, towels, and toilet tissue; kraft bag, construction, and other kraft industrial papers; paperboard, liquid packaging containers, containerboard, corrugated, and solid-fiber containers including linerboard and corrugated medium; and related types of cellulosic products containing primarily, by weight or volume, cellulosic materials. "Paper and paper products" does not include books, newspapers, magazines, periodicals, and other printed publications, advertising materials, calendars, and similar types of printed materials.

(iii) "Recycled paper" means paper and paper products having 50 percent or more of their fiber content that comes from postconsumer waste. For purposes of this subsection ~~((42))~~ (11)(e)(iii), "postconsumer waste" means a finished material that would normally be disposed of as solid waste, having completed its life cycle as a consumer item.

(iv) "Timber" means forest trees, standing or down, on privately or publicly owned land. "Timber" does not include Christmas trees that are cultivated by agricultural methods or

short-rotation hardwoods as defined in RCW 84.33.035.

(v) "Timber products" means:

(A) Logs, wood chips, sawdust, wood waste, and similar products obtained wholly from the processing of timber, short-rotation hardwoods as defined in RCW 84.33.035, or both;

(B) Pulp, including market pulp and pulp derived from recovered paper or paper products; and

(C) Recycled paper, but only when used in the manufacture of biocomposite surface products.

(vi) "Wood products" means paper and paper products; dimensional lumber; engineered wood products such as particleboard, oriented strand board, medium density fiberboard, and plywood; wood doors; wood windows; and biocomposite surface products.

(f) Except for small harvesters as defined in RCW 84.33.035, a person reporting under the tax rate provided in this subsection ~~((42))~~ (11) must file a complete annual tax performance report with the department under RCW 82.32.534.

(g) Nothing in this subsection ~~((42))~~ (11) may be construed to affect the taxation of any activity defined as a retail sale in RCW 82.04.050(2) (b) or (c), defined as a wholesale sale in RCW 82.04.060(2), or taxed under RCW 82.04.280(1)(g).

~~((43))~~ (12) Upon every person engaging within this state in inspecting, testing, labeling, and storing canned salmon owned by another person, as to such persons, the amount of tax with respect to such activities is equal to the gross income derived from such activities multiplied by the rate of 0.484 percent.

Sec. 102. RCW 82.04.260 and 2023 c 422 s 5 are each amended to read as follows:

(1) Upon every person engaging within this state in the business of manufacturing:

(a) Wheat into flour, barley into pearl barley, soybeans into soybean oil, canola into canola oil, canola meal, or canola by-products, or sunflower seeds into sunflower oil; as to such persons the amount of tax with respect to such business is equal to the value of the flour, pearl barley, oil, canola meal, or canola by-product manufactured, multiplied by the rate of 0.138 percent;

(b) Beginning July 1, 2035, seafood products that remain in a raw, raw frozen, or raw salted state at the completion of the manufacturing by that person; or selling manufactured seafood products that remain in a raw, raw frozen, or raw salted state at the completion of the manufacturing, to purchasers who transport in the ordinary course of business the goods out of this state; as to such persons the amount of tax with respect to such business is equal to the value of the products manufactured or the gross proceeds derived from such sales, multiplied by the rate of 0.138 percent. Sellers must keep and preserve records for the period required by RCW 82.32.070 establishing that the goods were transported by the purchaser in the ordinary course of business out of this state;

(c)(i) Except as provided otherwise in (c)(iii) of this subsection, beginning July 1, 2035, until January 1, 2046, dairy products; or selling dairy products that the person has manufactured to purchasers who either transport in the ordinary course of business the goods out of state or purchasers who use such dairy products as an ingredient or component in the manufacturing of a dairy product; as to such persons the tax imposed is equal to the value of the products manufactured or the gross proceeds derived from such sales multiplied by the rate of 0.138 percent. Sellers must keep and preserve records for the period required by RCW 82.32.070 establishing that the goods were transported by the purchaser in the ordinary course of business out of this state or sold to a manufacturer for use as an ingredient or component in the manufacturing of a dairy product.

(ii) For the purposes of this subsection (1)(c), "dairy products"

means:

(A) Products, not including any cannabis-infused product, that as of September 20, 2001, are identified in 21 C.F.R., chapter 1, parts 131, 133, and 135, including by-products from the manufacturing of the dairy products, such as whey and casein; and

(B) Products comprised of not less than 70 percent dairy products that qualify under (c)(ii)(A) of this subsection, measured by weight or volume.

(iii) The preferential tax rate provided to taxpayers under this subsection (1)(c) does not apply to sales of dairy products on or after July 1, 2023, where a dairy product is used by the purchaser as an ingredient or component in the manufacturing in Washington of a dairy product;

(d)(i) Beginning July 1, 2035, fruits or vegetables by canning, preserving, freezing, processing, or dehydrating fresh fruits or vegetables, or selling at wholesale fruits or vegetables manufactured by the seller by canning, preserving, freezing, processing, or dehydrating fresh fruits or vegetables and sold to purchasers who transport in the ordinary course of business the goods out of this state; as to such persons the amount of tax with respect to such business is equal to the value of the products manufactured or the gross proceeds derived from such sales multiplied by the rate of 0.138 percent. Sellers must keep and preserve records for the period required by RCW 82.32.070 establishing that the goods were transported by the purchaser in the ordinary course of business out of this state.

(ii) For purposes of this subsection (1)(d), "fruits" and "vegetables" do not include cannabis, useable cannabis, or cannabis-infused products; and

(e) Wood biomass fuel; as to such persons the amount of tax with respect to the business is equal to the value of wood biomass fuel manufactured, multiplied by the rate of 0.138 percent. For the purposes of this section, "wood biomass fuel" means a liquid or gaseous fuel that is produced from lignocellulosic feedstocks, including wood, forest, or field residue and dedicated energy crops, and that does not include wood treated with chemical preservations such as creosote, pentachlorophenol, or copper-chrome-arsenic.

(2) Upon every person engaging within this state in the business of splitting or processing dried peas; as to such persons the amount of tax with respect to such business is equal to the value of the peas split or processed, multiplied by the rate of 0.138 percent.

(3) Upon every nonprofit corporation and nonprofit association engaging within this state in research and development, as to such corporations and associations, the amount of tax with respect to such activities is equal to the gross income derived from such activities multiplied by the rate of 0.484 percent.

(4) Upon every person engaging within this state in the business of slaughtering, breaking and/or processing perishable meat products and/or selling the same at wholesale only and not at retail; as to such persons the tax imposed is equal to the gross proceeds derived from such sales multiplied by the rate of 0.138 percent.

(5)(a) Upon every person engaging within this state in the business of acting as a travel agent or tour operator and whose annual taxable amount for the prior calendar year from such business was \$250,000 or less; as to such persons the amount of the tax with respect to such activities is equal to the gross income derived from such activities multiplied by the rate of 0.275 percent.

(b) Upon every person engaging within this state in the business of acting as a travel agent or tour operator and whose annual taxable amount for the prior calendar year from such business was more than \$250,000; as to such persons the amount

of the tax with respect to such activities is equal to the gross income derived from such activities multiplied by the rate of 0.275 percent through June 30, 2019, and 0.9 percent beginning July 1, 2019.

(6) Upon every person engaging within this state in business as an international steamship agent, international customs house broker, international freight forwarder, vessel and/or cargo charter broker in foreign commerce, and/or international air cargo agent; as to such persons the amount of the tax with respect to only international activities is equal to the gross income derived from such activities multiplied by the rate of 0.275 percent.

(7) Upon every person engaging within this state in the business of stevedoring and associated activities pertinent to the movement of goods and commodities in waterborne interstate or foreign commerce; as to such persons the amount of tax with respect to such business is equal to the gross proceeds derived from such activities multiplied by the rate of 0.275 percent. Persons subject to taxation under this subsection are exempt from payment of taxes imposed by chapter 82.16 RCW for that portion of their business subject to taxation under this subsection. Stevedoring and associated activities pertinent to the conduct of goods and commodities in waterborne interstate or foreign commerce are defined as all activities of a labor, service or transportation nature whereby cargo may be loaded or unloaded to or from vessels or barges, passing over, onto or under a wharf, pier, or similar structure; cargo may be moved to a warehouse or similar holding or storage yard or area to await further movement in import or export or may move to a consolidation freight station and be stuffed, unstuffed, containerized, separated or otherwise segregated or aggregated for delivery or loaded on any mode of transportation for delivery to its consignee. Specific activities included in this definition are: Wharfage, handling, loading, unloading, moving of cargo to a convenient place of delivery to the consignee or a convenient place for further movement to export mode; documentation services in connection with the receipt, delivery, checking, care, custody and control of cargo required in the transfer of cargo; imported automobile handling prior to delivery to consignee; terminal stevedoring and incidental vessel services, including but not limited to plugging and unplugging refrigerator service to containers, trailers, and other refrigerated cargo receptacles, and securing ship hatch covers.

(8)(a) Upon every person engaging within this state in the business of disposing of low-level waste, as defined in RCW 70A.380.010; as to such persons the amount of the tax with respect to such business is equal to the gross income of the business, excluding any fees imposed under chapter 70A.384 RCW, multiplied by the rate of 3.3 percent.

(b) If the gross income of the taxpayer is attributable to activities both within and without this state, the gross income attributable to this state must be determined in accordance with the methods of apportionment required under RCW 82.04.460.

~~(9) ((Upon every person engaging within this state as an insurance producer or title insurance agent licensed under chapter 48.17 RCW or a surplus line broker licensed under chapter 48.15 RCW; as to such persons, the amount of the tax with respect to such licensed activities is equal to the gross income of such business multiplied by the rate of 0.484 percent.~~

~~(10))~~ Upon every person engaging within this state in business as a hospital, as defined in chapter 70.41 RCW, that is operated as a nonprofit corporation or by the state or any of its political subdivisions, as to such persons, the amount of tax with respect to such activities is equal to the gross income of the business multiplied by the rate of 0.75 percent through June 30, 1995, and 1.5 percent thereafter.

~~((11))~~ ~~(10)~~(a) Beginning October 1, 2005, upon every person engaging within this state in the business of manufacturing

NINETY SEVENTH DAY, APRIL 19, 2025

2025 REGULAR SESSION

commercial airplanes, or components of such airplanes, or making sales, at retail or wholesale, of commercial airplanes or components of such airplanes, manufactured by the seller, as to such persons the amount of tax with respect to such business is, in the case of manufacturers, equal to the value of the product manufactured and the gross proceeds of sales of the product manufactured, or in the case of processors for hire, equal to the gross income of the business, multiplied by the rate of:

(i) 0.4235 percent from October 1, 2005, through June 30, 2007;

(ii) 0.2904 percent beginning July 1, 2007, through March 31, 2020; and

(iii) Beginning April 1, 2020, 0.484 percent, subject to any reduction required under (e) of this subsection ~~((44))~~ (10). The tax rate in this subsection ~~((44))~~ (10)(a)(iii) applies to all business activities described in this subsection ~~((44))~~ (10)(a).

(b) Beginning July 1, 2008, upon every person who is not eligible to report under the provisions of (a) of this subsection ~~((44))~~ (10) and is engaging within this state in the business of manufacturing tooling specifically designed for use in manufacturing commercial airplanes or components of such airplanes, or making sales, at retail or wholesale, of such tooling manufactured by the seller, as to such persons the amount of tax with respect to such business is, in the case of manufacturers, equal to the value of the product manufactured and the gross proceeds of sales of the product manufactured, or in the case of processors for hire, be equal to the gross income of the business, multiplied by the rate of:

(i) 0.2904 percent through March 31, 2020; and

(ii) Beginning April 1, 2020, the following rates, which are subject to any reduction required under (e) of this subsection ~~((44))~~ (10):

(A) The rate under RCW 82.04.250(1) on the business of making retail sales of tooling specifically designed for use in manufacturing commercial airplanes or components of such airplanes; and

(B) 0.484 percent on all other business activities described in this subsection ~~((44))~~ (10)(b).

(c) For the purposes of this subsection ~~((44))~~ (10), "commercial airplane" and "component" have the same meanings as provided in RCW 82.32.550.

(d)(i) In addition to all other requirements under this title, a person reporting under the tax rate provided in this subsection ~~((44))~~ (10) must file a complete annual tax performance report with the department under RCW 82.32.534. However, this requirement does not apply to persons reporting under the tax rate in (a)(iii) of this subsection ~~((44))~~ (10), so long as that rate remains 0.484 percent, or under any of the tax rates in (b)(ii)(A) and (B) of this subsection ~~((44))~~ (10), so long as those tax rates remain the rate imposed pursuant to RCW 82.04.250(1) and 0.484 percent, respectively.

(ii) Nothing in (d)(i) of this subsection ~~((44))~~ (10) may be construed as affecting the obligation of a person reporting under a tax rate provided in this subsection ~~((44))~~ (10) to file a complete annual tax performance report with the department under RCW 82.32.534: (A) Pursuant to another provision of this title as a result of claiming a tax credit or exemption; or (B) pursuant to (d)(i) of this subsection ~~((44))~~ (10) as a result of claiming the tax rates in (a)(ii) or (b)(i) of this subsection ~~((44))~~ (10) for periods ending before April 1, 2020.

(e)(i) After March 31, 2021, the tax rates under (a)(iii) and (b)(ii) of this subsection ~~((44))~~ (10) must be reduced to 0.357 percent provided the conditions in RCW 82.04.2602 are met. The effective date of the rates authorized under this subsection ~~((44))~~ (10)(e) must occur on the first day of the next calendar quarter

that is at least 60 days after the department receives the last of the two written notices pursuant to RCW 82.04.2602 (3) and (4).

(ii) Both a significant commercial airplane manufacturer separately and the rest of the aerospace industry as a whole, receiving the rate of 0.357 percent under this subsection ~~((44))~~ (10)(e) are subject to the aerospace apprenticeship utilization rates required under RCW 49.04.220 by April 1, 2026, or five years after the effective date of the 0.357 percent rate authorized under this subsection ~~((44))~~ (10)(e), whichever is later, as determined by the department of labor and industries.

(iii) The provisions of RCW 82.32.805 and 82.32.808 do not apply to this subsection ~~((44))~~ (10)(e).

(f)(i) Except as provided in (f)(ii) of this subsection ~~((44))~~ (10), this subsection ~~((44))~~ (10) does not apply on and after July 1, 2040.

(ii) With respect to the manufacturing of commercial airplanes or making sales, at retail or wholesale, of commercial airplanes, this subsection ~~((44))~~ (10) does not apply on and after July 1st of the year in which the department makes a determination that any final assembly or wing assembly of any version or variant of a commercial airplane that is the basis of a siting of a significant commercial airplane manufacturing program in the state under RCW 82.32.850 has been sited outside the state of Washington. This subsection ~~((44))~~ (10)(f)(ii) only applies to the manufacturing or sale of commercial airplanes that are the basis of a siting of a significant commercial airplane manufacturing program in the state under RCW 82.32.850. This subsection ~~((44))~~ (10)(f)(ii) continues to apply during the time that a person is subject to the tax rate in (a)(iii) of this subsection ~~((44))~~ (10).

(g) For the purposes of this subsection, "a significant commercial airplane manufacturer" means a manufacturer of commercial airplanes with at least 50,000 full-time employees in Washington as of January 1, 2021.

~~((42))~~ (11)(a) Until July 1, 2045, upon every person engaging within this state in the business of extracting timber or extracting for hire timber; as to such persons the amount of tax with respect to the business is, in the case of extractors, equal to the value of products, including by-products, extracted, or in the case of extractors for hire, equal to the gross income of the business, multiplied by the rate of 0.4235 percent from July 1, 2006, through June 30, 2007, and 0.2904 percent from July 1, 2007, through June 30, 2045.

(b) Until July 1, 2045, upon every person engaging within this state in the business of manufacturing or processing for hire: (i) Timber into timber products or wood products; (ii) timber products into other timber products or wood products; or (iii) products defined in RCW 19.27.570(1); as to such persons the amount of the tax with respect to the business is, in the case of manufacturers, equal to the value of products, including by-products, manufactured, or in the case of processors for hire, equal to the gross income of the business, multiplied by the rate of 0.4235 percent from July 1, 2006, through June 30, 2007, and 0.2904 percent from July 1, 2007, through June 30, 2045.

(c) Until July 1, 2045, upon every person engaging within this state in the business of selling at wholesale: (i) Timber extracted by that person; (ii) timber products manufactured by that person from timber or other timber products; (iii) wood products manufactured by that person from timber or timber products; or (iv) products defined in RCW 19.27.570(1) manufactured by that person; as to such persons the amount of the tax with respect to the business is equal to the gross proceeds of sales of the timber, timber products, wood products, or products defined in RCW 19.27.570(1) multiplied by the rate of 0.4235 percent from July 1, 2006, through June 30, 2007, and 0.2904 percent from July 1, 2007, through June 30, 2045.

(d) Until July 1, 2045, upon every person engaging within this state in the business of selling standing timber; as to such persons the amount of the tax with respect to the business is equal to the gross income of the business multiplied by the rate of 0.2904 percent. For purposes of this subsection ~~((42))~~ (11)(d), "selling standing timber" means the sale of timber apart from the land, where the buyer is required to sever the timber within 30 months from the date of the original contract, regardless of the method of payment for the timber and whether title to the timber transfers before, upon, or after severance.

(e) For purposes of this subsection, the following definitions apply:

(i) "Biocomposite surface products" means surface material products containing, by weight or volume, more than 50 percent recycled paper and that also use nonpetroleum-based phenolic resin as a bonding agent.

(ii) "Paper and paper products" means products made of interwoven cellulosic fibers held together largely by hydrogen bonding. "Paper and paper products" includes newsprint; office, printing, fine, and pressure-sensitive papers; paper napkins, towels, and toilet tissue; kraft bag, construction, and other kraft industrial papers; paperboard, liquid packaging containers, containerboard, corrugated, and solid-fiber containers including linerboard and corrugated medium; and related types of cellulosic products containing primarily, by weight or volume, cellulosic materials. "Paper and paper products" does not include books, newspapers, magazines, periodicals, and other printed publications, advertising materials, calendars, and similar types of printed materials.

(iii) "Recycled paper" means paper and paper products having 50 percent or more of their fiber content that comes from postconsumer waste. For purposes of this subsection ~~((42))~~ (11)(e)(iii), "postconsumer waste" means a finished material that would normally be disposed of as solid waste, having completed its life cycle as a consumer item.

(iv) "Timber" means forest trees, standing or down, on privately or publicly owned land. "Timber" does not include Christmas trees that are cultivated by agricultural methods or short-rotation hardwoods as defined in RCW 84.33.035.

(v) "Timber products" means:

(A) Logs, wood chips, sawdust, wood waste, and similar products obtained wholly from the processing of timber, short-rotation hardwoods as defined in RCW 84.33.035, or both;

(B) Pulp, including market pulp and pulp derived from recovered paper or paper products; and

(C) Recycled paper, but only when used in the manufacture of biocomposite surface products.

(vi) "Wood products" means paper and paper products; dimensional lumber; engineered wood products such as particleboard, oriented strand board, medium density fiberboard, and plywood; wood doors; wood windows; and biocomposite surface products.

(f) Except for small harvesters as defined in RCW 84.33.035, a person reporting under the tax rate provided in this subsection ~~((42))~~ (11) must file a complete annual tax performance report with the department under RCW 82.32.534.

(g) Nothing in this subsection ~~((42))~~ (11) may be construed to affect the taxation of any activity defined as a retail sale in RCW 82.04.050(2) (b) or (c), defined as a wholesale sale in RCW 82.04.060(2), or taxed under RCW 82.04.280(1)(g).

~~((43))~~ (12) Upon every person engaging within this state in inspecting, testing, labeling, and storing canned salmon owned by another person, as to such persons, the amount of tax with respect to such activities is equal to the gross income derived from such activities multiplied by the rate of 0.484 percent.

~~((44))~~ (13)(a) Upon every person engaging within this state

in the business of printing a newspaper, publishing a newspaper, or both, the amount of tax on such business is equal to the gross income of the business multiplied by the rate of 0.35 percent until July 1, 2024, and 0.484 percent thereafter.

(b) A person reporting under the tax rate provided in this subsection ~~((44))~~ (13) must file a complete annual tax performance report with the department under RCW 82.32.534.

Sec. 103. RCW 82.04.290 and 2020 c 2 s 3 are each amended to read as follows:

(1) Upon every person engaging within this state in the business of providing qualifying international investment management services, as to such persons, the amount of tax with respect to such business is equal to the gross income or gross proceeds of sales of the business multiplied by a rate of ~~((0.275))~~ 1.75 percent.

(2)(a) Upon every person engaging within this state in any business activity other than or in addition to an activity taxed explicitly under another section in this chapter or subsection (1) or (3) of this section; as to such persons the amount of tax on account of such activities is equal to the gross income of the business multiplied by the rate of:

(i) 1.75 percent; or

(ii) 1.5 percent for:

(A) Any person subject to the surcharge imposed under RCW 82.04.299;

(B) Any person whose gross income of the business subject to the tax imposed under this subsection (2), for the immediately preceding calendar year, was less than ~~((one million dollars))~~ \$1,000,000, unless (I) the person is affiliated with one or more other persons, and (II) the aggregate gross income of the business subject to the tax imposed under this subsection (2) for all affiliated persons was greater than or equal to ~~((one million dollars))~~ \$1,000,000 for the immediately preceding calendar year; and

(C) Hospitals 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. This subsection (2)(a)(ii)(C) must not be construed as modifying RCW 82.04.260~~((40))~~ (9).

(b) This subsection (2) includes, among others, and without limiting the scope hereof (whether or not title to materials used in the performance of such business passes to another by accession, confusion or other than by outright sale), persons engaged in the business of rendering any type of service which does not constitute a "sale at retail" or a "sale at wholesale." The value of advertising, demonstration, and promotional supplies and materials furnished to an agent by his or her principal or supplier to be used for informational, educational, and promotional purposes is not considered a part of the agent's remuneration or commission and is not subject to taxation under this section.

(c) 14.3 percent of the revenues collected under (a)(i) of this subsection (2) must be deposited into the workforce education investment account created in RCW 43.79.195.

(d)(i) To aid in the effective administration of this subsection (2), the department may require a person claiming to be subject to the 1.5 percent tax rate under (a)(ii)(B) of this subsection (2) to identify all of the person's affiliates, including their department tax registration number or unified business identifier number, as may be applicable, or to certify that the person is not affiliated with any other person. Requests under this subsection (2)(d)(i) must be in writing and may be made electronically.

(ii) If the department establishes, by clear, cogent, and convincing evidence, that a person, with intent to evade the additional taxes due under the 1.75 percent tax rate in (a)(i) of this subsection (2), failed to provide the department with complete and accurate information in response to a written request under

NINETY SEVENTH DAY, APRIL 19, 2025

2025 REGULAR SESSION

(d)(i) of this subsection (2) within ~~((thirty))~~ 30 days of such request, the person is ineligible for the 1.5 percent tax rate in (a)(ii) of this subsection (2) for the entire current calendar year and the following four calendar years. However, the department must waive the provisions of this subsection (2)(d)(ii) for any tax reporting period that the person is otherwise eligible for the 1.5 percent tax rate in (a)(ii) of this subsection (2) if (A) the department has not previously determined that the person failed to fully comply with (d)(i) of this subsection (2), and (B) within ~~((thirty))~~ 30 days of the notice of additional tax due as a result of the person's failure to fully comply with (d)(i) of this subsection (2) the department determines that the person has come into full compliance with (d)(i) of this subsection (2). This subsection (2)(d) applies only with respect to persons claiming entitlement to the 1.5 percent tax rate solely by reason of (a)(ii)(B) of this subsection (2).

(e) For the purposes of (a)(ii)(B) of this subsection (2), if a taxpayer is subject to the reconciliation provisions of RCW 82.04.462(4), and calculates gross income of the business subject to the tax imposed under this subsection (2) for the immediately preceding calendar year, or aggregate gross income of the business subject to the tax imposed under this subsection (2) for the immediately preceding calendar year for all affiliated persons, based on incomplete information, the taxpayer must correct the reporting for the current calendar year when complete information for the immediately preceding calendar year is available.

(f) For purposes of this subsection (2), the definitions in this subsection (2)(f) apply:

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

(ii) "Control" means the possession, directly or indirectly, of more than ~~((eighty))~~ 80 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.

(3)(a) Until July 1, 2040, upon every person engaging within this state in the business of performing aerospace product development for others, as to such persons, the amount of tax with respect to such business is equal to the gross income of the business multiplied by a rate of 0.9 percent.

(b) A person reporting under the tax rate provided in this subsection (3) must file a complete annual report with the department under RCW 82.32.534.

(c) "Aerospace product development" has the meaning as provided in RCW 82.04.4461.

Sec. 104. RCW 48.14.0201 and 2016 c 133 s 2 are each amended to read as follows:

(1) As used in this section, "taxpayer" means a health maintenance organization as defined in RCW 48.46.020, a health care service contractor as defined in chapter 48.44 RCW, or a self-funded multiple employer welfare arrangement as defined in RCW 48.125.010.

(2) Each taxpayer must pay a tax on or before the first day of March of each year to the state treasurer through the insurance commissioner's office. The tax must be equal to the total amount of all premiums and prepayments for health care services collected or received by the taxpayer under RCW 48.14.090 during the preceding calendar year multiplied by the rate of two percent. For tax purposes, the reporting of premiums and prepayments must be on a written basis or on a paid-for basis consistent with the basis required by the annual statement.

(3) Taxpayers must prepay their tax obligations under this section. The minimum amount of the prepayments is the percentages of the taxpayer's tax obligation for the preceding

calendar year recomputed using the rate in effect for the current year. For the prepayment of taxes due during the first calendar year, the minimum amount of the prepayments is the percentages of the taxpayer's tax obligation that would have been due had the tax been in effect during the previous calendar year. The tax prepayments must be paid to the state treasurer through the commissioner's office by the due dates and in the following amounts:

(a) On or before June 15, ~~((forty-five))~~ 45 percent;

(b) On or before September 15, ~~((twenty-five))~~ 25 percent;

(c) On or before December 15, ~~((twenty-five))~~ 25 percent.

(4) For good cause demonstrated in writing, the commissioner may approve an amount smaller than the preceding calendar year's tax obligation as recomputed for calculating the health maintenance organization's, health care service contractor's, self-funded multiple employer welfare arrangement's, or certified health plan's prepayment obligations for the current tax year.

(5)(a) Except as provided in (b) of this subsection, moneys collected under this section are deposited in the general fund.

(b) Beginning January 1, 2014, moneys collected from taxpayers for premiums written on qualified health benefit plans and qualified dental plans offered through the health benefit exchange under chapter 43.71 RCW must be deposited in the health benefit exchange account under RCW 43.71.060.

(6) The taxes imposed in this section do not apply to:

(a) Amounts received by any taxpayer from the United States or any instrumentality thereof as prepayments for health care services provided under Title XVIII (medicare) of the federal social security act.

(b) Amounts received by any taxpayer from the state of Washington as prepayments for health care services provided under:

(i) The medical care services program as provided in RCW 74.09.035; or

(ii) The Washington basic health plan on behalf of subsidized enrollees as provided in chapter 70.47 RCW.

(c) ~~((Amounts received by any health care service contractor as defined in chapter 48.44 RCW, or any health maintenance organization as defined in chapter 48.46 RCW, as prepayments for health care services included within the definition of practice of dentistry under RCW 18.32.020, except amounts received for pediatric oral services that qualify as coverage for the minimum essential coverage requirement under P.L. 111-148 (2010), as amended, and for stand-alone family dental plans as defined in RCW 43.71.080(4)(a), only when offered in the individual market, as defined in RCW 48.43.005(27), or to a small group, as defined in RCW 48.43.005(33)).~~

~~((d))~~ Participant contributions to self-funded multiple employer welfare arrangements that are not taxable in this state.

(7) Beginning January 1, 2000, the state preempts the field of imposing excise or privilege taxes upon taxpayers and no county, city, town, or other municipal subdivision has the right to impose any such taxes upon such taxpayers. This subsection is limited to premiums and payments for health benefit plans offered by health care service contractors under chapter 48.44 RCW, health maintenance organizations under chapter 48.46 RCW, and self-funded multiple employer welfare arrangements as defined in RCW 48.125.010. The preemption authorized by this subsection must not impair the ability of a county, city, town, or other municipal subdivision to impose excise or privilege taxes upon the health care services directly delivered by the employees of a health maintenance organization under chapter 48.46 RCW.

(8)(a) The taxes imposed by this section apply to a self-funded multiple employer welfare arrangement only in the event that they are not preempted by the employee retirement income security act

of 1974, as amended, 29 U.S.C. Sec. 1001 et seq. The arrangements and the commissioner must initially request an advisory opinion from the United States department of labor or obtain a declaratory ruling from a federal court on the legality of imposing state premium taxes on these arrangements. Once the legality of the taxes has been determined, the multiple employer welfare arrangement certified by the insurance commissioner must begin payment of these taxes.

(b) If there has not been a final determination of the legality of these taxes, then beginning on the earlier of (i) the date the fourth multiple employer welfare arrangement has been certified by the insurance commissioner, or (ii) April 1, 2006, the arrangement must deposit the taxes imposed by this section into an interest bearing escrow account maintained by the arrangement. Upon a final determination that the taxes are not preempted by the employee retirement income security act of 1974, as amended, 29 U.S.C. Sec. 1001 et seq., all funds in the interest bearing escrow account must be transferred to the state treasurer.

(9) The effect of transferring contracts for health care services from one taxpayer to another taxpayer is to transfer the tax prepayment obligation with respect to the contracts.

(10) On or before June 1st of each year, the commissioner must notify each taxpayer required to make prepayments in that year of the amount of each prepayment and must provide remittance forms to be used by the taxpayer. However, a taxpayer's responsibility to make prepayments is not affected by failure of the commissioner to send, or the taxpayer to receive, the notice or forms.

NEW SECTION. Sec. 105. The following acts or parts of acts are each repealed:

(1) RCW 82.04.062 ("Sale at wholesale," "sale at retail" excludes sale of precious metal bullion and monetized bullion—Computation of tax) and 1985 c 471 s 5;

(2) RCW 82.16.0497 (Credit—Light and power business, gas distribution business) and 2020 c 139 s 26, 2006 c 213 s 1, & 2001 c 214 s 13;

(3) RCW 82.04.44525 (Credit—New employment for international service activities in eligible areas—Designation of census tracts for eligibility—Records—Tax due upon ineligibility—Interest assessment—Information from employment security department) and 2009 c 535 s 1104, 2008 c 81 s 9, & 1998 c 313 s 2;

(4) RCW 82.04.272 (Tax on warehousing and reselling prescription drugs) and 2013 c 19 s 127, 2003 c 168 s 401, & 1998 c 343 s 1;

(5) RCW 82.04.315 (Exemptions—International banking facilities) and 1982 c 95 s 7;

(6) RCW 82.04.4292 (Deductions—Interest on investments or loans secured by mortgages or deeds of trust) and 2012 2nd sp.s. c 6 s 102, 2010 1st sp.s. c 23 s 301, & 1980 c 37 s 12;

(7) RCW 82.04.29005 (Tax on loan interest—2012 2nd sp.s. c 6) and 2012 2nd sp.s. c 6 s 101; and

(8) RCW 82.04.434 (Credit—Public safety standards and testing) and 1991 c 13 s 1.

PART II CORRECTING INTERNAL REFERENCES

Sec. 201. RCW 82.04.29004 and 2019 c 420 s 2 are each amended to read as follows:

(1) Beginning January 1, 2020, in addition to any other taxes imposed under this chapter, an additional tax is imposed on specified financial institutions. The additional tax is equal to the gross income of the business taxable under RCW 82.04.290(2) multiplied by the rate of 1.2 percent.

(2) The definitions in this subsection apply throughout this

section unless the context clearly requires otherwise.

(a) "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. For purposes of this subsection (2)(a), "control" means the possession, directly or indirectly, of more than ~~((fifty))~~ 50 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.

(b) "Consolidated financial institution group" means all financial institutions that are affiliated with each other.

(c) "Consolidated financial statement" means a consolidated financial institution group's consolidated reports of condition and income filed with the federal financial institutions examination council, or successor agency.

(d) "Financial institution" means:

(i) Any corporation or other business entity chartered under Titles 30A, 30B, 31, 32, and 33 RCW, or registered under the federal bank holding company act of 1956, as amended, or registered as a savings and loan holding company under the federal national housing act, as amended;

(ii) A national bank organized and existing as a national bank association pursuant to the provisions of the national bank act, 12 U.S.C. Sec. 21 et seq.;

(iii) A savings association or federal savings bank as defined in the federal deposit insurance act, 12 U.S.C. Sec. 1813(b)(1);

(iv) Any bank or thrift institution incorporated or organized under the laws of any state;

(v) Any corporation organized under the provisions of 12 U.S.C. Sec. 611 through 631;

(vi) Any agency or branch of a foreign depository as defined in 12 U.S.C. Sec. 3101 ~~((that is not exempt under RCW 82.04.315))~~;

(vii) A production credit association organized under the federal farm credit act of 1933, all of whose stock held by the federal production credit corporation has been retired;

(viii) Any corporation or other business entity who receives gross income taxable under RCW 82.04.290, and whose voting interests are more than ~~((fifty))~~ 50 percent owned, directly or indirectly, by any person or business entity described in (d)(i) through (vii) of this subsection other than an insurance company liable for the insurance premiums tax under RCW 48.14.020 or any other company taxable under chapter 48.14 RCW;

(ix)(A) A corporation or other business entity that receives more than ~~((fifty))~~ 50 percent of its total gross income for federal income tax purposes from finance leases. For purposes of this subsection, a "finance lease" means a lease that meets two requirements:

(I) It is the type of lease permitted to be made by national banks (see 12 U.S.C. Sec. 24(7) and (10), comptroller of the currency regulations, part 23, leasing (added by 56 C.F.R. Sec. 28314, June 20, 1991, effective July 22, 1991), and regulation Y of the federal reserve system 12 C.F.R. Part 225.25, as amended); and

(II) It is the economic equivalent of an extension of credit, i.e., the lease is treated by the lessor as a loan for federal income tax purposes. In no event does a lease qualify as an extension of credit where the lessor takes depreciation on such property for federal income tax purposes.

(B) For this classification to apply, the average of the gross income in the current tax year and immediately preceding two tax years must satisfy the more than ~~((fifty))~~ 50 percent requirement;

(x) Any other person or business entity, other than an insurance general agent taxable under RCW 82.04.280(1)(e), an insurance business exempt from the business and occupation tax under RCW 82.04.320, a real estate broker taxable under RCW 82.04.255, a securities dealer or international investment management company taxable under RCW 82.04.290(2), that

NINETY SEVENTH DAY, APRIL 19, 2025

receives more than ~~((fifty))~~ 50 percent of its gross receipts from activities that a person described in (d)(ii) through (vii) and (ix) of this subsection is authorized to transact.

(e)(i) "Specified financial institution" means a financial institution that is a member of a consolidated financial institution group that reported on its consolidated financial statement for the previous calendar year annual net income of at least ~~((one billion dollars))~~ \$1,000,000,000, not including net income attributable to noncontrolling interests, as the terms "net income" and "noncontrolling interest" are used in the consolidated financial statement.

(ii) If financial institutions are no longer required to file consolidated financial statements, "specified financial institution" means any person that was subject to the additional tax in this section in at least two of the previous four calendar years.

(3) The department must notify the fiscal committees of the legislature if financial institutions are no longer required to file consolidated financial statements.

(4) To aid in the effective administration of the additional tax imposed in this section, the department may require a person believed to be a specified financial institution to disclose whether it is a member of a consolidated financial institution group and, if so, to identify all other members of its consolidated financial institution group. A person failing to comply with this subsection is deemed to have intended to evade tax payable under this section and is subject to the penalty in RCW 82.32.090(7) on any tax due under this section by the person and any financial institution affiliated with the person.

(5) Taxes collected under this section must be deposited into the general fund.

Sec. 202. RCW 82.04.280 and 2019 c 449 s 1 are each amended to read as follows:

(1) Upon every person engaging within this state in the business of: (a) Printing materials other than newspapers, and of publishing periodicals or magazines; (b) building, repairing or improving any street, place, road, highway, easement, right-of-way, mass public transportation terminal or parking facility, bridge, tunnel, or trestle which is owned by a municipal corporation or political subdivision of the state or by the United States and which is used or to be used, primarily for foot or vehicular traffic including mass transportation vehicles of any kind and including any readjustment, reconstruction or relocation of the facilities of any public, private or cooperatively owned utility or railroad in the course of such building, repairing or improving, the cost of which readjustment, reconstruction, or relocation, is the responsibility of the public authority whose street, place, road, highway, easement, right-of-way, mass public transportation terminal or parking facility, bridge, tunnel, or trestle is being built, repaired or improved; (c) extracting for hire or processing for hire, except persons taxable as extractors for hire or processors for hire under another section of this chapter; (d) operating a cold storage warehouse or storage warehouse, but not including the rental of cold storage lockers; (e) representing and performing services for fire or casualty insurance companies as an independent resident managing general agent licensed under the provisions of chapter 48.17 RCW; (f) radio and television broadcasting, but excluding revenues from network, national, and regional advertising computed either: (i) As a standard deduction that the department must publish by rule by September 30, 2020, and by September 30th of every fifth year thereafter, based on the national average thereof as reported by the United States census bureau's economic census; or (ii) in lieu thereof by itemization by the individual broadcasting station, and excluding that portion of revenue represented by the out-of-state audience computed as a ratio to the broadcasting station's total audience as measured by

2025 REGULAR SESSION

the 0.5 millivolt/meter signal strength contour for AM radio, the one millivolt/meter or ~~((sixty))~~ 60 dBu signal strength contour for FM radio, the ~~((twenty-eight))~~ 28 dBu signal strength contour for television channels two through six, the ~~((thirty-six))~~ 36 dBu signal strength contour for television channels seven through ~~((thirteen))~~ 13, and the ~~((forty-one))~~ 41 dBu signal strength contour for television channels ~~((fourteen))~~ 14 through ~~((sixty-nine))~~ 69 with delivery by wire, satellite, or any other means, if any; (g) engaging in activities which bring a person within the definition of consumer contained in RCW 82.04.190(6); as to such persons, the amount of tax on such business is equal to the gross income of the business multiplied by the rate of 0.484 percent.

(2) For the purposes of this section, the following definitions apply unless the context clearly requires otherwise.

(a) "Cold storage warehouse" means a storage warehouse used to store fresh and/or frozen perishable fruits or vegetables, meat, seafood, dairy products, or fowl, or any combination thereof, at a desired temperature to maintain the quality of the product for orderly marketing.

(b) "Storage warehouse" means a building or structure, or any part thereof, in which goods, wares, or merchandise are received for storage for compensation, except field warehouses, fruit warehouses, fruit packing plants, warehouses licensed under chapter 22.09 RCW, public garages storing automobiles, railroad freight sheds, docks and wharves, and "self-storage" or "mini storage" facilities whereby customers have direct access to individual storage areas by separate entrance. ~~(("Storage warehouse" does not include a building or structure, or that part of such building or structure, in which an activity taxable under RCW 82.04.272 is conducted.))~~

(c) "Periodical or magazine" means a printed publication, other than a newspaper, issued regularly at stated intervals at least once every three months, including any supplement or special edition of the publication.

PART III ELIMINATING THE BUSINESS AND OCCUPATION TAX EXEMPTION FOR THE RENTAL OR LEASE OF INDIVIDUAL STORAGE SPACE AT SELF-SERVICE STORAGE FACILITIES

NEW SECTION. Sec. 301. A new section is added to chapter 82.04 RCW to read as follows:

(1) Upon every person engaging in this state in the business of renting or leasing individual storage space at self-service storage facilities as defined in RCW 19.150.010, as to such persons the amount of tax with respect to such business is equal to the gross proceeds of the rent or lease multiplied by the following rates:

(a) 1.75 percent; or

(b) 1.5 percent for any person whose gross income of the business subject to the tax imposed under this section for the immediately preceding calendar year, was less than \$1,000,000, unless the person is affiliated with one or more other persons, and the aggregate gross income of the business subject to the tax imposed under this section for all affiliated persons was greater than or equal to \$1,000,000 for the immediately preceding calendar year.

(2) The department may require a person claiming to be subject to the 1.5 percent tax rate to identify all the person's affiliates including their department tax registration number or unified business identifier number, as may be applicable, or to certify that the person is not affiliated with any other person. Requests must be in writing and may be made electronically.

(3) If the department establishes, by clear, cogent, and convincing evidence, that a person, with intent to evade the

additional taxes due under the 1.75 percent tax rate in subsection (1)(a) of this section, failed to provide the department with complete and accurate information in response to a written request under subsection (2) of this section within 30 days of such request, the person is ineligible for the 1.5 percent tax rate in subsection (1)(b) of this section for the entire current calendar year and the following four calendar years. However, the department must waive the provisions of this subsection (3) for any tax reporting period that the person is otherwise eligible for the 1.5 percent tax rate in subsection (1)(b) of this section if:

(a) The department has not previously determined that the person failed to fully comply with subsection (2) of this section; and

(b) Within 30 days of the notice of additional tax due as a result of the person's failure to fully comply with subsection (2) of this section, the department determines that the person has come into full compliance with subsection (2) of this section.

(4) For the purposes of subsection (1)(b) of this section, if a taxpayer is subject to the reconciliation provisions of RCW 82.04.462(4), and calculates gross income of the business subject to the tax imposed under this section for the immediately preceding calendar year, or aggregate gross income of the business subject to the tax imposed under this section for the immediately preceding calendar year for all affiliated persons, based on incomplete information, the taxpayer must correct the reporting for the current calendar year when complete information for the immediately preceding calendar year is available.

(5) For purposes of this section, the following definitions apply:

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

(b) "Individual storage space" does not include long-term designated parking spaces.

Sec. 302. RCW 82.04.390 and 1961 c 15 s 82.04.390 are each amended to read as follows:

This chapter shall not apply to gross proceeds derived from the sale of real estate. A sale of real estate does not include the gross proceeds derived from individual storage space rentals or leases for 30 days or longer. This however, shall not be construed to allow a deduction of amounts received as commissions from the sale of real estate, nor as fees, handling charges, discounts, interest or similar financial charges resulting from, or relating to, real estate transactions.

Sec. 303. RCW 82.04.460 and 2023 c 286 s 5 are each amended to read as follows:

(1) Except as otherwise provided in this section, any person earning apportionable income taxable under this chapter and also taxable in another state must, for the purpose of computing tax liability under this chapter, apportion to this state, in accordance with RCW 82.04.462, that portion of the person's apportionable income derived from business activities performed within this state.

(2) The department must by rule provide a method of apportioning the apportionable income of financial institutions, where such apportionable income is taxable under RCW 82.04.290. The rule adopted by the department must, to the extent feasible, be consistent with the multistate tax commission's recommended formula for the apportionment and allocation of net income of financial institutions as existing on June 1, 2010, or such subsequent date as may be provided by the department by rule, consistent with the purposes of this section, except that:

(a) The department's rule must provide for a single factor apportionment method based on the receipts factor; and

(b) The definition of "financial institution" contained in

appendix A to the multistate tax commission's recommended formula for the apportionment and allocation of net income of financial institutions is advisory only.

(3) The department may by rule provide a method or methods of apportioning or allocating gross income derived from sales of telecommunications service and competitive telephone service taxed under this chapter, if the gross proceeds of sales subject to tax under this chapter do not fairly represent the extent of the taxpayer's income attributable to this state. The rule must provide for an equitable and constitutionally permissible division of the tax base.

(4) For purposes of this section, the following definitions apply unless the context clearly requires otherwise:

(a) "Apportionable income" means gross income of the business generated from engaging in apportionable activities, including income received from apportionable activities performed outside this state if the income would be taxable under this chapter if received from activities in this state, less the exemptions and deductions allowable under this chapter. For purposes of this subsection, "apportionable activities" means only those activities taxed under:

(i) RCW 82.04.255;

(ii) RCW 82.04.260 (3), (5), (6), (7), (8), (9), ~~((10)), and ((13))~~ (12);

(iii) RCW 82.04.280(1)(e);

(iv) RCW 82.04.285;

(v) RCW 82.04.286;

(vi) RCW 82.04.290;

(vii) RCW 82.04.2907;

(viii) RCW 82.04.2908;

(ix) RCW 82.04.263, but only to the extent of any activity that would be taxable under any of the provisions enumerated under (a)(i) through (viii) of this subsection (4) if the tax classification in RCW 82.04.263 did not exist; ~~(and)~~

(x) RCW 82.04.280(1)(a) or exempted under RCW 82.04.759, but only with respect to advertising; and

(xi) Section 301 of this act.

(b)(i) "Taxable in another state" means that the taxpayer is subject to a business activities tax by another state on its income received from engaging in apportionable activities; or the taxpayer is not subject to a business activities tax by another state on its income received from engaging in apportionable activities, but any other state has jurisdiction to subject the taxpayer to a business activities tax on such income under the substantial nexus standards in RCW 82.04.067(1).

(ii) For purposes of this subsection (4)(b), "business activities tax" and "state" have the same meaning as in RCW 82.04.462.

Sec. 304. RCW 82.04.460 and 2014 c 97 s 304 are each amended to read as follows:

(1) Except as otherwise provided in this section, any person earning apportionable income taxable under this chapter and also taxable in another state must, for the purpose of computing tax liability under this chapter, apportion to this state, in accordance with RCW 82.04.462, that portion of the person's apportionable income derived from business activities performed within this state.

(2) The department must by rule provide a method of apportioning the apportionable income of financial institutions, where such apportionable income is taxable under RCW 82.04.290. The rule adopted by the department must, to the extent feasible, be consistent with the multistate tax commission's recommended formula for the apportionment and allocation of net income of financial institutions as existing on June 1, 2010, or such subsequent date as may be provided by the department by rule, consistent with the purposes of this section, except that:

(a) The department's rule must provide for a single factor

NINETY SEVENTH DAY, APRIL 19, 2025

2025 REGULAR SESSION

apportionment method based on the receipts factor; and

(b) The definition of "financial institution" contained in appendix A to the multistate tax commission's recommended formula for the apportionment and allocation of net income of financial institutions is advisory only.

(3) The department may by rule provide a method or methods of apportioning or allocating gross income derived from sales of telecommunications service and competitive telephone service taxed under this chapter, if the gross proceeds of sales subject to tax under this chapter do not fairly represent the extent of the taxpayer's income attributable to this state. The rule must provide for an equitable and constitutionally permissible division of the tax base.

(4) For purposes of this section, the following definitions apply unless the context clearly requires otherwise:

(a) "Apportionable income" means gross income of the business generated from engaging in apportionable activities, including income received from apportionable activities performed outside this state if the income would be taxable under this chapter if received from activities in this state, less the exemptions and deductions allowable under this chapter. For purposes of this subsection, "apportionable activities" means only those activities taxed under:

- (i) RCW 82.04.255;
- (ii) RCW 82.04.260 (3), (5), (6), (7), (8), (9), ~~((10)),~~ and ~~((13))~~ (12);
- (iii) RCW 82.04.280(1)(e);
- (iv) RCW 82.04.285;
- (v) RCW 82.04.286;
- (vi) RCW 82.04.290;
- (vii) RCW 82.04.2907;
- (viii) RCW 82.04.2908;
- (ix) RCW 82.04.263, but only to the extent of any activity that would be taxable under any of the provisions enumerated under (a)(i) through (viii) of this subsection (4) if the tax classification in RCW 82.04.263 did not exist; ~~((and))~~

(x) RCW 82.04.260~~((14))~~ (13) and 82.04.280(1)(a), but only with respect to advertising; and

(xi) Section 301 of this act.

(b)(i) "Taxable in another state" means that the taxpayer is subject to a business activities tax by another state on its income received from engaging in apportionable activities; or the taxpayer is not subject to a business activities tax by another state on its income received from engaging in apportionable activities, but any other state has jurisdiction to subject the taxpayer to a business activities tax on such income under the substantial nexus standards in RCW 82.04.067(1).

(ii) For purposes of this subsection (4)(b), "business activities tax" and "state" have the same meaning as in RCW 82.04.462.

PART IV MISCELLANEOUS

NEW SECTION. Sec. 401. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. Sec. 402. This act is necessary for the support of the state government and its existing public institutions.

NEW SECTION. Sec. 403. Section 101 of this act expires January 1, 2034.

NEW SECTION. Sec. 404. Section 102 of this act takes effect January 1, 2034.

NEW SECTION. Sec. 405. Sections 301 through 303 of this act take effect April 1, 2026.

NEW SECTION. Sec. 406. Section 303 of this act expires January 1, 2034.

NEW SECTION. Sec. 407. Section 304 of this act takes effect January 1, 2034.

NEW SECTION. Sec. 408. Except for sections 102 and 301 through 304 of this act, this act takes effect January 1, 2026."

On page 1, line 5 of the title, after "law;" strike the remainder of the title and insert "amending RCW 82.04.260, 82.04.290, 48.14.0201, 82.04.29004, 82.04.280, 82.04.390, 82.04.460, and 82.04.460; reenacting and amending RCW 82.04.260; adding a new section to chapter 82.04 RCW; creating new sections; repealing RCW 82.04.062, 82.16.0497, 82.04.44525, 82.04.272, 82.04.315, 82.04.4292, 82.04.29005, and 82.04.434; providing effective dates; and providing expiration dates."

MOTION

Senator Muzzall moved that the following floor amendment no. 0458 by Senator Muzzall be adopted:

0.

Beginning on page 23, line 8, strike all of section 104

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

On page 37, at the beginning of line 3, strike "48.14.0201,"

Senator Muzzall spoke in favor of adoption of the amendment to the striking amendment.

Senator Robinson spoke against adoption of the amendment to the striking amendment.

MOTION

On motion of Senator Wilson, C., Senator Wellman was excused.

The Vice President Pro Tempore declared the question before the Senate to be the adoption of floor amendment no. 0458 by Senator Muzzall on page 23, line 8 to Substitute Senate Bill No. 5794.

The motion by Senator Muzzall did not carry and floor amendment no. 0458 was not adopted by voice vote.

MOTION

Senator Riccelli moved that the following floor amendment no. 0439 by Senator Riccelli be adopted:

0.

On page 25, after line 34, insert the following:

"Sec. 105. RCW 82.04.405 and 1998 c 311 s 4 are each amended to read as follows:

((This)) (1) Except as provided in subsection (2) of this section, this chapter shall not apply to the gross income of credit unions organized under the laws of this state, any other state, or the United States.

(2)(a) Beginning October 1, 2025, if a credit union organized under the laws of this state merges or acquires a bank that is regulated by the department of financial institutions, the credit union no longer qualifies for the exemption from business and occupation tax in subsection (1) of this section and is subject to tax equal to the gross income of the credit union, multiplied by 1.2 percent.

(b) This subsection (2) does not apply to transactions for which an application has been submitted for regulatory approval prior to the effective date of this section."

Renumber the remaining section consecutively and correct any

internal references accordingly.

On page 37, line 3, after "48.14.0201," insert "82.04.405,"

Senators Riccelli and Torres spoke in favor of adoption of the amendment to the striking amendment.

Senator Schoesler spoke against adoption of the amendment to the striking amendment.

The Vice President Pro Tempore declared the question before the Senate to be the adoption of floor amendment no. 0439 by Senator Riccelli on page 25, line 34 to Substitute Senate Bill No. 5794.

The motion by Senator Riccelli carried and floor amendment no. 0439 was adopted by voice vote.

MOTION

Senator Holy moved that the following floor amendment no. 0455 by Senator Holy be adopted:

On page 25, beginning on line 37, strike all of subsection (1)

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

On page 37, at the beginning of line 6, strike "82.04.062,"

Senators Holy, MacEwen, Wagoner and King spoke in favor of adoption of the amendment to the striking amendment.

Senator Lovelett spoke against adoption of the amendment to the striking amendment.

The Vice President Pro Tempore declared the question before the Senate to be the adoption of floor amendment no. 0455 by Senator Holy on page 25, line 37 to Substitute Senate Bill No. 5794.

The motion by Senator Holy did not carry and floor amendment no. 0455 was not adopted by voice vote.

MOTION

Senator Wagoner moved that the following floor amendment no. 0447 by Senator Wagoner be adopted:

0.

On page 26, beginning on line 1, strike all of subsection (2)

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

On page 37, line 6, after "82.04.062," strike "82.16.0497,"

Senator Wagoner spoke in favor of adoption of the amendment to the striking amendment.

Senator Lovelett spoke against adoption of the amendment to the striking amendment.

The Vice President Pro Tempore declared the question before the Senate to be the adoption of floor amendment no. 0447 by Senator Wagoner on page 26, line 1 to Substitute Senate Bill No. 5794.

The motion by Senator Wagoner did not carry and floor amendment no. 0447 was not adopted by voice vote.

MOTION

Senator Braun moved that the following floor amendment no. 0442 by Senator Braun be adopted:

On page 26, beginning on line 9, strike all of subsection (4)

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

Beginning on page 29, line 10, strike all of section 202

On page 36, after line 9, insert the following:

"NEW SECTION. Sec. 401. (1) This section is the tax preference performance statement for the tax preference contained in RCW 82.04.272. This performance statement is only intended to be used for subsequent evaluation of the tax preference. It is not intended to create a private right of action by any party or be used to determine eligibility for preferential tax treatment.

(2) The legislature categorizes this tax preference as one intended to reduce structural inefficiencies in the tax structure, as indicated in RCW 82.32.808(2)(d).

(3) It is the legislature's specific public policy objective to foster a robust and sustainable health care ecosystem in this state by ensuring the continued access to essential prescription medications for all Washingtonians in a cost-effective and efficient manner.

(4) This tax preference is crucial for sustaining the health care ecosystem in Washington due to the pharmaceutical wholesale industry operating on high-volume, low-profit margins. Without this tax preference, the pharmaceutical wholesale industry would see an increase in operational costs, which would be passed down to purchasers like pharmacies and hospitals located in the state, thereby driving up the price of essential medications for health care providers and, ultimately, Washingtonians.

(5) The tax preference also serves to ensure the state's continued access to prescription medications during both routine and emergency situations. By maintaining a strong pharmaceutical wholesale presence throughout Washington state, the legislature aims to encourage continued siting of pharmaceutical wholesale warehouses in order to provide health care providers with confidence that essential drugs will be readily available and accessible, and thereby safeguarding the health and well-being of the state's residents in all circumstances. It is the legislature's intent to preserve a tax preference for prescription drug warehousing, ensuring that at least three pharmaceutical distribution warehouses remain operational within the state.

(6) If a review finds that there are at least three pharmaceutical distribution warehouses operational within the state then the legislature intends to extend the expiration date of the tax preference.

(7) In order to obtain the data necessary to perform the review in subsection (6) of this section, the joint legislative audit and review committee may refer to the licensing database managed by the department of health's pharmacy quality assurance commission, and any other data collected by the state."

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

On page 37, line 3, after "82.04.29004," strike "82.04.280,"

On page 37, line 6, after "82.04.44525," strike "82.04.272,"

Senator Braun spoke in favor of adoption of the amendment to the striking amendment.

Senators Cleveland and Slatter spoke against adoption of the amendment to the striking amendment.

Senator Braun demanded a roll call.

The President declared that one-sixth of the members supported the demand and the demand was sustained.

The Vice President Pro Tempore declared the question before the Senate to be the adoption of the amendment by Senator Braun on page 26, line 9 to Substitute Senate Bill No. 5794.

ROLL CALL

The Secretary called the roll on the adoption of the amendment by Senator Braun and the amendment was not adopted by the following vote: Yeas, 20; Nays, 28; Absent, 0; Excused, 1.

NINETY SEVENTH DAY, APRIL 19, 2025

2025 REGULAR SESSION

Voting yea: Senators Boehnke, Braun, Chapman, Christian, Dozier, Fortunato, Gildon, Goehner, Harris, Holy, King, MacEwen, McCune, Muzzall, Schoesler, Short, Torres, Wagoner, Warnick and Wilson, J.

Voting nay: Senators Alvarado, Bateman, Cleveland, Conway, Cortes, Dhingra, Frame, Hansen, Hasegawa, Kauffman, Krishnadasan, Lias, Lovelett, Lovick, Nobles, Orwall, Pedersen, Ramos, Riccelli, Robinson, Saldaña, Salomon, Shewmake, Slatter, Stanford, Trudeau, Valdez and Wilson, C.

Excused: Senator Wellman.

MOTION

Senator Boehnke moved that the following floor amendment no. 0463 by Senator Boehnke be adopted:

0.

Beginning on page 30, line 38, strike all material through "82.04.462." on page 36, line 7

Re-number the remaining part and sections consecutively and correct any internal references accordingly.

On page 36, beginning on line 20, strike all of sections 405, 406, and 407

On page 36, beginning on line 26, after "for" strike all material through "304" on line 27 and insert "section 102"

On page 37, beginning on line 3, after "82.04.29004," strike all material through "82.04.460" on line 4 and insert "and 82.04.280"

On page 37, beginning on line 4, after "82.04.260;" strike "adding a new section to chapter 82.04 RCW;"

On page 37, at the beginning of line 8, strike "expiration dates" and insert "an expiration date"

Senators Boehnke, Wagoner, Muzzall and Braun spoke in favor of adoption of the amendment to the striking amendment.

Senators Bateman and Frame spoke against adoption of the amendment to the striking amendment.

The Vice President Pro Tempore declared the question before the Senate to be the adoption of floor amendment no. 0463 by Senator Boehnke on page 30, line 38 to Substitute Senate Bill No. 5794.

The motion by Senator Boehnke did not carry and floor amendment no. 0463 was not adopted by voice vote.

MOTION

Senator McCune moved that the following floor amendment no. 0448 by Senator McCune be adopted:

On page 36, beginning on line 14, strike all of section 402

Re-number the remaining sections consecutively and correct any internal references accordingly.

On page 37, line 5, after "creating" strike "new sections" and insert "a new section"

Senators McCune and Braun spoke in favor of adoption of the amendment to the striking amendment.

Senator Pedersen spoke against adoption of the amendment to the striking amendment.

The President declared the question before the Senate to be the adoption of floor amendment no. 0448 by Senator McCune on page 36, line 14 to Substitute Senate Bill No. 5794.

The motion by Senator McCune did not carry and floor amendment no. 0448 was not adopted by voice vote.

Senator Frame spoke in favor of adoption of the striking amendment as amended.

The Vice President Pro Tempore declared the question before the Senate to be the adoption of striking floor amendment no. 0438 by Senator Frame to Substitute Senate Bill No. 5794.

The motion by Senator Frame carried and striking floor amendment no. 0438 as amended was adopted by voice vote.

MOTION

On motion of Senator Salomon, the rules were suspended, Engrossed Substitute Senate Bill No. 5794 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Salomon spoke in favor of passage of the bill.

Senators Wagoner and MacEwen spoke against passage of the bill.

MOTION

Senator Gildon moved that the Senate advance to the 9th Order of Business for the purpose of relieving the Committee on Ways & Means of Senate Bill No. 5810, Making 2025-2027 fiscal biennium operating appropriations and 2023-2025 fiscal biennium second supplemental operating appropriations, and placing the bill on the Second Reading Calendar.

Senator Gildon demanded a roll call.

The Vice President Pro Tempore declared that one-sixth of the members supported the demand and the demand was sustained.

Senator Gildon spoke in favor of the motion.

REMARKS BY THE VICE PRESIDENT PRO TEMPORE

Vice President Pro Tempore Lovick: "The President would request that the member would explain why we should pull Senate Bill. No. 5810 to the Senate floor. Please proceed."

Senator Gildon spoke in favor of the motion.

Senator Riccelli spoke against the motion.

ROLL CALL

The Vice President Pro Tempore declared the question before the Senate to be the motion by Senator Gildon to advance to the 9th Order of business and the motion did not carry by the following vote: Yeas: 19; Nays, 29; Absent, 0; Excused, 1.

Voting yea: Senators Boehnke, Braun, Christian, Dozier, Fortunato, Gildon, Goehner, Harris, Holy, King, MacEwen, McCune, Muzzall, Schoesler, Short, Torres, Wagoner, Warnick, and Wilson, J.

Voting nay: Senators Alvarado, Bateman, Chapman, Cleveland, Conway, Cortes, Dhingra, Frame, Hansen, Hasegawa, Kauffman, Krishnadasan, Lias, Lovelett, Lovick, Nobles, Orwall, Pedersen, Ramos, Riccelli, Robinson, Saldaña, Salomon, Shewmake, Slatter, Stanford, Trudeau, Valdez and Wilson, C.

Excused: Senator Wellman

The Vice President Pro Tempore declared the question before the Senate to be the final passage of Engrossed Substitute Senate Bill No. 5794.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute Senate Bill No. 5794 and the bill passed the Senate by the following vote: Yeas, 26; Nays, 22; Absent, 0; Excused, 1.

Voting yea: Senators Alvarado, Bateman, Cleveland, Conway,

Dhingra, Frame, Hansen, Hasegawa, Kauffman, Liias, Lovelett, Lovick, Nobles, Orwall, Pedersen, Ramos, Riccelli, Robinson, Saldaña, Salomon, Shewmake, Slatter, Stanford, Trudeau, Valdez and Wilson, C.

Voting nay: Senators Boehnke, Braun, Chapman, Christian, Cortes, Dozier, Fortunato, Gildon, Goehner, Harris, Holy, King, Krishnadasan, MacEwen, McCune, Muzzall, Schoesler, Short, Torres, Wagoner, Warnick and Wilson, J.

Excused: Senator Wellman

ENGROSSED SUBSTITUTE SENATE BILL NO. 5794, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

SECOND READING

SENATE BILL NO. 5813, by Senators Wilson, C., Stanford, Alvarado, Frame, Nobles, Pedersen, and Valdez

Increasing funding to the education legacy trust account by creating a more progressive rate structure for the capital gains tax and estate tax.

MOTION

On motion of Senator Wilson, C., Substitute Senate Bill No. 5813 was substituted for Senate Bill No. 5813 and the substitute bill was placed on the second reading and read the second time.

SECOND READING

SUBSTITUTE SENATE BILL NO. 5813, by Senate Committee on Ways & Means (originally sponsored by Wilson, C., Stanford, Alvarado, Frame, Nobles, Pedersen, and Valdez)

Increasing funding to the education legacy trust account by creating a more progressive rate structure for the capital gains tax and estate tax.

The measure was read the second time.

MOTION

Senator Frame moved that the following floor amendment no. 0437 by Senator Frame be adopted:

On page 11, line 9, after "applicable" strike "exclusion" and insert "deduction"

On page 11, line 10, after "applicable" strike "exclusion" and insert "deduction"

Senators Frame and Braun spoke in favor of adoption of the amendment.

The Vice President Pro Tempore declared the question before the Senate to be the adoption of floor amendment no. 0437 by Senator Frame on page 11, line 9 to Substitute Senate Bill No. 5813.

The motion by Senator Frame carried and floor amendment no. 0437 was adopted by voice vote.

MOTION

On motion of Senator Wilson, C., the rules were suspended, Engrossed Substitute Senate Bill No. 5813 was advanced to third reading, the second reading considered the third and the bill was

placed on final passage.

Senators Wilson, C. and Frame spoke in favor of passage of the bill.

Senators Harris, Dozier and Braun spoke against passage of the bill.

The Vice President Pro Tempore declared the question before the Senate to be the final passage of Engrossed Substitute Senate Bill No. 5813.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute Senate Bill No. 5813 and the bill passed the Senate by the following vote: Yeas, 27; Nays, 21; Absent, 0; Excused, 1.

Voting yea: Senators Alvarado, Bateman, Chapman, Cleveland, Conway, Dhingra, Frame, Hansen, Hasegawa, Kauffman, Liias, Lovelett, Lovick, Nobles, Orwall, Pedersen, Ramos, Riccelli, Robinson, Saldaña, Salomon, Shewmake, Slatter, Stanford, Trudeau, Valdez and Wilson, C.

Voting nay: Senators Boehnke, Braun, Christian, Cortes, Dozier, Fortunato, Gildon, Goehner, Harris, Holy, King, Krishnadasan, MacEwen, McCune, Muzzall, Schoesler, Short, Torres, Wagoner, Warnick and Wilson, J.

Excused: Senator Wellman

ENGROSSED SUBSTITUTE SENATE BILL NO. 5813, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

SECOND READING

SENATE BILL NO. 5802, by Senators Liias, and King

Rebalancing statutory fund transfers and revenue dedications for transportation.

MOTION

On motion of Senator Liias, Second Substitute Senate Bill No. 5802 was substituted for Senate Bill No. 5802 and the substitute bill was placed on the second reading and read the second time.

SECOND READING

SECOND SUBSTITUTE SENATE BILL NO. 5802, by Senate Committee on Ways & Means (originally sponsored by Liias, and King)

Rebalancing statutory fund transfers and revenue dedications for transportation.

The measure was read the second time.

MOTION

On motion of Senator Liias, the rules were suspended, Second Substitute Senate Bill No. 5802 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Liias and King spoke in favor of passage of the bill.

The Vice President Pro Tempore declared the question before the Senate to be the final passage of Second Substitute Senate Bill No. 5802.

NINETY SEVENTH DAY, APRIL 19, 2025

2025 REGULAR SESSION

ROLL CALL

The Secretary called the roll on the final passage of Second Substitute Senate Bill No. 5802 and the bill passed the Senate by the following vote: Yeas, 39; Nays, 9; Absent, 0; Excused, 1.

Voting yea: Senators Alvarado, Bateman, Braun, Chapman, Cleveland, Conway, Cortes, Dhingra, Fortunato, Frame, Gildon, Goehner, Hansen, Harris, Holy, Kauffman, King, Krishnadasan, Lias, Lovick, Muzzall, Nobles, Orwall, Pedersen, Ramos, Riccelli, Robinson, Saldaña, Salomon, Shewmake, Short, Slatter, Stanford, Torres, Valdez, Wagoner, Warnick, Wilson, C. and Wilson, J.

Voting nay: Senators Boehnke, Christian, Dozier, Hasegawa, Lovelett, MacEwen, McCune, Schoesler and Trudeau

Excused: Senator Wellman

SECOND SUBSTITUTE SENATE BILL NO. 5802, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

SIGNED BY THE PRESIDENT

Pursuant to Article 2, Section 32 of the State Constitution and Senate Rule 1(5), the President announced the signing of and thereupon did sign in open session:

ENGROSSED SUBSTITUTE SENATE BILL NO. 5029,
ENGROSSED SENATE BILL NO. 5206,
SUBSTITUTE SENATE BILL NO. 5212,
ENGROSSED SECOND SUBSTITUTE
SENATE BILL NO. 5217,
ENGROSSED SUBSTITUTE SENATE BILL NO. 5219,
ENGROSSED SUBSTITUTE SENATE BILL NO. 5232,
SUBSTITUTE SENATE BILL NO. 5253,
SUBSTITUTE SENATE BILL NO. 5262,
SUBSTITUTE SENATE BILL NO. 5298,
ENGROSSED SUBSTITUTE SENATE BILL NO. 5303,
ENGROSSED SENATE BILL NO. 5313,
SUBSTITUTE SENATE BILL NO. 5314,
SENATE BILL NO. 5317,
SENATE BILL NO. 5343,
SUBSTITUTE SENATE BILL NO. 5365,
SUBSTITUTE SENATE BILL NO. 5388,
ENGROSSED SUBSTITUTE SENATE BILL NO. 5403,
SUBSTITUTE SENATE BILL NO. 5412,
SUBSTITUTE SENATE BILL NO. 5528,
and ENGROSSED SENATE BILL NO. 5595.

SECOND READING

SENATE BILL NO. 5807, by Senator Robinson

Concerning wellness incentives for public and school employee health benefit plans.

The measure was read the second time.

MOTION

On motion of Senator Robinson, the rules were suspended, Senate Bill No. 5807 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Robinson and Gildon spoke in favor of passage of the bill.

The Vice President Pro Tempore declared the question before the Senate to be the final passage of Senate Bill No. 5807.

ROLL CALL

The Secretary called the roll on the final passage of Senate Bill No. 5807 and the bill passed the Senate by the following vote: Yeas, 46; Nays, 2; Absent, 0; Excused, 1.

Voting yea: Senators Alvarado, Bateman, Boehnke, Braun, Chapman, Christian, Cleveland, Conway, Cortes, Dhingra, Dozier, Fortunato, Frame, Gildon, Goehner, Hansen, Harris, Holy, Kauffman, King, Krishnadasan, Lias, Lovelett, Lovick, MacEwen, McCune, Muzzall, Nobles, Orwall, Pedersen, Ramos, Riccelli, Robinson, Saldaña, Salomon, Schoesler, Shewmake, Short, Slatter, Stanford, Torres, Trudeau, Valdez, Warnick, Wilson, C. and Wilson, J.

Voting nay: Senators Hasegawa and Wagoner

Excused: Senator Wellman

SENATE BILL NO. 5807, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

SECOND READING

SENATE BILL NO. 5790, by Senator Robinson

Concerning cost-of-living adjustments for community and technical college employees.

MOTION

On motion of Senator Robinson, Substitute Senate Bill No. 5790 was substituted for Senate Bill No. 5790 and the substitute bill was placed on the second reading and read the second time.

SECOND READING

SUBSTITUTE SENATE BILL NO. 5790, by Senate Committee on Ways & Means (originally sponsored by Robinson)

Concerning cost-of-living adjustments for community and technical college employees.

The measure was read the second time.

MOTION

On motion of Senator Robinson, the rules were suspended, Substitute Senate Bill No. 5790 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Robinson and Gildon spoke in favor of passage of the bill.

The Vice President Pro Tempore declared the question before the Senate to be the final passage of Substitute Senate Bill No. 5790.

ROLL CALL

The Secretary called the roll on the final passage of Substitute Senate Bill No. 5790 and the bill passed the Senate by the following vote: Yeas, 37; Nays, 10; Absent, 1; Excused, 1.

Voting yea: Senators Alvarado, Bateman, Braun, Chapman,

Cleveland, Conway, Cortes, Dhingra, Dozier, Frame, Gildon, Goehner, Hansen, Kauffman, King, Lias, Lovelett, Lovick, Muzzall, Nobles, Orwall, Pedersen, Ramos, Riccelli, Robinson, Saldaña, Salomon, Schoesler, Slatter, Stanford, Torres, Trudeau, Valdez, Wagoner, Warnick, Wilson, C. and Wilson, J.

Voting nay: Senators Christian, Fortunato, Harris, Hasegawa, Holy, Krishnadasan, MacEwen, McCune, Shewmake and Short

Absent: Senator Boehnke

Excused: Senator Wellman

SUBSTITUTE SENATE BILL NO. 5790, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

SIGNED BY THE PRESIDENT

Pursuant to Article 2, Section 32 of the State Constitution and Senate Rule 1(5), the President announced the signing of and thereupon did sign in open session:

ENGROSSED SUBSTITUTE SENATE BILL NO. 5004,
ENGROSSED SUBSTITUTE SENATE BILL NO. 5009,
SENATE BILL NO. 5032,

SUBSTITUTE SENATE BILL NO. 5033,
SENATE BILL NO. 5036,
SENATE BILL NO. 5077,
SENATE BILL NO. 5079,

SUBSTITUTE SENATE BILL NO. 5093,
SENATE BILL NO. 5138,

SUBSTITUTE SENATE BILL NO. 5139,
ENGROSSED SUBSTITUTE SENATE BILL NO. 5142,

ENGROSSED SECOND SUBSTITUTE

SENATE BILL NO. 5148,
SUBSTITUTE SENATE BILL NO. 5168,
ENGROSSED SUBSTITUTE SENATE BILL NO. 5184,

SENATE BILL NO. 5189,
SENATE BILL NO. 5315,

SUBSTITUTE SENATE BILL NO. 5431,
SUBSTITUTE SENATE BILL NO. 5516,

SUBSTITUTE SENATE BILL NO. 5587,
SENATE BILL NO. 5682.

SECOND READING

SENATE BILL NO. 5647, by Senators Alvarado, Frame, Saldaña, Trudeau, and Valdez

Providing a real estate excise tax exemption for the sale of qualified affordable housing.

The measure was read the second time.

MOTION

On motion of Senator Alvarado, the rules were suspended, Senate Bill No. 5647 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Alvarado and Gildon spoke in favor of passage of the bill.

The Vice President Pro Tempore declared the question before the Senate to be the final passage of Senate Bill No. 5647.

ROLL CALL

The Secretary called the roll on the final passage of Senate Bill No. 5647 and the bill passed the Senate by the following vote: Yeas, 39; Nays, 9; Absent, 0; Excused, 1.

Voting yea: Senators Alvarado, Bateman, Boehnke, Chapman, Cleveland, Conway, Cortes, Dhingra, Fortunato, Frame, Gildon, Hansen, Hasegawa, Holy, Kauffman, King, Krishnadasan, Lias, Lovelett, Lovick, MacEwen, Muzzall, Nobles, Orwall, Pedersen, Ramos, Riccelli, Robinson, Saldaña, Salomon, Shewmake, Short, Slatter, Stanford, Torres, Trudeau, Valdez, Wilson, C. and Wilson, J.

Voting nay: Senators Braun, Christian, Dozier, Goehner, Harris, McCune, Schoesler, Wagoner and Warnick

Excused: Senator Wellman

SENATE BILL NO. 5647, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

SECOND READING

SENATE BILL NO. 5393, by Senators Robinson, Nobles, and Wilson, C.

Closing the Yakima Valley school and Rainier school.

MOTION

On motion of Senator Robinson, Substitute Senate Bill No. 5393 was substituted for Senate Bill No. 5393 and the substitute bill was placed on the second reading and read the second time.

SECOND READING

SUBSTITUTE SENATE BILL NO. 5393, by Senate Committee on Ways & Means (originally sponsored by Robinson, Nobles, and Wilson, C.)

Revised for 1st Substitute: Closing the Rainier school by June 30, 2027.

The measure was read the second time.

MOTION

On motion of Senator Robinson, the rules were suspended, Substitute Senate Bill No. 5393 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Robinson, Cortes and King spoke in favor of passage of the bill.

Senators Christian, Fortunato, Kauffman and Conway spoke against passage of the bill.

The President declared the question before the Senate to be the final passage of Substitute Senate Bill No. 5393.

ROLL CALL

The Secretary called the roll on the final passage of Substitute Senate Bill No. 5393 and the bill passed the Senate by the following vote: Yeas, 26; Nays, 22; Absent, 0; Excused, 1.

Voting yea: Senators Alvarado, Braun, Chapman, Cleveland, Cortes, Frame, Gildon, Hansen, Harris, Holy, King, Lias, Lovelett, Lovick, Nobles, Orwall, Pedersen, Riccelli, Robinson, Saldaña, Salomon, Shewmake, Slatter, Stanford, Valdez and Wilson, C.

NINETY SEVENTH DAY, APRIL 19, 2025

2025 REGULAR SESSION

Voting nay: Senators Bateman, Boehnke, Christian, Conway, Dhingra, Dozier, Fortunato, Goehner, Hasegawa, Kauffman, Krishnadasan, MacEwen, McCune, Muzzall, Ramos, Schoesler, Short, Torres, Trudeau, Wagoner, Warnick and Wilson, J.

Excused: Senator Wellman

SUBSTITUTE SENATE BILL NO. 5393, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

SECOND READING

SENATE BILL NO. 5785, by Senator Robinson

Modifying students' share of the education costs at institutions of higher education.

MOTION

On motion of Senator Robinson, Substitute Senate Bill No. 5785 was substituted for Senate Bill No. 5785 and the substitute bill was placed on the second reading and read the second time.

SECOND READING

SUBSTITUTE SENATE BILL NO. 5785, by Senate Committee on Ways & Means (originally sponsored by Robinson)

Revised for 1st Substitute: Amending the Washington college grant and college bound scholarship.

The measure was read the second time.

MOTION

Senator Boehnke moved that the following floor amendment no. 0469 by Senator Boehnke be adopted:

On page 3, beginning on line 3, after "(d)" strike all material through "~~(f)~~" on line 13 and insert "For students attending four-year private for-profit institutions of higher education in Washington, in the 2019-20 academic year, is ~~((eight thousand five hundred seventeen dollars))~~ \$8,517 and may increase each year afterwards by no more than the tuition growth factor.

(e) For students attending two-year private for-profit institutions of higher education in Washington, in the 2019-20 academic year, is ~~((two thousand eight hundred twenty three dollars))~~ \$2,823 and may increase each year afterwards by no more than the tuition growth factor.

(f)"

Reletter the remaining subsection consecutively and correct any internal references accordingly.

Senator Boehnke spoke in favor of adoption of the amendment. Senator Hansen spoke against adoption of the amendment.

The Vice President Pro Tempore declared the question before the Senate to be the adoption of floor amendment no. 0469 by Senator Boehnke on page 3, line 3 to Substitute Senate Bill No. 5785.

The motion by Senator Boehnke did not carry and floor amendment no. 0469 was not adopted by voice vote.

MOTION

Senator Gildon moved that the following floor amendment no. 0456 by Senator Gildon be adopted:

On page 3, after line 34, insert the following:

"**Sec. 2.** RCW 28B.92.200 and 2024 c 323 s 1 and 2024 c 116 s 1 are each reenacted and 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 shall appropriate funding for the Washington college grant program. Allocations must be made on the basis of estimated eligible participants enrolled in eligible institutions of higher 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)(i) Demonstrate financial need under RCW 28B.92.205;

(ii) Receive one or more of the following types of public assistance:

(A) Aged, blind, or disabled assistance benefits under chapter 74.62 RCW;

(B) Essential needs and housing support program benefits under RCW 43.185C.220; or

(C) Pregnant women assistance program financial grants under RCW 74.62.030; ~~((or))~~

(iii) Be a Washington high school student in the 10th, 11th, or 12th grade whose parent or legal guardian is receiving one or more of the types of public assistance listed in (a)(ii) of this subsection and have received a certificate confirming eligibility from the office in accordance with RCW 28B.92.225; or

(iv) Beginning in the 2025-26 academic year, be a Washington high school student in the 10th, 11th, or 12th grade who is a member of an assistance unit receiving benefits under the Washington basic food program in chapter 74.04 RCW or the Washington food assistance program established under RCW 74.08A.120;

(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 ~~((six))~~ five years or ~~((450))~~ 125 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.

Sec. 3. RCW 28B.118.005 and 2024 c 323 s 3 are each amended to read as follows:

The legislature intends to inspire and encourage all Washington students to dream big by creating a guaranteed four-year tuition scholarship program for students from low-income families who enroll within one year of high school graduation. The legislature finds that, too often, financial barriers prevent many of the brightest students from considering college as a future possibility. Often the cost of tuition coupled with the complexity of finding and applying for financial aid is enough to prevent a student from even applying to college. Many students become disconnected from the education system early on and may give up or drop out before graduation. It is the intent of the legislature to alert students early in their educational career to the options and opportunities available beyond high school."

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

On page 7, beginning on line 28, after "graduation." strike all material through "equivalent" on line 31 and insert "((College bound scholarship eligibility may not extend beyond six years or 150 percent of the published length of the program in which the student is enrolled or the credit or clock hour equivalent)) Eligible students may receive no more than four full-time years' worth of scholarship awards within five years after graduating from high school"

On page 8, line 5, after "within" strike "six" and insert "five"

On page 1, line 5 of the title, after "28B.92.030," insert "28B.118.005,"

On page 1, line 6 of the title, after "28B.118.010;" insert "reenacting and amending RCW 28B.92.200;"

Senators Gildon and Braun spoke in favor of adoption of the amendment.

Senator Hansen spoke against adoption of the amendment.

The President declared the question before the Senate to be the adoption of floor amendment no. 0456 by Senator Gildon on page 3, line 34 to Substitute Senate Bill No. 5785.

The motion by Senator Gildon did not carry and floor amendment no. 0456 was not adopted by voice vote.

MOTION

On motion of Senator Robinson, the rules were suspended, Substitute Senate Bill No. 5785 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Robinson spoke in favor of passage of the bill.

Senator Warnick spoke against passage of the bill.

The Vice President Pro Tempore declared the question before the Senate to be the final passage of Substitute Senate Bill No. 5785.

ROLL CALL

The Secretary called the roll on the final passage of Substitute Senate Bill No. 5785 and the bill passed the Senate by the following vote: Yeas, 28; Nays, 20; Absent, 0; Excused, 1.

Voting yea: Senators Alvarado, Bateman, Chapman, Cleveland, Conway, Cortes, Dhingra, Frame, Hansen, Hasegawa, Kauffman, Krishnadasan, Liias, Lovelett, Lovick, Nobles, Orwall, Pedersen, Ramos, Riccelli, Robinson, Saldaña, Salomon, Slatter, Stanford, Trudeau, Valdez and Wilson, C.

Voting nay: Senators Boehnke, Braun, Christian, Dozier, Fortunato, Gildon, Goehner, Harris, Holy, King, MacEwen, McCune, Muzzall, Schoesler, Shewmake, Short, Torres, Wagoner, Warnick and Wilson, J.

Excused: Senator Wellman

SUBSTITUTE SENATE BILL NO. 5785, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MOTION

At 4:28 p.m., on motion of Senator Riccelli, the Senate adjourned until 10:30 a.m. Monday, April 21, 2025.

JOHN LOVICK, Vice President Pro Tempore of the Senate

SARAH BANNISTER, Secretary of the Senate

1012		1468-SE	
Messages	4	Messages	4
President Signed.....	7	1483-SE	
1014-E		Messages	4
Messages	4	President Signed.....	7
President Signed.....	7	1488-S	
1046		Messages	3, 4
Messages	4	President Signed.....	7
President Signed.....	7	1516-S2	
1052-E		Messages	4
Messages	3, 4	1516-SE	
President Signed.....	7	President Signed.....	7
1149-SE		1533-SE	
Messages	4	Messages	4
President Signed.....	7	President Signed.....	7
1171-S		1539-S	
Messages	4	Messages	4
President Signed.....	7	President Signed.....	7
1173-E		1572-SE	
Messages	4	Messages	4
President Signed.....	7	President Signed.....	7
1185-E		1605	
Messages	4	Messages	4
President Signed.....	7	President Signed.....	7
1207-S2		1620-SE	
Introduction & 1st Reading.....	3	Messages	3, 4
1244-S		President Signed.....	7
Messages	4	1628-E	
President Signed.....	7	Messages	4
1308-S		1698	
Messages	4	Messages	4
President Signed.....	7	President Signed.....	7
1332-SE		1757	
Messages	4	Messages	4
President Signed.....	7	1815-SE	
1372		Messages	4
Messages	4	President Signed.....	7
President Signed.....	7	1829-SE	
1395-SE		Messages	4
Messages	3, 4	1848-S	
President Signed.....	7	Messages	3
1403-E		1874-E	
Messages	4	Messages	4
President Signed.....	7	1899-S	
1427-S2		Messages	4
Messages	4	President Signed.....	7
President Signed.....	7	1958-S	

Messages	3	President Signed.....	25
1971-SE		5217-S2E	
Messages	4	President Signed.....	25
President Signed.....	7	5219-SE	
2003		President Signed.....	25
Messages	3	5232-SE	
2047-S		President Signed.....	25
Introduction & 1st Reading.....	3	5253-S	
2061-SE		President Signed.....	25
Messages	4	5262-S	
4002		President Signed.....	25
Messages	4	5298-S	
President Signed.....	7	President Signed.....	25
5004-SE		5303-SE	
President Signed.....	26	President Signed.....	25
5009-SE		5313-E	
President Signed.....	26	President Signed.....	25
5029-SE		5314-S	
President Signed.....	25	President Signed.....	25
5032		5315	
President Signed.....	26	President Signed.....	26
5033-S		5317	
President Signed.....	26	President Signed.....	25
5036		5343	
President Signed.....	26	President Signed.....	25
5077		5365-S	
President Signed.....	26	President Signed.....	25
5079		5388-S	
President Signed.....	26	President Signed.....	25
5093-S		5393	
President Signed.....	26	Committee Report.....	1
5138		Second Reading	26
President Signed.....	26	5393-S	
5139-S		Second Reading	26
President Signed.....	26	Third Reading Final Passage	27
5142-SE		5403-SE	
President Signed.....	26	President Signed.....	25
5148-S2E		5412-S	
President Signed.....	26	President Signed.....	25
5168-S		5431-S	
President Signed.....	26	President Signed.....	26
5184-SE		5516-S	
President Signed.....	26	President Signed.....	26
5189		5528-S	
President Signed.....	26	President Signed.....	25
5206-E		5587-S	
President Signed.....	25	President Signed.....	26
5212-S		5595-E	

NINETY SEVENTH DAY, APRIL 19, 2025

2025 REGULAR SESSION

President Signed.....	25
5647	
Second Reading	26
Third Reading Final Passage	26
5682	
President Signed.....	26
5785	
Committee Report.....	1
Second Reading	27
5785-S	
Second Reading	27
Third Reading Final Passage	28
5790	
Committee Report.....	1
Second Reading	25
5790-S	
Second Reading	25
Third Reading Final Passage	26
5794	
Committee Report.....	1
Second Reading	10
5794-S	
Second Reading	10, 21, 22, 23
5794-SE	
Third Reading Final Passage	24
5797	
Committee Report.....	2
5798	
Committee Report.....	2
5802	
Committee Report.....	2
Second Reading	24
5802-S2	
Second Reading	24
Third Reading Final Passage	25
5807	
Committee Report.....	2

Second Reading	25
Third Reading Final Passage	25
5813	
Committee Report.....	2
Second Reading	24
5813-S	
Second Reading	24
5813-SE	
Third Reading Final Passage	24
5814	
Committee Report.....	2
Second Reading	4
5814-S	
Second Reading	4, 5, 6, 7, 8, 9
5814-SE	
Third Reading Final Passage	9
9243 Garcia, Victor B.	
Introduction.....	3
CHAPLAIN OF THE DAY	
Boehnke, Senator Matt, 8 th Legislative District, Kennewick	1
FLAG BEARERS	
Clark, Mr. Cobi.....	1
Leone, Mr. Michael.....	1
GUESTS	
Murillo, Miss Isabel, Pledge of Allegiance ..	1
MESSAGE FROM GOVERNOR	
Gubernatorial Appointments.....	3
PRESIDENT OF THE SENATE	
Remarks by the Vice President Pro Tempore	8, 23
Ruling by the Vice President Pro Tempore ..	9
WASHINGTON STATE SENATE	
Advance to the 9th Order.....	23
Personal Privilege, Senator Hasegawa.....	9
Point of Order, Senator Riccelli.....	9