

ONE HUNDRED FOURTH DAY

MORNING SESSION

Senate Chamber, Olympia  
Saturday, April 26, 2025

The Senate was called to order at 8 o'clock a.m. by the President of the Senate, Lt. Governor Heck presiding. The Secretary called the roll and announced to the President that all Senators were present.

The Sergeant at Arms Color Guard consisting of Senate Intern Mr. Brendan Marczuk and Senate Workroom Clerk Mr. Lance Rechner, presented the Colors.

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

The prayer was offered by Pastor Greg Rolfe of Beacon Hill Baptist Church, Longview. Pastor Rolfe was a guest of Senator Jeff Wilson.

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.

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

MESSAGE FROM THE HOUSE

April 25, 2025

MR. PRESIDENT:

The House grants the request for a conference on ENGROSSED HOUSE BILL NO. 1217. The Speaker has appointed the following members as Conferees: Representatives Fitzgibbon, Peterson, Low and the same are herewith transmitted.

MELISSA PALMER, Deputy Chief Clerk

Senator Hasegawa announced a meeting of the Democratic Caucus.

Senator Warnick announced a meeting of the Republican Caucus.

MOTION

At 8:05 a.m., on motion of Senator Riccelli, the Senate was declared to be at ease subject to the call of the President.

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The Senate was called to order at 9:17 a.m. by President Heck.

MOTION

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

SECOND READING

ENGROSSED SUBSTITUTE HOUSE BILL NO. 2049, by House Committee on Finance (originally sponsored by Bergquist, Pollet, Santos, Peterson, Fosse, Ryu, Ormsby, Parshley, Macri, Wylie, Berry, Ramel, Street, Gregerson, Doglio, Farivar, Reed, Reeves, Hill, and Callan)

Investing in the state's paramount duty to fund K-12 education and build strong and safe communities.

The measure was read the second time.

MOTION

Senator Braun moved that the following floor amendment no. 0474 by Senator Braun be adopted:

On page 1, beginning on line 1 of the title, after "Relating to" strike all material through "formula" on line 4 and insert "modifying local property tax authority and adjusting the school funding formula"

Senator Braun spoke in favor of adoption of the amendment.

Senator Pedersen spoke against adoption of the amendment.

The President declared the question before the Senate to be the adoption of floor amendment no. 0474 by Senator Braun on page 1, line 1 to Engrossed Substitute House Bill No. 2049.

The motion by Senator Braun did not carry and floor amendment no. 0474 was not adopted by voice vote.

MOTION

Senator Torres moved that the following floor amendment no. 0476 by Senator Torres be adopted:

Beginning on page 1, line 7, strike all of section 1

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

On page 1, line 4 of the title, after "RCW" strike "84.52.0531 and"

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

Senator Pedersen spoke against adoption of the amendment.

The President declared the question before the Senate to be the adoption of floor amendment no. 0476 by Senator Torres on page 1, line 7 to Engrossed Substitute House Bill No. 2049.

The motion by Senator Torres did not carry and floor amendment no. 0476 was not adopted by voice vote.

MOTION

Senator Short moved that the following floor amendment no. 0473 by Senator Short be adopted:

Beginning on page 3, line 34, strike all of section 2

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

On page 1, line 4 of the title, after "84.52.0531" strike "and

28A.500.015"

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

Senator Pedersen spoke against adoption of the amendment.

The President declared the question before the Senate to be the adoption of floor amendment no. 0473 by Senator Short on page 3, line 34 to Engrossed Substitute House Bill No. 2049.

The motion by Senator Short did not carry and floor amendment no. 0473 was not adopted by voice vote.

#### MOTION

Senator Fortunato moved that the following floor amendment no. 0475 by Senator Fortunato be adopted:

On page 4, line 15, after "RCW" insert "and charter schools established under chapter 28A.710 RCW"

On page 4, line 19, after "school" insert "or charter school"

On page 4, line 23, after "compact school" insert "or charter school"

Senators Fortunato, MacEwen and Braun spoke in favor of adoption of the amendment.

Senator Pedersen spoke against 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 President declared the question before the Senate to be the adoption of the amendment by Senator Fortunato on page 4, line 15 to Engrossed Substitute House Bill No. 2049.

#### 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, 29; 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, Riccelli, Robinson, Saldña, Salomon, Shewmake, Slatter, Stanford, Trudeau, Valdez, Wellman and Wilson, C.

#### MOTION

Senator Gildon moved that the following floor amendment no. 0480 by Senator Gildon be adopted:

On page 4, line 21, after "inflation", insert ", plus inflation enhancements,"

On page 5, after line 3, insert the following: "c) 'Inflation enhancement' means:

(i) \$150 in the 2028 calendar year; and

(ii) \$200 beginning in calendar year 2029.

On page 5, line 24, after "inflation", insert ", plus inflation enhancements,"

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

Senator Gildon spoke in favor of adoption of the amendment.

Senator Pedersen spoke against adoption of the amendment.

The President declared the question before the Senate to be the adoption of floor amendment no. 0480 by Senator Gildon on page 4, line 21 to Engrossed Substitute House Bill No. 2049.

The motion by Senator Gildon did not carry and floor amendment no. 0480 was not adopted by voice vote.

#### MOTION

Senator Warnick moved that the following floor amendment no. 0472 by Senator Warnick be adopted:

On page 5, line 37, after "group" insert ", led by the Washington association of school administrators,"

On page 6, line 34, after "(3) The" strike "superintendent of public instruction" and insert "Washington association of school administrators"

Senator Warnick spoke in favor of adoption of the amendment.

Senator Pedersen spoke against adoption of the amendment.

The President declared the question before the Senate to be the adoption of floor amendment no. 0472 by Senator Warnick on page 5, line 37 to Engrossed Substitute House Bill No. 2049.

The motion by Senator Warnick did not carry and floor amendment no. 0472 was not adopted by voice vote.

#### MOTION

On motion of Senator Pedersen, the rules were suspended, Engrossed Substitute House Bill No. 2049 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Pedersen and Cortes spoke in favor of passage of the bill.

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

#### POINT OF ORDER

Senator Braun: "Thank you Mr. President. I believe the speaker is impugning the motives of other members of the body."

#### RULING BY THE PRESIDENT

President Heck: "Senator Cortes, your remarks are indeed a slippery slope. Please confine your remarks in favor or against the measure before us. Senator Braun, your point is well taken. Please proceed Senator Cortes."

Senator Cortes spoke in favor of passage of the bill.

Senator Christian spoke against passage of the bill.

#### MOTION

At 9:56 a.m., on motion of Senator Riccelli, the Senate was declared to be at ease subject to the call of the President.

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The Senate was called to order at 10:55 a.m. by President Heck.

The Senate resumed consideration of Engrossed Substitute House Bill No. 2049.

Senator Slatter spoke in favor of passage of the bill.

Senators Boehnke, Fortunato, MacEwen, Muzzall and Braun

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spoke against passage of the bill.

The President declared the question before the Senate to be the final passage of Engrossed Substitute House Bill No. 2049.

#### ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute House Bill No. 2049 and the bill passed the Senate by the following vote: Yeas, 28; Nays, 20; Absent, 0; Excused, 0.

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

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

ENGROSSED SUBSTITUTE HOUSE BILL NO. 2049, 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. 5041  
and ENGROSSED SUBSTITUTE SENATE BILL NO. 5801.

#### SECOND READING

SECOND SUBSTITUTE HOUSE BILL NO. 1207, by House Committee on Appropriations (originally sponsored by Thai, and Ryu)

Concerning superior court clerk fees.

The measure was read the second time.

#### MOTION

Senator Robinson moved that the following committee striking amendment by the Committee on Ways & Means be adopted:

Strike everything after the enacting clause and insert the following:

"**Sec. 1.** RCW 36.18.020 and 2022 c 260 s 17 are each amended to read as follows:

(1) Revenue collected under this section is subject to division with the state under RCW 36.18.025 and with the county or regional law library fund under RCW 27.24.070, except as provided in ~~((subsection (5)))~~ subsections (5) and (6) of this section.

(2) Clerks of superior courts shall collect the following fees for their official services:

(a) In addition to any other fee required by law, the party filing the first or initial document in any civil action, including, but not limited to an action for restitution, adoption, or change of name, and any party filing a counterclaim, cross-claim, or third-party claim in any such civil action, shall pay, at the time the document is filed, a fee of \$200 except, in an unlawful detainer action under chapter 59.18 or 59.20 RCW for which the plaintiff shall pay a

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case initiating filing fee of \$45, or in proceedings filed under RCW 28A.225.030 alleging a violation of the compulsory attendance laws where the petitioner shall not pay a filing fee. The \$45 filing fee under this subsection for an unlawful detainer action shall not include an order to show cause or any other order or judgment except a default order or default judgment in an unlawful detainer action.

(b) Any party, except a defendant in a criminal case, filing the first or initial document on an appeal from a court of limited jurisdiction or any party on any civil appeal, shall pay, when the document is filed, a fee of \$200.

(c) For filing of a petition for judicial review as required under RCW 34.05.514 a filing fee of \$200.

(d) For filing of a petition for an antiharassment protection order under RCW 7.105.100 a filing fee of \$53.

(e) For filing the notice of debt due for the compensation of a crime victim under RCW 7.68.120(2)(a) a fee of \$200.

(f) In probate proceedings, the party instituting such proceedings, shall pay at the time of filing the first document therein, a fee of \$200.

(g) For filing any petition to contest a will admitted to probate or a petition to admit a will which has been rejected, or a petition objecting to a written agreement or memorandum as provided in RCW 11.96A.220, there shall be paid a fee of \$200.

(h) Upon conviction or plea of guilty, upon failure to prosecute an appeal from a court of limited jurisdiction as provided by law, or upon affirmance of a conviction by a court of limited jurisdiction, an adult defendant in a criminal case shall be liable for a fee of two hundred dollars, except this fee shall not be imposed on a defendant who is indigent as defined in RCW 10.01.160(3). Upon motion by the defendant, the court may waive or reduce any fee previously imposed under this subsection if the court finds that the defendant is indigent as defined in RCW 10.01.160(3).

(i) ~~((With the exception of demands for jury hereafter made and garnishments hereafter issued, civil actions and probate proceedings filed prior to midnight, July 1, 1972, shall be completed and governed by the fee schedule in effect as of January 1, 1972. However, no))~~ No fee shall be assessed if an order of dismissal on the clerk's record be filed as provided by rule of the supreme court.

(3) No fee shall be collected when a petition for relinquishment of parental rights is filed pursuant to RCW 26.33.080 or for forms and instructional brochures provided under RCW 7.105.115.

(4) No fee shall be collected when an abstract of judgment is filed by the county clerk of another county for the purposes of collection of legal financial obligations.

(5)(a) In addition to the fees required to be collected under this section, clerks of the superior courts must collect surcharges as provided in this subsection (5) of which 75 percent must be remitted to the state treasurer for deposit in the judicial stabilization trust account and 25 percent must be retained by the county.

(b) On filing fees required to be collected under subsection (2)(b) of this section, a surcharge of \$30 must be collected.

(c) On all filing fees required to be collected under this section, except for fees required under subsection (2)(b), (d), and (h) of this section, a surcharge of \$40 must be collected.

(6) On filing fees required to be collected under subsection (2)(a), (b), (c), (e), (f), and (g) of this section, a surcharge of \$50 must be collected and \$45 of such surcharge must be transmitted by the county treasurer to the state treasurer to be deposited in the following manner: \$20 in the Washington state legacy project, state library, and archives account and \$25 in the judicial stabilization trust account. The remaining funds must be retained

by the county to be used for the county clerk's office operations, including administering the surcharge."

On page 1, line 1 of the title, after "fees;" strike the remainder of the title and insert "and amending RCW 36.18.020."

The President declared the question before the Senate to be the adoption of the committee striking amendment by the Committee on Ways & Means to Second Substitute House Bill No. 1207.

The motion by Senator Robinson carried and the committee striking amendment was adopted by voice vote.

#### MOTION

On motion of Senator Robinson, the rules were suspended, Second Substitute House Bill No. 1207 as amended by the Senate 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 Gildon spoke against passage of the bill.

The President declared the question before the Senate to be the final passage of Second Substitute House Bill No. 1207 as amended by the Senate.

#### ROLL CALL

The Secretary called the roll on the final passage of Second Substitute House Bill No. 1207 as amended by the Senate and the bill passed the Senate by the following vote: Yeas, 27; Nays, 21; Absent, 0; Excused, 0.

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

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

SECOND SUBSTITUTE HOUSE BILL NO. 1207 as amended by the Senate, 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

On motion of Senator Riccelli, Second Substitute House Bill No. 1207 as amended by the Senate was immediately transmitted to the House of Representatives.

#### SECOND READING

SUBSTITUTE HOUSE BILL NO. 1498, by House Committee on Appropriations (originally sponsored by Davis, Couture, Macri, Griffey, Walen, Reed, Simmons, Goodman, Parshley, Leavitt, Pollet, Hill, Salahuddin, and Scott)

Concerning domestic violence co-responder programs.

The measure was read the second time.

#### MOTION

Senator Dhingra moved that the following committee striking amendment by the Committee on Ways & Means be not adopted:

Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. A new section is added to chapter 43.280 RCW to read as follows:

The domestic violence co-responder account is created in the state treasury. All receipts from fees imposed for deposit in the domestic violence co-responder account under RCW 26.04.160 must be deposited into the account. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only for the domestic violence co-responder grant program created in section 2 of this act.

NEW SECTION. Sec. 2. A new section is added to chapter 43.280 RCW to read as follows:

(1) The domestic violence co-responder grant program is created to be administered by the office of crime victims advocacy.

(2) The domestic violence co-responder grant program must:

(a) Award matching grants to cities and counties where the county legislative authority has imposed an additional \$100 fee for the issuance of a marriage license as authorized in RCW 26.04.160 for the purpose of establishing and operating domestic violence co-responder programs;

(b) Provide contracted technical assistance and training for grantees using a service provider that has demonstrated effectiveness in providing domestic violence co-responder services; and

(c) Provide contracted services to assist grantees in billing health insurance for domestic violence co-responder services.

(3) For the purposes of this section, a "domestic violence co-responder program" is a program utilizing domestic violence victim advocates that are summoned by law enforcement to the scene of a domestic violence incident and that provide whole family support, resource connection, and care navigation for victims.

Sec. 3. RCW 26.04.160 and 1997 c 58 s 909 are each amended to read as follows:

(1) Application for a marriage license must be made and filed with the appropriate county auditor upon blanks to be provided by the county auditor for that purpose, which application shall be under the oath of each of the applicants, and each application shall state the name, address at the time of execution of application, age, social security number, birthplace, whether single, widowed or divorced, and whether under control of a guardian, residence during the past six months: PROVIDED, That each county may require such other and further information on said application as it shall deem necessary.

(2) The county legislative authority may impose an additional fee up to fifteen dollars on a marriage license for the purpose of funding family services such as family support centers.

(3) The county legislative authority may impose an additional \$100 fee for issuance of a marriage license for the purpose of supporting the domestic violence co-responder grant program created in section 2 of this act. If the county legislative authority imposes the \$100 fee, revenues from the fee shall be transmitted monthly to the state treasurer for deposit into the domestic violence co-responder account created in section 1 of this act."

On page 1, line 1 of the title, after "programs;" strike the remainder of the title and insert "amending RCW 26.04.160; and adding new sections to chapter 43.280 RCW."

Senator Dhingra spoke in favor of not adopting the committee striking amendment.

The President declared the question before the Senate to be to not adopt the committee striking amendment by the Committee

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on Ways & Means to Substitute House Bill No. 1498.

The motion by Senator Dhingra carried and the committee striking amendment was not adopted by voice vote.

### MOTION

Senator Dhingra moved that the following floor amendment no. 0471 by Senator Dhingra be adopted:

On page 1, at the beginning of line 7, insert "(1)"

On page 1, beginning on line 11, after "appropriation." strike all material through "act" on line 13 and insert the following:

"(2) Expenditures from the account may only be used for:

(a) The domestic violence co-responder grant program created in section 2 of this act; and

(b) For the fiscal year ending June 30, 2026, other programs and services to address domestic violence."

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

The President declared the question before the Senate to be the adoption of floor amendment no. 0471 by Senator Dhingra on page 1, line 7 to Substitute House Bill No. 1498.

The motion by Senator Dhingra carried and floor amendment no. 0471 was adopted by voice vote.

### MOTION

On motion of Senator Orwall, the rules were suspended, Substitute House Bill No. 1498 as amended by the Senate was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Orwall and Fortunato spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Substitute House Bill No. 1498 as amended by the Senate.

### ROLL CALL

The Secretary called the roll on the final passage of Substitute House Bill No. 1498 as amended by the Senate and the bill passed the Senate by the following vote: Yeas, 38; Nays, 10; Absent, 0; Excused, 0.

Voting yea: Senators Alvarado, Bateman, Boehnke, Braun, Chapman, Cleveland, Conway, Cortes, Dhingra, Fortunato, Frame, Goehner, Hansen, Harris, Holy, Kauffman, King, Krishnadasan, Liias, Lovelett, Lovick, Nobles, Orwall, Pedersen, Riccelli, Robinson, Saldaña, Salomon, Shewmake, Short, Slatter, Stanford, Torres, Trudeau, Valdez, Wagoner, Wellman and Wilson, C.

Voting nay: Senators Christian, Dozier, Gildon, Hasegawa, MacEwen, McCune, Muzzall, Schoesler, Warnick and Wilson, J.

SUBSTITUTE HOUSE BILL NO. 1498 as amended by the Senate, 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

On motion of Senator Riccelli, Substitute House Bill No. 1498 as amended by the Senate was immediately transmitted to the House of Representatives.

### SECOND READING

HOUSE BILL NO. 2003, by Representatives Reeves, Fitzgibbon, and Pollet

Concerning the Columbia river recreational salmon and steelhead endorsement program.

The measure was read the second time.

### MOTION

Senator Stanford moved that the following committee striking amendment by the Committee on Ways & Means be adopted:

Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. A new section is added to chapter 77.12 RCW to read as follows:

(1) The Columbia river recreational salmon and steelhead endorsement program account is created in the custody of the state treasurer. All receipts from Columbia river salmon and steelhead endorsement purchases under section 2 of this act and gifts made for purposes of the Columbia river recreational salmon and steelhead endorsement program must be deposited into the account. Expenditures from the account may be used only to facilitate recreational salmon and steelhead selective fishing opportunities on the Columbia river and its tributaries including, but not limited to, monitoring, hatchery production, pinniped removal, and enforcement. Only the director or the director's designee may authorize expenditures from the account. The account is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.

(2) This section expires January 1, 2028.

NEW SECTION. Sec. 2. A new section is added to chapter 77.12 RCW to read as follows:

(1) In addition to a recreational license required under this chapter, a Columbia river salmon and steelhead endorsement is required in order for any person 15 years of age or older to fish recreationally for salmon or steelhead in the Columbia river and its tributaries where these fisheries have been authorized by the department. The cost for each endorsement is \$7.50 for residents and nonresidents and \$6 for youth and seniors. The department shall deposit all receipts from endorsement purchases into the Columbia river recreational salmon and steelhead endorsement program account created in section 1 of this act.

(2) For the purposes of this section and section 1 of this act, the term "Columbia river" means the Columbia river from a line across the Columbia river between Rocky Point in Washington and Tongue Point in Oregon to the Chief Joseph dam.

(3) This section expires January 1, 2028.

NEW SECTION. Sec. 3. A new section is added to chapter 77.12 RCW to read as follows:

(1) By December 1, 2026, the department and the relevant stakeholders shall review the Columbia river salmon and steelhead endorsement program, prepare a brief summary of the activities conducted under the program, and provide this summary and a recommendation whether the program should be continued to the appropriate committees of the legislature.

(2) This section expires January 1, 2028.

NEW SECTION. Sec. 4. This act takes effect January 1, 2026."

On page 1, line 2 of the title, after "program;" strike the remainder of the title and insert "adding new sections to chapter 77.12 RCW; providing an effective date; and providing expiration dates."

The President declared the question before the Senate to be the adoption of the committee striking amendment by the Committee on Ways & Means to House Bill No. 2003.

The motion by Senator Stanford carried and the committee striking amendment was adopted by voice vote.

### MOTION

On motion of Senator Stanford, the rules were suspended, House Bill No. 2003 as amended by the Senate was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Stanford spoke in favor of passage of the bill.

Senator Gildon spoke against passage of the bill.

Senator Riccelli spoke on passage of the bill.

The President declared the question before the Senate to be the final passage of House Bill No. 2003 as amended by the Senate.

### ROLL CALL

The Secretary called the roll on the final passage of House Bill No. 2003 as amended by the Senate and the bill passed the Senate by the following vote: Yeas, 25; Nays, 23; Absent, 0; Excused, 0.

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

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

HOUSE BILL NO. 2003 as amended by the Senate, 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

On motion of Senator Riccelli, House Bill No. 2003 as amended by the Senate was immediately transmitted to the House of Representatives.

### SECOND READING

SUBSTITUTE HOUSE BILL NO. 2047, by House Committee on Appropriations (originally sponsored by Richards, Parshley, Macri, and Gregerson)

Eliminating the Washington employee ownership program.

The measure was read the second time.

### MOTION

Senator Robinson moved that the following committee striking amendment by the Committee on Ways & Means be adopted:

Strike everything after the enacting clause and insert the following:

"Sec. 1. RCW 82.04.4488 and 2023 c 392 s 5 are each amended to read as follows:

(1) Beginning July 1, 2024, in computing the tax imposed

under this chapter, a credit is allowed for costs related to converting a qualifying business to a worker-owned cooperative, employee ownership trust, or an employee stock ownership plan, as provided in this section.

(2) The credit is equal to:

(a) Up to 50 percent of the conversion costs, not to exceed \$25,000, incurred by a qualified business for converting the qualified business to a worker-owned cooperative or an employee ownership trust; or

(b) Up to 50 percent of the conversion costs, not to exceed \$100,000, incurred by a qualified business for converting the qualified business to an employee stock ownership plan.

(3)(a) Credit under this section is earned, and claimed against taxes due under this chapter, for the tax reporting period in which the conversion to a worker-owned cooperative, employee ownership trust, or an employee stock ownership plan is complete, or subsequent tax reporting periods as provided in (c) of this subsection.

(b) The credit must not exceed the tax otherwise due under this chapter for the tax reporting period.

(c) Unused credit may be carried over and used in subsequent tax reporting periods, except that no credit may be claimed more than 12 months from the end of the tax reporting period in which the credit was earned.

(d) No refunds may be granted for credits under this section.

(4)(a) The total amount of credits authorized under this section may not exceed an annual statewide limit of \$2,000,000.

(b) Credits must be authorized on a first-in-time basis.

(c) No credit may be earned, during any calendar year, on or after the last day of the calendar month immediately following the month the department has determined that \$2,000,000 in credit has been earned.

(5)(a) The department may require persons claiming a credit under this section to provide appropriate documentation, in a manner as determined by the department, for the purposes of determining eligibility under this section.

(b) Every person claiming a credit under this section must preserve, for a period of five years, any documentation to substantiate the amount of credit claimed.

(6) For the purposes of this section:

(a) "Conversion costs" means professional services, including accounting, legal, and business advisory services, as detailed in the guidelines issued by the department, for: (i) A feasibility study or other preliminary assessments regarding a transition of a business to an employee stock ownership plan, a worker-owned cooperative, or an employee ownership trust; or (ii) the transition of a business to an employee stock ownership plan, a worker-owned cooperative, or an employee ownership trust.

(b) "Employee ownership trust" means an indirect form of employee ownership in which a trust holds a controlling stake in a qualified business and benefits all employees on an equal basis.

(c) "Employee stock ownership plan" has the same meaning as set forth in 26 U.S.C. Sec. 4975(e)(7), as of July 1, 2024.

(d) "Qualified business" means a person subject to tax under this chapter, including but not limited to a C corporation, S corporation, limited liability company, partnership, limited liability partnership, sole proprietorship, or other similar pass-through entity, that is not owned in whole or in part by an employee ownership trust, that does not have an employee stock ownership plan, or that is not, in whole or in part, a worker-owned cooperative, and that is approved by the department for the tax credit in this section.

(e) "Worker-owned cooperative" has the same meaning as set forth in 26 U.S.C. Sec. 1042(c)(2), as of July 1, 2024, or such subsequent dates as may be provided by rule by the department, consistent with the purposes of this section.

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(7) Credits allowed under this section can be earned for tax reporting periods starting on or before June 30, ~~((2029)) 2025~~. No credits can be claimed on returns filed for tax periods starting on or after July 1, ~~((2030)) 2026~~.

(8) This section expires July 1, ~~((2030)) 2026~~.

**Sec. 2.** RCW 43.330.590 and 2023 c 392 s 2 are each amended to read as follows:

(1) ~~((The)) Subject to the availability of amounts appropriated for this specific purpose, the~~ Washington employee ownership program is created to support the efforts of businesses considering a sale to an employee ownership structure. The Washington employee ownership program must be administered by the department and overseen by the Washington employee ownership commission established in RCW 43.330.592.

(2)(a) In implementing the Washington employee ownership program, the director must:

(i) Create a network of technical support and service providers for businesses considering employee ownership structures;

(ii) Work with state agencies whose regulations and programs affect employee-owned businesses, and businesses with the potential to become employee owned, to enhance opportunities and reduce barriers;

(iii) Partner with relevant private, nonprofit, and public organizations including, but not limited to, professional and trade associations, financial institutions, unions, small business development centers, economic and workforce development organizations, and nonprofit entities to promote employee ownership benefits and succession models;

(iv) Develop and make available materials regarding employee ownership benefits and succession models;

(v) Provide a referral service to help qualified business owners find appropriate legal, financial, and technical employee ownership resources and services;

(vi) Work with the department of financial institutions and appropriate state, private, and nonprofit entities to shape and implement guidance on lending to broad-based employee ownership vehicles;

(vii) Create an inventory of employee-owned businesses in the state including employee stock ownership plans, worker cooperatives, and employee ownership trusts; and

(viii) Subject to the successful award of federal funding for this purpose, establish a revolving loan program to assist existing small businesses to finance a transition to employee ownership.

(b) Loans offered by the revolving loan program must be used to help facilitate the purchase of an interest in an employee stock ownership plan or worker-owned cooperative from the owner or owners of a qualified business, provided that:

(i) The transaction results in the employee stock ownership plan or worker cooperative holding a majority interest in the business, on a fully diluted basis; and

(ii) If used to assist in the purchase of an interest in an employee stock ownership plan, the employee stock ownership plan: (A) Has appointed an independent trustee; or (B) has, as a trustee, person, or entity, completed education on best practices for employee stock ownership plans.

(c) Loans financing the sale of an interest to a worker cooperative shall be extended based on repayment ability and shall not require a personal or entity guarantee. In meeting the requirement in (b) of this subsection, lending guidelines must be established for worker cooperatives not based on any personal or entity guarantees provided by the member owners or the selling business owner. These guidelines may include but are not limited to cash flow-based underwriting, character-based lending, and reliance on business assets.

(d) In order to support the revolving loan program, the director

or the director's designee must apply for federal funding opportunities that:

(i) Support capitalization of state revolving loan programs; and  
(ii) Support businesses that seek to transition to employee ownership.

(e) Amounts from the repayment of loans offered by the revolving loan program must be deposited in the employee ownership revolving loan program account established in RCW 43.330.595.

(3) The director or the director's designee may contract with consultants, agents, or advisors necessary to further the purposes of this section.

(4) ~~((By)) Subject to the availability of amounts appropriated for this specific purpose, by~~ December 1st each year, the department must submit a report to the appropriate committees of the legislature on program activities and the number of employee-owned businesses and employee-owned trusts in the state, including recommendations for improvement and barriers for businesses considering employee ownership structures in Washington state. The first report must include rules and guidelines for the administration of the program, as established by the Washington employee ownership commission.

(5) For the purposes of this section:

(a) "Employee-owned business" means:

(i) An employee cooperative established under chapter 23.78, 23.86, 23.100, or 24.06 RCW that has at least 50 percent of its board of directors consisting of, and elected by, its employees; or

(ii) An entity owned in whole or in part by employee stock ownership plans as defined in 26 U.S.C. Sec. 4975(e)(7).

(b) "Qualified business" means a person subject to tax under Title 82 RCW, including but not limited to a C corporation, S corporation, limited liability company, partnership, limited liability partnership, sole proprietorship, or other similar pass-through entity, that is not owned in whole or in part by an employee ownership trust, that does not have an employee stock ownership plan, or that is not, in whole or in part, a worker-owned cooperative.

(6) Program support shall only be made available to businesses headquartered in Washington state. For the purposes of this section, "headquartered in Washington state" means that Washington state is its principal place of business or the state where it is incorporated.

(7) The director shall adopt rules as necessary to implement this section.

(8) This section expires June 30, 2030.

**Sec. 3.** RCW 43.330.592 and 2023 c 392 s 3 are each amended to read as follows:

(1) ~~((The)) Subject to the availability of amounts appropriated for this specific purpose, the~~ Washington employee ownership commission is hereby created to exercise the powers in developing and supervising the program created in RCW 43.330.590.

(2) The commission shall consist of:

(a) One member from each of the two major caucuses of the house of representatives to be appointed by the speaker of the house and one member from each of the two major caucuses of the senate to be appointed by the president of the senate. The initial term shall be two years; and

(b) The following members appointed by the governor:

(i) Five members who represent the private sector or professional organizations as follows:

(A) One representative of a worker cooperative business. The initial term shall be four years;

(B) One representative of an employee stock ownership plan business. The initial term shall be four years;

(C) One representative from a statewide business association. The initial term shall be two years;

(D) One economic development expert, from the private sector, with employee ownership knowledge and experience. The initial term shall be four years; and

(E) One representative from a financial institution with expertise in assisting businesses transitioning into an employee ownership structure. The initial term shall be two years; and

(ii) Two members who represent the public sector as follows:

(A) One economic development expert, from the public sector. The initial term shall be four years; and

(B) One representative from the department of commerce, who will chair the first meeting prior to the election of the chair. The initial term shall be four years.

(3) After the initial term of appointment, all members shall serve terms of four years and shall hold office until successors are appointed.

(4) The commission shall be led by a chair selected and voted on by members of the commission. The chair shall serve a one-year term but may serve more than one term if selected to do so by members of the commission.

(5) The commission shall develop, in consultation with the director, rules and guidelines to administer the program. Rules and guidelines for the administration of the program must be included in the first report to the legislature required in RCW 43.330.590.

(6) Before making any appointments to the commission, the governor must seek nominations from recognized organizations that represent the entities or interests identified in this section. The governor must select appointees to represent private sector industries from a list of three nominations provided by the trade associations representing the industry, unless no names are put forth by the trade associations.

(7) The commission shall conduct market research for the purposes of, or to support, a future application to the federal government for a program to assist in the purchase of an interest in an employee stock ownership plan qualifying under section 401 of the internal revenue code, worker cooperative, or related broad-based employee ownership vehicle.

(8) For purposes of this section, a "professional organization" includes an entity whose members are engaged in a particular lawful vocation, occupation, or field of activity of a specialized nature including, but not limited to, associations, boards, educational institutions, and nonprofit organizations.

(9) This section expires June 30, 2030.

**Sec. 4.** RCW 43.330.595 and 2023 c 392 s 6 are each amended to read as follows:

(1) The employee ownership revolving loan program account is created in the custody of the state treasury. All transfers and appropriations by the legislature, repayments of loans, private contributions, and all other sources must be deposited into the account. Expenditures from the account may be used only for the purposes of the Washington employee ownership program created in RCW 43.330.590. Only the director or the director's designee may authorize expenditures from the account. The account is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.

(2) This section expires June 30, 2030.

On page 1, line 2 of the title, after "program;" strike the remainder of the title and insert "amending RCW 82.04.4488, 43.330.590, 43.330.592, and 43.330.595; and providing expiration dates."

The President declared the question before the Senate to be the adoption of the committee striking amendment by the Committee on Ways & Means to Substitute House Bill No. 2047.

The motion by Senator Robinson carried and the committee striking amendment was adopted by voice vote.

## MOTION

On motion of Senator Robinson, the rules were suspended, Substitute House Bill No. 2047 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.

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

The President declared the question before the Senate to be the final passage of Substitute House Bill No. 2047.

## ROLL CALL

The Secretary called the roll on the final passage of Substitute House Bill No. 2047 and the bill passed the Senate by the following vote: Yeas, 25; Nays, 23; Absent, 0; Excused, 0.

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

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

SUBSTITUTE HOUSE BILL NO. 2047, 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

On motion of Senator Riccelli, Substitute House Bill No. 2047 as amended by the Senate was immediately transmitted to the House of Representatives.

Senator Hasegawa announced a meeting of the Democratic Caucus.

Senator Warnick announced a meeting of the Republican Caucus.

## MOTION

At 11:46 a.m., on motion of Senator Riccelli, the Senate was declared to be at ease subject to the call of the President.

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The Senate was called to order at 1:40 p.m. by President Heck.

## SECOND READING

HOUSE BILL NO. 2050, by Representatives Ormsby, Parshley, Macri, and Gregerson

Implementing K-12 savings and efficiencies.

The measure was read the second time.



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## MOTION

Senator Hansen moved that the following committee striking amendment by the Committee on Ways & Means be adopted:

Strike everything after the enacting clause and insert the following:

"**Sec. 1.** RCW 28A.500.015 and 2022 c 108 s 4 are each amended to read as follows:

(1) Beginning in calendar year 2020 and each calendar year thereafter, the state must provide state local effort assistance funding to supplement school district enrichment levies as provided in this section.

(2)(a) For an eligible school district with an actual enrichment levy rate that is less than ~~((one dollar and fifty cents))~~ \$1.50 per ((thousand dollars)) \$1,000 of assessed value in the school district, the annual local effort assistance funding is equal to the school district's maximum local effort assistance multiplied by a fraction equal to the school district's actual enrichment levy rate divided by ~~((one dollar and fifty cents))~~ \$1.50 per ((thousand dollars)) \$1,000 of assessed value in the school district.

(b) For an eligible school district with an actual enrichment levy rate that is equal to or greater than ~~((one dollar and fifty cents))~~ \$1.50 per ((thousand dollars)) \$1,000 of assessed value in the school district, the annual local effort assistance funding is equal to the school district's maximum local effort assistance.

(c) Beginning in calendar year 2022, for state-tribal education compact schools established under chapter 28A.715 RCW, the annual local effort assistance funding is equal to the actual enrichment levy per student as calculated by the superintendent of public instruction for the previous year for the school district in which the state-tribal education compact school is located, up to a maximum per student amount of ~~((one thousand five hundred fifty dollars))~~ \$1,550 as increased by inflation from the 2019 calendar year, multiplied by the student enrollment of the state-tribal education compact school in the prior school year.

(3) The state local effort assistance funding provided under this section is not part of the state's program of basic education deemed by the legislature to comply with the requirements of Article IX, section 1 of the state Constitution.

(4) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Eligible school district" means a school district where the amount generated by a levy of ~~((one dollar and fifty cents))~~ \$1.50 per ((thousand dollars)) \$1,000 of assessed value in the school district, divided by the school district's total student enrollment in the prior school year, is less than the state local effort assistance threshold.

(b) ~~((For the purpose of this section, "inflation"))~~ "Inflation" means, for any school year, the rate of the yearly increase of the previous calendar year's annual average consumer price index for all urban consumers, Seattle area, using the official current base compiled by the bureau of labor statistics, United States department of labor.

(c) "Maximum local effort assistance" means the difference between the following:

(i) The school district's actual prior school year enrollment multiplied by the state local effort assistance threshold; and

(ii) The amount generated by a levy of ~~((one dollar and fifty cents))~~ \$1.50 per ((thousand dollars)) \$1,000 of assessed value in the school district.

(d) "Prior school year" means the most recent school year completed prior to the year in which the state local effort assistance funding is to be distributed~~((, except as follows:~~

~~((i) In the 2022 calendar year, if 2019-20 school year average~~

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~~annual full-time equivalent enrollment is greater than the school district's 2020-21 school year average annual full-time equivalent enrollment, "prior school year" means the 2019-20 school year.~~

~~((ii) In the 2023 calendar year, if 2019-20 school year average annual full-time equivalent enrollment is greater than the school district's 2021-22 school year average annual full-time equivalent enrollment, "prior school year" means the 2019-20 school year)).~~

(e) "State local effort assistance threshold" means ~~((one thousand five hundred fifty dollars))~~ \$1,550 per student, increased for inflation beginning in calendar year 2020.

(f) "Student enrollment" means the average annual full-time equivalent student enrollment, reduced by the alternative learning experience adjustment. Alternative learning experience adjustment equals (f)(i) of this subsection minus (f)(ii) of this subsection if a school district's full-time equivalent student enrollment in alternative learning experience courses exceeds 33 percent of average annual full-time equivalent student enrollment.

(i) The full-time equivalent students enrolled in an alternative learning experience course.

(ii) Average annual full-time equivalent student enrollment multiplied by 33 percent.

(5) For districts in a high/nonhigh relationship, the enrollments of the nonhigh students attending the high school shall only be counted by the nonhigh school districts for purposes of funding under this section.

(6) For school districts participating in an innovation academy cooperative established under RCW 28A.340.080, enrollments of students attending the academy shall be adjusted so that each participant district receives its proportional share of student enrollments for purposes of funding under this section.

NEW SECTION. Sec. 2. Section 1 of this act takes effect January 1, 2026."

On page 1, line 1 of the title, after "efficiencies;" strike the remainder of the title and insert "amending RCW 28A.500.015; and providing an effective date."

## MOTION

Senator Short moved that the following floor amendment no. 0496 by Senator Short be adopted:

On page 3, after "enrollment," strike all material through "percent" on page 3, line 11 and insert the following:

"excluding an amount equal to 15 percent of a school district's full-time equivalent student enrollment in alternative learning experience courses, as determined under RCW 28A.232.020"

Senator Short spoke in favor of adoption of the amendment to the committee striking amendment.

Senator Hansen spoke against adoption of the amendment to the committee striking amendment.

The President declared the question before the Senate to be the adoption of floor amendment no. 0496 by Senator Short on page 3, line 2 to House Bill No. 2050.

The motion by Senator Short did not carry and floor amendment no. 0496 was not adopted by voice vote.

## MOTION

Senator Gildon moved that the following floor amendment no. 0491 by Senator Gildon be adopted:

On page 3, after line 20, insert the following:

"NEW SECTION. Sec. 3. (1) The office of the superintendent of public instruction, in collaboration with an advisory committee established pursuant to subsection (3) of this

section, must identify and review state agency rules and statutory requirements applicable to school districts, excluding those pertaining to the health and safety of students. Based on this review, the office of the superintendent of public instruction must develop a fiscal impact analysis of each requirement that considers the size of school districts, regional cost differences, and any other variables that may affect costs as identified by the advisory committee.

(2) By November 1, 2026, and in compliance with RCW 43.01.036, the office of the superintendent of public instruction must submit its findings in a report to the legislature.

(3) An advisory committee is hereby established and must consist of, at minimum, representatives from:

- (a) Small and large school districts;
  - (b) The Washington association of school administrators;
  - (c) The Washington state school directors' association;
  - (d) The Washington association of maintenance and operation administrators; and
  - (e) The Washington association of school business officials.
- (4) This section expires August 1, 2027."

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

On page 3, beginning on line 24, after "28A.500.015;" strike "and providing an effective date" and insert "creating a new section; providing an effective date; and providing an expiration date"

Senators Gildon and Fortunato 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. 0491 by Senator Gildon on page 3, after line 20 to House Bill No. 2050.

The motion by Senator Gildon did not carry and floor amendment no. 0491 was not adopted by voice vote.

Senator Hansen spoke in favor of adoption of the amendment.

Senator Short spoke against adoption of the amendment.

The President declared the question before the Senate to be the adoption of the committee striking amendment by the Committee on Ways & Means to House Bill No. 2050.

The motion by Senator Hansen carried and the committee striking amendment was adopted by voice vote.

#### MOTION

On motion of Senator Hansen, the rules were suspended, House Bill No. 2050 as amended by the Senate was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Hansen spoke in favor of passage of the bill.

Senator Short spoke against passage of the bill.

The President declared the question before the Senate to be the final passage of House Bill No. 2050 as amended by the Senate.

#### ROLL CALL

The Secretary called the roll on the final passage of House Bill No. 2050 as amended by the Senate and the bill passed the Senate by the following vote: Yeas, 26; Nays, 22; Absent, 0; Excused, 0.

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

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

HOUSE BILL NO. 2050 as amended by the Senate, 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

On motion of Senator Riccelli, House Bill No. 2050 as amended by the Senate was immediately transmitted to the House of Representatives.

#### SECOND READING

ENGROSSED SUBSTITUTE HOUSE BILL NO. 2081, by House Committee on Finance (originally sponsored by Fitzgibbon, Peterson, Pollet, Parshley, Scott, Reed, Berry, and Macri)

Modifying business and occupation tax surcharges, rates, and the advanced computing surcharge cap, clarifying the business and occupation tax deduction for certain investments, and creating a temporary business and occupation tax surcharge on large companies.

The measure was read the second time.

#### MOTION

Senator Boehnke moved that the following floor amendment no. 0497 by Senator Boehnke be adopted:

On page 2, beginning on line 10, strike all of section 102

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

On page 16, line 25, after "(11)(a)" insert "except manufacturing activities, which continue to be subject to a 0.484 percent tax rate and subject to any reduction required under (e) of this subsection (11)"

On page 17, line 14, after "(11)(b)" insert "except manufacturing activities, which continue to be subject to a 0.484 percent tax rate"

On page 25, line 30, after "(11)(a)" insert "except manufacturing activities, which continue to be subject to a 0.484 percent tax rate and subject to any reduction required under (e) of this subsection (11)"

On page 26, line 19, after "(11)(b)" insert "except manufacturing activities, which continue to be subject to a 0.484 percent tax rate"

On page 1, line 8 of the title, after "82.04.230," strike "82.04.240,"

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

Senator Stanford spoke against adoption of the amendment.

The President declared the question before the Senate to be the adoption of floor amendment no. 0497 by Senator Boehnke on page 2, line 10 to Engrossed Substitute House Bill No. 2081.

The motion by Senator Boehnke did not carry and floor amendment no. 0497 was not adopted by voice vote.

#### MOTION

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Senator Torres moved that the following floor amendment no. 0478 by Senator Torres be adopted:

On page 8, line 26, after "1.75 percent" insert "for any banking, loan, security, or other financial business that qualifies for the deduction under RCW 82.04.4292 or"

On page 32, after line 3, insert the following:

"(e) The surcharge imposed under this section does not apply to a banking, loan, security, or other financial business qualifying for the deduction under RCW 82.04.4292."

Senator Torres spoke in favor of adoption of the amendment.

Senator Salomon spoke against adoption of the amendment.

The President declared the question before the Senate to be the adoption of floor amendment no. 0478 by Senator Torres on page 8, line 26 to Engrossed Substitute House Bill No. 2081.

The motion by Senator Torres did not carry and floor amendment no. 0478 was not adopted by voice vote.

#### MOTION

Senator Muzzall moved that the following floor amendment no. 0485 by Senator Muzzall be adopted:

On page 8, line 34, after "(ii)" insert "1.75 percent for health maintenance organizations under chapter 48.46 RCW, for health care service contractors licensed under chapter 48.44 RCW and organized as a nonprofit integrated care delivery system that delivers health care services on a prepaid basis, and for any person who is engaged as a health care provider licensed under Title 18 RCW, except for health care providers who are employed by a hospital under chapter 70.41 or 71.12 RCW;  
(iii)"

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

Senator Muzzall spoke in favor of adoption of the amendment.

Senator Frame spoke against adoption of the amendment.

Senator Muzzall demanded a roll call.

The President 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 Muzzall on page 8, line 34 to Engrossed Substitute House Bill No. 2081.

#### 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, 29; 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, Riccelli, Robinson, Saldaña, Salomon, Shewmake, Slatter, Stanford, Trudeau, Valdez, Wellman and Wilson, C.

#### MOTION

Senator Christian moved that the following floor amendment no. 0481 by Senator Christian be adopted:

On page 30, after line 28, insert the following:

"NEW SECTION. Sec. 115. A new section is added to chapter 82.04 RCW to read as follows:

(1) Upon every person engaging within this state in the business of making sales at retail of construction services comprised of the constructing, repairing, or improving of any residential structure, as to such persons, the amount of tax with respect to such business is equal to the gross proceeds of sales of the business, multiplied by the rate of 0.471 percent.

(2) Upon every person engaging within this state in the business of making sales at wholesale of construction services comprised of the constructing, repairing, or improving of any residential structure, as to such persons, the amount of tax with respect to such business is equal to the gross proceeds of sales of the business, multiplied by the rate of 0.484 percent."

On page 42, beginning on line 5, after "108" strike all material through "112" on line 6 and insert ", 110 through 112, and 115"

On page 1, line 12 of the title, after "adding" strike "a new section" and insert "new sections"

Senators Christian and Short spoke in favor of adoption of the amendment.

Senator Trudeau spoke against adoption of the amendment.

Senator Christian demanded a roll call.

The President 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 Christian on page 30, line 28, to Engrossed Substitute House Bill No. 2081.

#### ROLL CALL

The Secretary called the roll on the adoption of the amendment by Senator Christian and the amendment was not adopted by the following vote: Yeas, 19; Nays, 29; 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, Riccelli, Robinson, Saldaña, Salomon, Shewmake, Slatter, Stanford, Trudeau, Valdez, Wellman and Wilson, C.

#### MOTION

Senator MacEwen moved that the following floor amendment no. 0502 by Senator MacEwen be adopted:

On page 30, after line 28, insert the following:

"NEW SECTION. Sec. 115. A new section is added to chapter 82.04 RCW to read as follows:

(1) In computing tax there may be deducted from the measure of tax amounts received by a community bank as interest on construction loans originated on or after January 1, 2026.

(2) For the purpose of this section, the following definitions apply.

(a) "Affiliate" has the same meaning as in RCW 82.04.29005.

(b) "Community bank" means a financial institution located in

no more than two states, or an affiliate of such person, that primarily serves individuals, families, and small businesses, in its immediate geographic area, as designated by the department of financial institutions."

On page 1, line 12 of the title, after "adding" strike "a new section" and insert "new sections"

Senator MacEwen spoke in favor of adoption of the amendment.

Senator Robinson spoke against adoption of the amendment.

Senator MacEwen demanded a roll call.

The President 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 MacEwen on page 30, line 28, to Engrossed Substitute House Bill No. 2081.

#### 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, 29; 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, Riccelli, Robinson, Saldaña, Salomon, Shewmake, Slatter, Stanford, Trudeau, Valdez, Wellman and Wilson, C.

#### MOTION

Senator Short moved that the following floor amendment no. 0477 by Senator Short be adopted:

On page 31, after line 32, insert the following:

"(vi) Any Washington taxable income subject to the tax rate in RCW 82.04.260(10) is exempt from the surcharge imposed in this section after June 30, 2027."

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

Senator Robinson spoke against adoption of the amendment.

Senator Short demanded a roll call.

The President 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 Short on page 31, after line 32 to Engrossed Substitute House Bill No. 2081.

#### ROLL CALL

The Secretary called the roll on the adoption of the amendment by Senator Short and the amendment was not adopted by the following vote: Yeas, 19; Nays, 29; 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, Riccelli, Robinson, Saldaña, Salomon, Shewmake, Slatter, Stanford, Trudeau, Valdez, Wellman and Wilson, C.

#### MOTION

Senator Christian moved that the following floor amendment no. 0479 by Senator Christian be adopted:

On page 31, after line 32, insert the following:

"(vi) Any Washington taxable income derived from interest received on investments or loans primarily secured by a qualified low-income housing development that is allocated federal low-income housing tax credits authorized under 26 U.S.C. Sec. 42, or a successor statute, is exempt from the surcharge imposed in this section."

Senator Christian spoke in favor of adoption of the amendment.

Senator Trudeau spoke against adoption of the amendment.

The President declared the question before the Senate to be the adoption of floor amendment no. 0479 by Senator Christian on page 31, after line 32 to Engrossed Substitute House Bill No. 2081.

The motion by Senator Christian did not carry and floor amendment no. 0479 was not adopted by voice vote.

#### MOTION

Senator Boehnke moved that the following floor amendment no. 0488 by Senator Boehnke be adopted:

On page 31, after line 32, insert the following:

"(vi) Any Washington taxable income derived from interest received on investments or loans primarily secured by a clean energy project, as defined in RCW 43.158.010, is exempt from the surcharge imposed in this section."

Senators Boehnke, Gildon and Harris spoke in favor of adoption of the amendment.

Senator Lovelett spoke against adoption of the amendment.

The President declared the question before the Senate to be the adoption of floor amendment no. 0488 by Senator Boehnke on page 31, after line 32 to Engrossed Substitute House Bill No. 2081.

The motion by Senator Boehnke did not carry and floor amendment no. 0488 was not adopted by voice vote.

#### MOTION

Senator Wagoner moved that the following floor amendment no. 0489 by Senator Wagoner be adopted:

On page 31, after line 32, insert the following:

"(vi) Any Washington taxable income attributable to wholesale sales of food or food ingredients, as defined in RCW 82.08.0293(1), is exempt from the surcharge imposed in this section."

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

Senators Saldaña and Frame spoke against adoption of the amendment.

Senator Wagoner demanded a roll call.

The President 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 Wagoner on page 31, after line 32 to Engrossed Substitute House Bill No. 2081.

#### ROLL CALL

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

Voting yea: Senators Boehnke, Braun, Christian, Dozier, Fortunato, Gildon, Goehner, Harris, Holy, King, Krishnadasan, 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, Liias, Lovelett, Lovick, Nobles, Orwall, Pedersen, Riccelli, Robinson, Saldaña, Salomon, Shewmake, Slatter, Stanford, Trudeau, Valdez, Wellman and Wilson, C.

#### MOTION

Senator Gildon moved that the following floor amendment no. 0492 by Senator Gildon be adopted:

On page 31, after line 32, insert the following:  
 "(vi) Any Washington taxable income received by banking, loan, security, or other financial business comprised of interest income secured by mortgages or trust deeds on residential properties owned by a household qualifying for the working families' tax credit under RCW 82.08.0206 is exempt from the surcharge imposed in this section."

Senator Gildon spoke in favor of adoption of the amendment.

Senator Frame spoke against adoption of the amendment.

The President declared the question before the Senate to be the adoption of floor amendment no. 0492 by Senator Gildon on page 31, after line 32 to Engrossed Substitute House Bill No. 2081.

The motion by Senator Gildon did not carry and floor amendment no. 0492 was not adopted by voice vote.

#### MOTION

Senator Muzzall moved that the following floor amendment no. 0483 by Senator Muzzall be adopted:

On page 32, after line 3, insert the following:  
 "(e) The surcharge imposed under this section does not apply to a person licensed under Title 18 RCW who provides health care services as defined in RCW 19.390.020 in Washington or to the taxable income subject to RCW 82.04.290 of a health maintenance organization as defined in RCW 48.46.020."

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

Senator Alvarado spoke against adoption of the amendment.

Senator Muzzall demanded a roll call.

The President 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 Muzzall on page 32, after line 3 to Engrossed Substitute House Bill No. 2081.

#### 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, 21; Nays, 27; Absent, 0; Excused, 0.

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

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

#### MOTION

Senator Warnick moved that the following floor amendment no. 0487 by Senator Warnick be adopted:

On page 32, after line 3, insert the following:

"(e) The surcharge imposed under this section does not apply to persons primarily engaged in the business of warehousing and reselling prescription drugs as provided in RCW 82.04.272."

Senator Warnick spoke in favor of adoption of the amendment.

Senator Salomon spoke against adoption of the amendment.

Senator Warnick demanded a roll call.

The President 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 Warnick on page 32, after line 3 to Engrossed Substitute House Bill No. 2081.

#### ROLL CALL

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

Voting yea: Senators Boehnke, Braun, Christian, Dozier, Fortunato, Gildon, Goehner, Harris, Holy, King, MacEwen, McCune, Muzzall, Schoesler, Short, Slatter, 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, Riccelli, Robinson, Saldaña, Salomon, Shewmake, Stanford, Trudeau, Valdez, Wellman and Wilson, C.

#### MOTION

Senator Gildon moved that the following floor amendment no. 0490 by Senator Gildon be adopted:

On page 32, after line 3, insert the following:

"(e) The surcharge imposed under this section does not apply to a vehicle dealer licensed under chapter 46.70 RCW."

Senator Gildon spoke in favor of adoption of the amendment.

Senator Liias spoke against adoption of the amendment.

The President declared the question before the Senate to be the adoption of floor amendment no. 0490 by Senator Gildon on page 32, after line 3 to Engrossed Substitute House Bill No. 2081.

The motion by Senator Gildon did not carry and floor amendment no. 0490 was not adopted by voice vote.

## MOTION

Senator Gildon moved that the following floor amendment no. 0494 by Senator Gildon be adopted:

Beginning on page 32, line 8, strike all of section 202  
On page 42, line 13, after "**Sec. 508.**" strike "Sections 109 and 202 of this act take" and insert "Section 109 of this act takes"  
On page 1, line 10 of the title, after "82.04.260," strike "82.04.29004,"

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

Senator Frame spoke against adoption of the amendment.

The President declared the question before the Senate to be the adoption of floor amendment no. 0494 by Senator Gildon on page 32, line 8 to Engrossed Substitute House Bill No. 2081.

The motion by Senator Gildon did not carry and floor amendment no. 0494 was not adopted by voice vote.

## MOTION

Senator Boehnke moved that the following floor amendment no. 0484 by Senator Boehnke be adopted:

On page 34, after line 39, insert the following:

"(6) Beginning in calendar year 2026, in no case may the combined surcharge imposed under this section paid by a consolidated financial institution group exceed \$75,000,000 annually. If a specified financial institution is not part of a consolidated financial institution group, the \$75,000,000 annual limit applies separately to the taxpayer."

Senator Boehnke spoke in favor of adoption of the amendment.

Senator Frame spoke against adoption of the amendment.

The President declared the question before the Senate to be the adoption of floor amendment no. 0484 by Senator Boehnke on page 34, after line 39 to Engrossed Substitute House Bill No. 2081.

The motion by Senator Boehnke did not carry and floor amendment no. 0484 was not adopted by voice vote.

## MOTION

Senator Braun moved that the following floor amendment no. 0486 by Senator Braun be adopted:

On page 41, after line 32, insert the following:

"**Sec. 501.** RCW 82.04.050 and 2025 c . . . (ESSB 5814) s 101 are each amended to read as follows:

(1)(a) "Sale at retail" or "retail sale" means every sale of tangible personal property (including articles produced, fabricated, or imprinted) to all persons irrespective of the nature of their business and including, among others, without limiting the scope hereof, persons who install, repair, clean, alter, improve, construct, or decorate real or personal property of or for consumers other than a sale to a person who:

(i) Purchases for the purpose of resale as tangible personal property in the regular course of business without intervening use by such person, but a purchase for the purpose of resale by a regional transit authority under RCW 81.112.300 is not a sale for resale; or

(ii) Installs, repairs, cleans, alters, imprints, improves, constructs, or decorates real or personal property of or for consumers, if such tangible personal property becomes an

ingredient or component of such real or personal property without intervening use by such person; or

(iii) Purchases for the purpose of consuming the property purchased in producing for sale as a new article of tangible personal property or substance, of which such property becomes an ingredient or component or is a chemical used in processing, when the primary purpose of such chemical is to create a chemical reaction directly through contact with an ingredient of a new article being produced for sale; or

(iv) Purchases for the purpose of consuming the property purchased in producing ferrosilicon which is subsequently used in producing magnesium for sale, if the primary purpose of such property is to create a chemical reaction directly through contact with an ingredient of ferrosilicon; or

(v) Purchases for the purpose of providing the property to consumers as part of competitive telephone service, as defined in RCW 82.04.065; or

(vi) Purchases for the purpose of satisfying the person's obligations under an extended warranty as defined in subsection (7) of this section, if such tangible personal property replaces or becomes an ingredient or component of property covered by the extended warranty without intervening use by such person.

(b) The term includes every sale of tangible personal property that is used or consumed or to be used or consumed in the performance of any activity defined as a "sale at retail" or "retail sale" even though such property is resold or used as provided in (a)(i) through (vi) of this subsection following such use.

(c) The term also means every sale of tangible personal property to persons engaged in any business that is taxable under RCW 82.04.280(1) (a), (b), and (g), 82.04.290, and 82.04.2908.

(2) The term "sale at retail" or "retail sale" includes the sale of or charge made for tangible personal property consumed and/or for labor and services rendered in respect to the following:

(a) The installing, repairing, cleaning, altering, imprinting, or improving of tangible personal property of or for consumers, including charges made for the mere use of facilities in respect thereto, but excluding charges made for the use of self-service laundry facilities, and also excluding sales of laundry service to nonprofit health care facilities, and excluding services rendered in respect to live animals, birds and insects;

(b) The constructing, repairing, decorating, or improving of new or existing buildings or other structures under, upon, or above real property of or for consumers, including the installing or attaching of any article of tangible personal property therein or thereto, whether or not such personal property becomes a part of the realty by virtue of installation, and also includes the sale of services or charges made for the clearing of land and the moving of earth excepting the mere leveling of land used in commercial farming or agriculture;

(c) The constructing, repairing, or improving of any structure upon, above, or under any real property owned by an owner who conveys the property by title, possession, or any other means to the person performing such construction, repair, or improvement for the purpose of performing such construction, repair, or improvement and the property is then reconveyed by title, possession, or any other means to the original owner;

(d) The cleaning, fumigating, razing, or moving of existing buildings or structures, but does not include the charge made for janitorial services; and for purposes of this section the term "janitorial services" means those cleaning and caretaking services ordinarily performed by commercial janitor service businesses including, but not limited to, wall and window washing, floor cleaning and waxing, and the cleaning in place of rugs, drapes and upholstery. The term "janitorial services" does not include painting, papering, repairing, furnace or septic tank cleaning, snow removal or sandblasting;

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(e) Automobile towing and similar automotive transportation services, but not in respect to those required to report and pay taxes under chapter 82.16 RCW;

(f) The furnishing of lodging and all other services by a hotel, rooming house, tourist court, motel, trailer camp, and the granting of any similar license to use real property, as distinguished from the renting or leasing of real property, and it is presumed that the occupancy of real property for a continuous period of one month or more constitutes a rental or lease of real property and not a mere license to use or enjoy the same. For the purposes of this subsection, it is presumed that the sale of and charge made for the furnishing of lodging for a continuous period of one month or more to a person is a rental or lease of real property and not a mere license to enjoy the same. For the purposes of this section, it is presumed that the sale of and charge made for the furnishing of lodging offered regularly for public occupancy for periods of less than a month constitutes a license to use or enjoy the property subject to sales and use tax and not a rental or lease of property;

(g) The installing, repairing, altering, or improving of digital goods for consumers;

(h) Persons taxable under (a), (b), (c), (d), (e), (f), and (g) of this subsection when such sales or charges are for property, labor and services which are used or consumed in whole or in part by such persons in the performance of any activity defined as a "sale at retail" or "retail sale" even though such property, labor and services may be resold after such use or consumption. Nothing contained in this subsection may be construed to modify subsection (1) of this section and nothing contained in subsection (1) of this section may be construed to modify this subsection.

(3) The term "sale at retail" or "retail sale" includes the sale of or charge made for personal, business, or professional services including amounts designated as interest, rents, fees, admission, and other service emoluments however designated, received by persons engaging in the following business activities:

(a) Abstract, title insurance, and escrow services;

(b) Credit bureau services;

(c) Automobile parking and storage garage services;

(d) Landscape maintenance and horticultural services but excluding (i) horticultural services provided to farmers and (ii) pruning, trimming, repairing, removing, and clearing of trees and brush near electric transmission or distribution lines or equipment, if performed by or at the direction of an electric utility;

(e) Service charges associated with tickets to professional sporting events;

(f) The following personal services: Tanning salon services, tattoo parlor services, steam bath services, turkish bath services, escort services, and dating services;

(g) Information technology training services, technical support, and other services including, but not limited to, assisting with network operations and support, help desk services, in-person training related to hardware or software, network system support services, data entry services, and data processing services;

(h) Custom website development services. For the purposes of this subsection (3), "website development services" means the design, development, and support of a website provided by a website developer to a customer;

(i) Investigation, security services, security monitoring services, and armored car services including, but not limited to, background checks, security guard and patrol services, personal and event security, armored car transportation of cash and valuables, and security system services and monitoring. This does not include locksmith services;

(j) Temporary staffing services. For the purposes of this subsection (3), "temporary staffing services" means providing

workers to other businesses, except for hospitals licensed under chapter 70.41 or 71.12 RCW, for limited periods of time to supplement their workforce and fill employment vacancies on a contract or for fee basis;

(k) Advertising services. (i) For the purposes of this subsection (3), "advertising services" means all digital and nondigital services related to the creation, preparation, production, or dissemination of advertisements including, but not limited to:

(A) Layout, art direction, graphic design, mechanical preparation, production supervision, placement, referrals, acquisition of advertising space, and rendering advice concerning the best methods of advertising products or services; and

(B) Online referrals, search engine marketing, and lead generation optimization, web campaign planning, the acquisition of advertising space in the internet media, and the monitoring and evaluation of website traffic for purposes of determining the effectiveness of an advertising campaign.

(ii) "Advertising services" do not include:

(A) Web hosting services and domain name registration;

(B) Services rendered in respect to the following:

(I) "Newspapers" as defined in RCW 82.04.214;

(II) Printing or publishing under RCW 82.04.280; and

(III) ("")Radio and television ((broadcasting" within this state as defined in RCW 82.04 (section 1, chapter 9, Laws of 2025))); and

(C) Services rendered in respect to out-of-home advertising, including: Billboard advertising; street furniture advertising; transit advertising; place-based advertising, such as in-store display advertising or point-of-sale advertising; dynamic or static signage at live events; naming rights; and fixed signage advertising. Out-of-home advertising does not include direct mail;

(l) Live presentations including, but not limited to, lectures, seminars, workshops, or courses where participants attend either in-person or via the internet or telecommunications equipment that allows audience members and the presenter or instructor to give, receive, and discuss information with each other in real time; and

(m)(i) Operating an athletic or fitness facility, including all charges for the use of such a facility or for any associated services and amenities, except as provided in (m)(ii) of this subsection.

(ii) Notwithstanding anything to the contrary in (m)(i) of this subsection (3), the term "sale at retail" and "retail sale" under this subsection does not include:

(A) Separately stated charges for the use of an athletic or fitness facility where such use is primarily for a purpose other than engaging in or receiving instruction in a physical fitness activity;

(B) Separately stated charges for the use of a discrete portion of an athletic or fitness facility, other than a pool, where such discrete portion of the facility does not by itself meet the definition of "athletic or fitness facility" in this subsection;

(C) Separately stated charges for services, such as massage, nutritional consulting, and body composition testing, that do not require the customer to engage in physical fitness activities to receive the service. The exclusion in this subsection (3)(m)(ii)(C) does not apply to personal training services and instruction in a physical fitness activity;

(D) Separately stated charges for physical therapy provided by a physical therapist, as those terms are defined in RCW 18.74.010, or occupational therapy provided by an occupational therapy practitioner, as those terms are defined in RCW 18.59.020, when performed pursuant to a referral from an authorized health care practitioner or in consultation with an authorized health care practitioner. For the purposes of this subsection (3)(m)(ii)(D), an authorized health care practitioner

means a health care practitioner licensed under chapter 18.83, 18.25, 18.36A, 18.57, 18.71, or 18.71A RCW, or, until July 1, 2022, chapter 18.57A RCW;

(E) Rent or association fees charged by a landlord or residential association to a tenant or residential owner with access to an athletic or fitness facility maintained by the landlord or residential association, unless the rent or fee varies depending on whether the tenant or owner has access to the facility;

(F) Services provided in the regular course of employment by an employee with access to an athletic or fitness facility maintained by the employer for use without charge by its employees or their family members;

(G) The provision of access to an athletic or fitness facility by an educational institution to its students and staff. However, charges made by an educational institution to its alumni or other members of the public for the use of any of the educational institution's athletic or fitness facilities are a retail sale under this subsection (3)(m). For purposes of this subsection (3)(m)(ii)(G), "educational institution" has the same meaning as in RCW 82.04.170;

(H) Yoga, chi gong, or martial arts classes, training, or events held at a community center, park, school gymnasium, college or university, hospital or other medical facility, private residence, or any other facility that is not operated within and as part of an athletic or fitness facility.

(iii) Nothing in (m)(ii) of this subsection (3) may be construed to affect the taxation of sales made by the operator of an athletic or fitness facility, where such sales are defined as a retail sale under any provision of this section other than this subsection (3).

(iv) For the purposes of this subsection (3)(m), the following definitions apply:

(A) "Athletic or fitness facility" means an indoor or outdoor facility or portion of a facility that is primarily used for: Exercise classes; strength and conditioning programs; personal training services; tennis, racquetball, handball, squash, or pickleball; or other activities requiring the use of exercise or strength training equipment, such as treadmills, elliptical machines, stair climbers, stationary cycles, rowing machines, pilates equipment, balls, climbing ropes, jump ropes, and weightlifting equipment.

(B) "Martial arts" means any of the various systems of training for physical combat or self-defense. "Martial arts" includes, but is not limited to, karate, kung fu, tae kwon do, Krav Maga, boxing, kickboxing, jujitsu, shootfighting, wrestling, aikido, judo, hapkido, Kendo, tai chi, and mixed martial arts.

(C) "Physical fitness activities" means activities that involve physical exertion for the purpose of improving or maintaining the general fitness, strength, flexibility, conditioning, or health of the participant. "Physical fitness activities" includes participating in yoga, chi gong, or martial arts.

For the purposes of (g) through (i) and (k) of this subsection (3), the terms "sale at retail" and "retail sale" do not include a sale between members of an affiliated group as defined in RCW 82.04.299(1)(f).

(4)(a) The term also includes the renting or leasing of tangible personal property to consumers.

(b) The term does not include the renting or leasing of tangible personal property where the lease or rental is for the purpose of sublease or subrent.

(5) The term also includes the providing of "competitive telephone service," "telecommunications service," or "ancillary services," as those terms are defined in RCW 82.04.065, to consumers.

(6)(a) The term also includes the sale of prewritten computer software, custom software, and customization of prewritten computer software to a consumer, regardless of the method of delivery to the end user. For purposes of this subsection (6)(a),

the sale of prewritten computer software includes the sale of or charge made for a key or an enabling or activation code, where the key or code is required to activate prewritten computer software and put the software into use. There is no separate sale of the key or code from the prewritten computer software, regardless of how the sale may be characterized by the vendor or by the purchaser.

(b)(i) The term also includes the charge made to consumers for the right to access and use prewritten computer software, custom software, and customization of prewritten computer software, where possession of the software is maintained by the seller or a third party, regardless of whether the charge for the service is on a per use, per user, per license, subscription, or some other basis.

(ii)(A) The service described in (b)(i) of this subsection (6) includes the right to access and use prewritten computer software, custom software, and customization of prewritten computer software to perform data processing.

(B) For purposes of this subsection (6)(b)(ii), "data processing" means the systematic performance of operations on data to extract the required information in an appropriate form or to convert the data to usable information. Data processing includes check processing, image processing, form processing, survey processing, payroll processing, claim processing, and similar activities.

(7) The term also includes the sale of or charge made for an extended warranty to a consumer. For purposes of this subsection, "extended warranty" means an agreement for a specified duration to perform the replacement or repair of tangible personal property at no additional charge or a reduced charge for tangible personal property, labor, or both, or to provide indemnification for the replacement or repair of tangible personal property, based on the occurrence of specified events. The term "extended warranty" does not include an agreement, otherwise meeting the definition of extended warranty in this subsection, if no separate charge is made for the agreement and the value of the agreement is included in the sales price of the tangible personal property covered by the agreement. For purposes of this subsection, "sales price" has the same meaning as in RCW 82.08.010.

(8)(a) The term also includes the following sales to consumers of digital goods, digital codes, and digital automated services:

(i) Sales in which the seller has granted the purchaser the right of permanent use;

(ii) Sales in which the seller has granted the purchaser a right of use that is less than permanent;

(iii) Sales in which the purchaser is not obligated to make continued payment as a condition of the sale; and

(iv) Sales in which the purchaser is obligated to make continued payment as a condition of the sale.

(b) A retail sale of digital goods, digital codes, or digital automated services under this subsection (8) includes any services provided by the seller exclusively in connection with the digital goods, digital codes, or digital automated services, whether or not a separate charge is made for such services.

(c) A retail sale of digital goods, digital codes, or digital automated services does not include the following services if the sale occurs between members of an affiliated group as defined in RCW 82.04.299(1)(f):

(i) Any service that primarily involves the application of human effort by the seller, and the human effort originated after the customer requested the service;

(ii) Live presentations, such as lectures, seminars, workshops, or courses, where participants are connected to other participants via the internet or telecommunications equipment, which allows audience members and the presenter or instructor to give, receive, and discuss information with each other in real time;

(iii) Advertising services. For purposes of this subsection



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(8)(c), "advertising services" means all services directly related to the creation, preparation, production, or dissemination of advertisements. Advertising services include layout, art direction, graphic design, mechanical preparation, production supervision, placement, and rendering advice to a client concerning the best methods of advertising that client's products or services. Advertising services also include online referrals, search engine marketing and lead generation optimization, web campaign planning, the acquisition of advertising space in the internet media, and the monitoring and evaluation of website traffic for purposes of determining the effectiveness of an advertising campaign. Advertising services do not include web hosting services and domain name registration; and

(iv) Data processing services. For purposes of this subsection (8)(c), "data processing service" means a primarily automated service provided to a business or other organization where the primary object of the service is the systematic performance of operations by the service provider on data supplied in whole or in part by the customer to extract the required information in an appropriate form or to convert the data to usable information. Data processing services include check processing, image processing, form processing, survey processing, payroll processing, claim processing, and similar activities. Data processing does not include the service described in subsection (6)(b) of this section.

(d) For purposes of this subsection, "permanent" means perpetual or for an indefinite or unspecified length of time. A right of permanent use is presumed to have been granted unless the agreement between the seller and the purchaser specifies or the circumstances surrounding the transaction suggest or indicate that the right to use terminates on the occurrence of a condition subsequent.

(9) The term also includes the charge made for providing tangible personal property along with an operator for a fixed or indeterminate period of time. A consideration of this is that the operator is necessary for the tangible personal property to perform as designed. For the purpose of this subsection (9), an operator must do more than maintain, inspect, or set up the tangible personal property.

(10) The term does not include the sale of or charge made for labor and services rendered in respect to the building, repairing, or improving of 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.

(11) The term also does not include sales of chemical sprays or washes to persons for the purpose of postharvest treatment of fruit for the prevention of scald, fungus, mold, or decay, nor does it include sales of feed, seed, seedlings, fertilizer, agents for enhanced pollination including insects such as bees, and spray materials to: (a) Persons who participate in the federal conservation reserve program, the environmental quality incentives program, the wetlands reserve program, and the wildlife habitat incentives program, or their successors administered by the United States department of agriculture; (b) farmers for the purpose of producing for sale any agricultural product; (c) farmers for the purpose of providing bee pollination services; and (d) farmers acting under cooperative habitat development or access contracts with an organization exempt from federal income tax under 26 U.S.C. Sec. 501(c)(3) of the federal internal revenue code or the Washington state department of fish and wildlife to produce or improve wildlife habitat on land

that the farmer owns or leases.

(12) The term does not include the sale of or charge made for labor and services rendered in respect to the constructing, repairing, decorating, or improving of new or existing buildings or other structures under, upon, or above real property of or for the United States, any instrumentality thereof, or a county or city housing authority created pursuant to chapter 35.82 RCW, including the installing, or attaching of any article of tangible personal property therein or thereto, whether or not such personal property becomes a part of the realty by virtue of installation. Nor does the term include the sale of services or charges made for the clearing of land and the moving of earth of or for the United States, any instrumentality thereof, or a county or city housing authority. Nor does the term include the sale of services or charges made for cleaning up for the United States, or its instrumentalities, radioactive waste and other by-products of weapons production and nuclear research and development.

(13) The term does not include the sale of or charge made for labor, services, or tangible personal property pursuant to agreements providing maintenance services for bus, rail, or rail fixed guideway equipment when a regional transit authority is the recipient of the labor, services, or tangible personal property, and a transit agency, as defined in RCW 81.104.015, performs the labor or services.

(14) The term does not include the sale for resale of any service described in this section if the sale would otherwise constitute a "sale at retail" and "retail sale" under this section.

(15)(a) The term "sale at retail" or "retail sale" includes amounts charged, however labeled, to consumers to engage in any of the activities listed in this subsection (15)(a), including the furnishing of any associated equipment or, except as otherwise provided in this subsection, providing instruction in such activities, where such charges are not otherwise defined as a "sale at retail" or "retail sale" in this section:

(i)(A) Golf, including any variant in which either golf balls or golf clubs are used, such as miniature golf, hitting golf balls at a driving range, and golf simulators, and including fees charged by a golf course to a player for using his or her own cart. However, charges for golf instruction are not a retail sale, provided that if the instruction involves the use of a golfing facility that would otherwise require the payment of a fee, such as green fees or driving range fees, such fees, including the applicable retail sales tax, must be separately identified and charged by the golfing facility operator to the instructor or the person receiving the instruction.

(B) Notwithstanding (a)(i)(A) of this subsection (15) and except as otherwise provided in this subsection (15)(a)(i)(B), the term "sale at retail" or "retail sale" does not include amounts charged to participate in, or conduct, a golf tournament or other competitive event. However, amounts paid by event participants to the golf facility operator are retail sales under this subsection (15)(a)(i). Likewise, amounts paid by the event organizer to the golf facility are retail sales under this subsection (15)(a)(i), if such amounts vary based on the number of event participants;

(ii) Ballooning, hang gliding, indoor or outdoor sky diving, paragliding, parasailing, and similar activities;

(iii) Air hockey, billiards, pool, foosball, darts, shuffleboard, ping pong, and similar games;

(iv) Access to amusement park, theme park, and water park facilities, including but not limited to charges for admission and locker or cabana rentals. Discrete charges for rides or other attractions or entertainment that are in addition to the charge for admission are not a retail sale under this subsection (15)(a)(iv). For the purposes of this subsection, an amusement park or theme park is a location that provides permanently affixed amusement

rides, games, and other entertainment, but does not include parks or zoos for which the primary purpose is the exhibition of wildlife, or fairs, carnivals, and festivals as defined in (b)(i) of this subsection;

(v) Batting cage activities;

(vi) Bowling, but not including competitive events, except that amounts paid by the event participants to the bowling alley operator are retail sales under this subsection (15)(a)(vi). Likewise, amounts paid by the event organizer to the operator of the bowling alley are retail sales under this subsection (15)(a)(vi), if such amounts vary based on the number of event participants;

(vii) Climbing on artificial climbing structures, whether indoors or outdoors;

(viii) Day trips for sightseeing purposes;

(ix) Bungee jumping, zip lining, and riding inside a ball, whether inflatable or otherwise;

(x) Horseback riding offered to the public, where the seller furnishes the horse to the buyer and providing instruction is not the primary focus of the activity, including guided rides, but not including therapeutic horseback riding provided by an instructor certified by a nonprofit organization that offers national or international certification for therapeutic riding instructors;

(xi) Fishing, including providing access to private fishing areas and charter or guided fishing, except that fishing contests and license fees imposed by a government entity are not a retail sale under this subsection;

(xii) Guided hunting and hunting at game farms and shooting preserves, except that hunting contests and license fees imposed by a government entity are not a retail sale under this subsection;

(xiii) Swimming, but only in respect to (A) recreational or fitness swimming that is open to the public, such as open swim, lap swimming, and special events like kids night out and pool parties during open swim time, and (B) pool parties for private events, such as birthdays, family gatherings, and employee outings. Fees for swimming lessons, to participate in swim meets and other competitions, or to join a swim team, club, or aquatic facility are not retail sales under this subsection (15)(a)(xiii);

(xiv) Go-karting, bumper cars, and other motorized activities where the seller provides the vehicle and the premises where the buyer will operate the vehicle;

(xv) Indoor or outdoor playground activities, such as inflatable bounce structures and other inflatables; mazes; trampolines; slides; ball pits; games of tag, including laser tag and soft-dart tag; and human gyroscope rides, regardless of whether such activities occur at the seller's place of business, but not including playground activities provided for children by a licensed child day care center or licensed family day care provider as those terms are defined in RCW 43.216.010;

(xvi) Shooting sports and activities, such as target shooting, skeet, trap, sporting clays, "5" stand, and archery, but only in respect to discrete charges to members of the public to engage in these activities, but not including fees to enter a competitive event, instruction that is entirely or predominately classroom based, or to join or renew a membership at a club, range, or other facility;

(xvii) Paintball and airsoft activities;

(xviii) Skating, including ice skating, roller skating, and inline skating, but only in respect to discrete charges to members of the public to engage in skating activities, but not including skating lessons, competitive events, team activities, or fees to join or renew a membership at a skating facility, club, or other organization;

(xix) Nonmotorized snow sports and activities, such as downhill and cross-country skiing, snowboarding, ski jumping, sledding, snow tubing, snowshoeing, and similar snow sports and activities, whether engaged in outdoors or in an indoor facility

with or without snow, but only in respect to discrete charges to the public for the use of land or facilities to engage in nonmotorized snow sports and activities, such as fees, however labeled, for the use of ski lifts and tows and daily or season passes for access to trails or other areas where nonmotorized snow sports and activities are conducted. However, fees for the following are not retail sales under this subsection (15)(a)(xix): (A) Instructional lessons; (B) permits issued by a governmental entity to park a vehicle on or access public lands; and (C) permits or leases granted by an owner of private timberland for recreational access to areas used primarily for growing and harvesting timber; and

(xx) Scuba diving; snorkeling; river rafting; surfing; kiteboarding; flyboarding; water slides; inflatables, such as water pillows, water trampolines, and water rollers; and similar water sports and activities.

(b) Notwithstanding anything to the contrary in this subsection (15), the term "sale at retail" or "retail sale" does not include charges:

(i) Made for admission to, and rides or attractions at, fairs, carnivals, and festivals. For the purposes of this subsection, fairs, carnivals, and festivals are events that do not exceed 21 days and a majority of the amusement rides, if any, are not affixed to real property;

(ii) Made by an educational institution to its students and staff for activities defined as retail sales by (a)(i) through (xx) of this subsection. However, charges made by an educational institution to its alumni or other members of the general public for these activities are a retail sale under this subsection (15). For purposes of this subsection (15)(b)(ii), "educational institution" has the same meaning as in RCW 82.04.170;

(iii) Made by a vocational school for commercial diver training that is licensed by the workforce training and education coordinating board under chapter 28C.10 RCW; or

(iv) Made for day camps offered by a nonprofit organization or state or local governmental entity that provide youth not older than age 18, or that are focused on providing individuals with disabilities or mental illness, the opportunity to participate in a variety of supervised activities.

(16)(a) The term "sale at retail" or "retail sale" includes the purchase or acquisition of tangible personal property and specified services by a person who receives either a qualifying grant exempt from tax under RCW 82.04.767 or 82.16.320 or a grant deductible under RCW 82.04.4339, except for transactions excluded from the definition of "sale at retail" or "retail sale" by any other provision of this section. Nothing in this subsection (16) may be construed to limit the application of any other provision of this section to purchases by a recipient of either a qualifying grant exempt from tax under RCW 82.04.767 or a grant deductible under RCW 82.04.4339, or by any other person.

(b) For purposes of this subsection (16), "specified services" means:

(i) The constructing, repairing, decorating, or improving of new or existing buildings or other structures under, upon, or above real property, including the installing or attaching of any article of tangible personal property therein or thereto, whether or not such personal property becomes a part of the realty by virtue of installation;

(ii) The clearing of land or the moving of earth, whether or not associated with activities described in (b)(i) of this subsection (16);

(iii) The razing or moving of existing buildings or structures; and

(iv) Landscape maintenance and horticultural services."

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

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On page 42, line 13, after "Sections" strike "109 and 202" and insert "109, 202, and 501"

On page 1, line 10 of the title, after "82.04.29004," strike "and 82.04.4281" and insert "82.04.4281, and 82.04.050"

Senator Braun spoke in favor of adoption of the amendment.

Senator Frame spoke against 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 President declared the question before the Senate to be the adoption of the amendment by Senator Braun on page 41, after line 32 to Engrossed Substitute House Bill No. 2081.

#### 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, 21; Nays, 27; Absent, 0; Excused, 0.

Voting yea: Senators Boehnke, Braun, Christian, Dozier, Fortunato, Gildon, Goehner, Harris, Holy, King, Krishnadasan, Liias, 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, Lovelett, Lovick, Nobles, Orwall, Pedersen, Riccelli, Robinson, Saldaña, Salomon, Shewmake, Slatter, Stanford, Trudeau, Valdez, Wellman and Wilson, C.

#### MOTION

Senator Boehnke moved that the following floor amendment no. 0482 by Senator Boehnke be adopted:

On page 42, after line 14, insert the following:

**"NEW SECTION. Sec. 509.** Section 202 of this act expires December 31, 2029."

Senator Boehnke spoke in favor of adoption of the amendment.

Senator Frame spoke against adoption of the amendment.

The President declared the question before the Senate to be the adoption of floor amendment no. 0482 by Senator Boehnke on page 42, after line 14 to Engrossed Substitute House Bill No. 2081.

The motion by Senator Boehnke did not carry and floor amendment no. 0482 was not adopted by voice vote.

#### MOTION

On motion of Senator Saldaña, the rules were suspended, Engrossed Substitute House Bill No. 2081 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Saldaña and Frame spoke in favor of passage of the bill.

Senators MacEwen, McCune, Muzzall and Braun spoke against passage of the bill.

The President declared the question before the Senate to be the final passage of Engrossed Substitute House Bill No. 2081.

#### ROLL CALL

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The Secretary called the roll on the final passage of Engrossed Substitute House Bill No. 2081 and the bill passed the Senate by the following vote: Yeas, 26; Nays, 22; Absent, 0; Excused, 0.

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

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

ENGROSSED SUBSTITUTE HOUSE BILL NO. 2081, 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

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

#### MESSAGE FROM THE HOUSE

April 26, 2025

MR. PRESIDENT:

The Speaker has signed:

ENGROSSED SUBSTITUTE SENATE BILL NO. 5041,

ENGROSSED SECOND SUBSTITUTE

SENATE BILL NO. 5083,

ENGROSSED SUBSTITUTE SENATE BILL NO. 5143,

ENGROSSED SECOND SUBSTITUTE

SENATE BILL NO. 5263,

ENGROSSED SUBSTITUTE SENATE BILL NO. 5357,

ENGROSSED SUBSTITUTE SENATE BILL NO. 5390,

SUBSTITUTE SENATE BILL NO. 5408,

SUBSTITUTE SENATE BILL NO. 5444,

SENATE BILL NO. 5463,

ENGROSSED SUBSTITUTE SENATE BILL NO. 5486,

ENGROSSED SUBSTITUTE SENATE BILL NO. 5525,

SENATE BILL NO. 5571,

ENGROSSED SECOND SUBSTITUTE

SENATE BILL NO. 5686,

ENGROSSED SUBSTITUTE SENATE BILL NO. 5752,

SENATE BILL NO. 5761,

ENGROSSED SENATE BILL NO. 5769,

SUBSTITUTE SENATE BILL NO. 5785,

SECOND SUBSTITUTE SENATE BILL NO. 5786,

SUBSTITUTE SENATE BILL NO. 5790,

ENGROSSED SUBSTITUTE SENATE BILL NO. 5794,

ENGROSSED SUBSTITUTE SENATE BILL NO. 5801,

SECOND SUBSTITUTE SENATE BILL NO. 5802,

SENATE BILL NO. 5807,

ENGROSSED SUBSTITUTE SENATE BILL NO. 5813,

ENGROSSED SUBSTITUTE SENATE BILL NO. 5814,

and the same are herewith transmitted.

MELISSA PALMER, Deputy Chief Clerk

#### MOTION

At 3:55 p.m., on motion of Senator Riccelli, the Senate was declared to be at ease subject to the call of the President.

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The Senate was called to order at 4:39 p.m. by President Heck.

#### 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 HOUSE BILL NO. 2049  
and ENGROSSED SUBSTITUTE HOUSE BILL NO. 2081.

#### MESSAGES FROM THE HOUSE

April 26, 2025

MR. PRESIDENT:

The Speaker has signed

ENGROSSED SUBSTITUTE HOUSE BILL NO. 2049.  
and the same are herewith transmitted.

MELISSA PALMER, Deputy Chief Clerk

April 26, 2025

MR. PRESIDENT:

The Speaker has signed

ENGROSSED SUBSTITUTE HOUSE BILL NO. 2081.  
and the same are herewith transmitted.

MELISSA PALMER, Deputy Chief Clerk

April 26, 2025

MR. PRESIDENT:

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

SECOND SUBSTITUTE HOUSE BILL NO. 1207,

SUBSTITUTE HOUSE BILL NO. 1498,

HOUSE BILL NO. 2003,

SUBSTITUTE HOUSE BILL NO. 2047,

HOUSE BILL NO. 2050,

and the same are herewith transmitted.

MELISSA PALMER, Deputy Chief Clerk

#### MOTIONS

On motion of Senator Riccelli, Rule 8 was suspended for the remainder of the day for the purpose of allowing Senator Trudeau to vote remotely.

EDITOR'S NOTE: Senate Rule 8 requires two-hour notice prior to session for remote voting.

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

#### SECOND READING

ENGROSSED SUBSTITUTE HOUSE BILL NO. 1119, by House Committee on Appropriations (originally sponsored by Goodman, and Simmons)

Concerning supervision compliance credit.

The measure was read the second time.

#### MOTION

Senator Wagoner moved that the following floor amendment no. 0493 by Senator Wagoner be adopted:

On page 2, line 15, after "9.95.017;" strike "or" and insert "((or))"

On page 2, line 17, after "RCW 9.94A.730" insert "; or (g) Has committed any serious violent offense under RCW 9.94A.030 including: Murder in the first degree; homicide by abuse; murder in the second degree; manslaughter in the first degree; assault in the first degree; kidnapping in the first degree; rape in the first degree; assault of a child in the first degree; or an attempt, criminal solicitation, or criminal conspiracy to commit one of these felonies"

Senator Wagoner spoke in favor of adoption of the amendment.

Senator Dhingra spoke against adoption of the amendment.

#### MOTION

On motion of Senator Nobles, Senator Trudeau was excused.

The President declared the question before the Senate to be the adoption of floor amendment no. 0493 by Senator Wagoner on page 2, line 15 to Engrossed Substitute House Bill No. 1119.

The motion by Senator Wagoner did not carry and floor amendment no. 0493 was not adopted by voice vote.

#### MOTION

On motion of Senator Dhingra, the rules were suspended, Engrossed Substitute House Bill No. 1119 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Dhingra spoke in favor of passage of the bill.

#### MOTION

On motion of Senator Wagoner, Senator Gildon was excused.

The President declared the question before the Senate to be the final passage of Engrossed Substitute House Bill No. 1119.

#### ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute House Bill No. 1119 and the bill passed the Senate by the following vote: Yeas, 28; Nays, 18; Absent, 0; Excused, 2.

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

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

Excused: Senators Gildon and Trudeau

ENGROSSED SUBSTITUTE HOUSE BILL NO. 1119, 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

ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1422, by House Committee on Appropriations (originally sponsored by Peterson, Davis, Thai, Ormsby, Hill, Macri, and Timmons)

Modifying the drug take-back program.

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The measure was read the second time.

### MOTION

On motion of Senator Cleveland, the rules were suspended, Engrossed Second Substitute House Bill No. 1422 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Cleveland and Torres spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Engrossed Second Substitute House Bill No. 1422.

### ROLL CALL

The Secretary called the roll on the final passage of Engrossed Second Substitute House Bill No. 1422 and the bill passed the Senate by the following vote: Yeas, 46; Nays, 0; Absent, 0; Excused, 2.

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

Excused: Senators Gildon and Trudeau

ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1422, 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

ENGROSSED SUBSTITUTE HOUSE BILL NO. 1468, by House Committee on Appropriations (originally sponsored by Macri, and Ormsby)

Concerning accounts.

The measure was read the second time.

### MOTION

On motion of Senator Robinson, the rules were suspended, Engrossed Substitute House Bill No. 1468 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

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

The President declared the question before the Senate to be the final passage of Engrossed Substitute House Bill No. 1468.

### ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute House Bill No. 1468 and the bill passed the Senate by the following vote: Yeas, 46; Nays, 0; Absent, 0; Excused, 2.

Voting yea: Senators Alvarado, Bateman, Boehnke, Braun, Chapman, Christian, Cleveland, Conway, Cortes, Dhingra,

Dozier, Fortunato, Frame, Goehner, Hansen, Harris, Hasegawa, Holy, Kauffman, King, Krishnadasan, Lias, Lovelett, Lovick, MacEwen, McCune, Muzzall, Nobles, Orwall, Pedersen, Riccelli, Robinson, Saldaña, Salomon, Schoesler, Shewmake, Short, Slatter, Stanford, Torres, Valdez, Wagoner, Warnick, Wellman, Wilson, C. and Wilson, J.

Excused: Senators Gildon and Trudeau

ENGROSSED SUBSTITUTE HOUSE BILL NO. 1468, 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

SUBSTITUTE HOUSE BILL NO. 1473, by House Committee on Appropriations (originally sponsored by Gregerson, Callan, and Ormsby)

Making expenditures from the budget stabilization account for declared catastrophic events.

The measure was read the second time.

### MOTION

On motion of Senator Stanford, the rules were suspended, Substitute House Bill No. 1473 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Stanford and Torres spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Substitute House Bill No. 1473.

### ROLL CALL

The Secretary called the roll on the final passage of Substitute House Bill No. 1473 and the bill passed the Senate by the following vote: Yeas, 46; Nays, 0; Absent, 0; Excused, 2.

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

Excused: Senators Gildon and Trudeau

SUBSTITUTE HOUSE BILL NO. 1473, 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

HOUSE BILL NO. 1552, by Representatives Peterson, Low, Reed, Ormsby, and Hill

Extending the fee on real estate broker licenses to fund the Washington center for real estate research and adjusting the fee to account for inflation.

The measure was read the second time.

## MOTION

On motion of Senator Robinson, the rules were suspended, House Bill No. 1552 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 Torres spoke against passage of the bill.

The President declared the question before the Senate to be the final passage of House Bill No. 1552.

## ROLL CALL

The Secretary called the roll on the final passage of House Bill No. 1552 and the bill passed the Senate by the following vote: Yeas, 28; Nays, 18; Absent, 0; Excused, 2.

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

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

Excused: Senators Gildon and Trudeau

HOUSE BILL NO. 1552, 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

SUBSTITUTE HOUSE BILL NO. 1848, by House Committee on Appropriations (originally sponsored by Doglio, Goodman, Parshley, Salahuddin, and Wylie)

Concerning services and supports for individuals with traumatic brain injuries.

The measure was read the second time.

## MOTION

On motion of Senator Bateman, the rules were suspended, Substitute House Bill No. 1848 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Bateman and Torres spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Substitute House Bill No. 1848.

## ROLL CALL

The Secretary called the roll on the final passage of Substitute House Bill No. 1848 and the bill passed the Senate by the following vote: Yeas, 37; Nays, 9; Absent, 0; Excused, 2.

Voting yea: Senators Alvarado, Bateman, Braun, Chapman, Cleveland, Conway, Cortes, Dhingra, Dozier, Frame, Hansen, Harris, Hasegawa, Holy, Kauffman, King, Krishnadasan, Liias, Lovelett, Lovick, Muzzall, Nobles, Orwall, Pedersen, Riccelli, Robinson, Saldaña, Salomon, Shewmake, Slatter, Stanford,

Torres, Valdez, Wagoner, Warnick, Wellman and Wilson, C.

Voting nay: Senators Boehnke, Christian, Fortunato, Goehner, MacEwen, McCune, Schoesler, Short and Wilson, J.

Excused: Senators Gildon and Trudeau

SUBSTITUTE HOUSE BILL NO. 1848, 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.

Senator Warnick announced a meeting of the Republican Caucus followed by dinner.

Senator Hasegawa announced there would be no meeting of the Democratic Caucus.

## MOTION

At 5:12 p.m., on motion of Senator Riccelli, the Senate was declared to be at ease subject to the call of the President.

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The Senate was called to order at 6:28 p.m. by President Heck.

## REMARKS BY THE PRESIDENT

President Heck: "The President would like to ask you all, please stand. It is some sort of bizarre irony that we all gather here year after year. Different parts of the state, different communities, different economies, different subcultures, different philosophies, different values. And argue out those serious differences.

And yet somehow that shared adversity, even with one another, brings us closer together and creates a family, staff and members. And as a family, a loss to one is loss to all. The President does not have the wisdom to understand why so much sadness has been visited upon this institution this year. But it has.

And yet again this afternoon, as I'm sure you all know, our dear, dear friend and colleague, Chris Gildon, a few hours ago, lost his beloved wife Autumn of more than 31 years.

So, I ask that each and every one of you, in whatever is your faith tradition, and if you believe in the power of prayer as I do, that we engage in that in a moment of silence now to send our love and comfort to Chris and his family as Autumn makes her transition into the arms of a loving Creator."

## MOMENT OF SILENCE

The Senate observed a moment of silence in memory of Mrs. Autumn Gildon, wife of Senator Chris Gildon, who passed away earlier in the day.

## SECOND READING

SUBSTITUTE HOUSE BILL NO. 2020, by House Committee on Appropriations (originally sponsored by Berg, Orcutt, Fitzgibbon, Gregerson, Parshley, and Ormsby)

Creating a business and occupation tax deduction and increasing the rate for persons conducting payment card processing activities.

The measure was read the second time.

## MOTION

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On motion of Senator Robinson, the rules were suspended, Substitute House Bill No. 2020 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

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

The President declared the question before the Senate to be the final passage of Substitute House Bill No. 2020.

## ROLL CALL

The Secretary called the roll on the final passage of Substitute House Bill No. 2020 and the bill passed the Senate by the following vote: Yeas, 47; Nays, 0; Absent, 0; Excused, 1.

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

Excused: Senator Gildon

SUBSTITUTE HOUSE BILL NO. 2020, 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

HOUSE BILL NO. 2039, by Representatives Macri, Gregerson, and Ormsby

Concerning child support pass through.

The measure was read the second time.

## MOTION

On motion of Senator Robinson, the rules were suspended, House Bill No. 2039 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 Torres spoke against passage of the bill.

The President declared the question before the Senate to be the final passage of House Bill No. 2039.

## ROLL CALL

The Secretary called the roll on the final passage of House Bill No. 2039 and the bill passed the Senate by the following vote: Yeas, 25; Nays, 22; Absent, 0; Excused, 1.

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

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

Excused: Senator Gildon

HOUSE BILL NO. 2039, 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

HOUSE BILL NO. 2040, by Representatives Macri, Gregerson, and Ormsby

Concerning the recovery of the aged, blind, or disabled assistance program.

The measure was read the second time.

## MOTION

On motion of Senator Robinson, the rules were suspended, House Bill No. 2040 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 Torres spoke against passage of the bill.

The President declared the question before the Senate to be the final passage of House Bill No. 2040.

## ROLL CALL

The Secretary called the roll on the final passage of House Bill No. 2040 and the bill passed the Senate by the following vote: Yeas, 25; Nays, 22; Absent, 0; Excused, 1.

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

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

Excused: Senator Gildon

HOUSE BILL NO. 2040, 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

SUBSTITUTE HOUSE BILL NO. 2051, by House Committee on Appropriations (originally sponsored by Gregerson, Macri, Parshley, and Ormsby)

Concerning payment to acute care hospitals for difficult to discharge medicaid patients.

The measure was read the second time.

## WITHDRAWAL OF AMENDMENT

On motion of Senator Fortunato and without objection, floor amendment no. 0498 by Senator Fortunato on page 5, line 6 to Substitute House Bill No. 2051 was withdrawn.

## WITHDRAWAL OF AMENDMENT

On motion of Senator Christian and without objection, floor amendment no. 0499 by Senator Christian on page 5, line 6 to Substitute House Bill No. 2051 was withdrawn.

#### WITHDRAWAL OF AMENDMENT

On motion of Senator Boehnke and without objection, floor amendment no. 0500 by Senator Boehnke on page 5, line 6 to Substitute House Bill No. 2051 was withdrawn.

#### MOTION

On motion of Senator Robinson, the rules were suspended, Substitute House Bill No. 2051 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 Muzzall spoke against passage of the bill.

The President declared the question before the Senate to be the final passage of Substitute House Bill No. 2051.

#### ROLL CALL

The Secretary called the roll on the final passage of Substitute House Bill No. 2051 and the bill passed the Senate by the following vote: Yeas, 27; Nays, 20; Absent, 0; Excused, 1.

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

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

Excused: Senator Gildon

SUBSTITUTE HOUSE BILL NO. 2051, 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

ENGROSSED SUBSTITUTE HOUSE BILL NO. 2061, by House Committee on Appropriations (originally sponsored by Fitzgibbon, Gregerson, Kloba, and Ramel)

Regarding concession fees by duty-free sales enterprises.

The measure was read the second time.

#### MOTION

On motion of Senator Liias, the rules were suspended, Engrossed Substitute House Bill No. 2061 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Liias spoke in favor of passage of the bill.

Senator MacEwen spoke against passage of the bill.

The President declared the question before the Senate to be the final passage of Engrossed Substitute House Bill No. 2061.

#### ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute House Bill No. 2061 and the bill passed the Senate by the following vote: Yeas, 27; Nays, 20; Absent, 0; Excused, 1.

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

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

Excused: Senator Gildon

ENGROSSED SUBSTITUTE HOUSE BILL NO. 2061, 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

SUBSTITUTE HOUSE BILL NO. 2077, by House Committee on Finance (originally sponsored by Fitzgibbon, and Macri)

Establishing a tax on certain business activities related to surpluses generated under the zero-emission vehicle program.

The measure was read the second time.

#### MOTION

Senator Wagoner moved that the following floor amendment no. 0501 by Senator Wagoner be adopted:

On page 3, beginning on line 15, strike all material through "(b)" on line 24

On page 3, at the beginning of line 27, strike "(i)" and insert "(a)"

On page 3, at the beginning of line 28, strike "(ii)" and insert "(b)"

On page 3, at the beginning of line 30, strike "(iii)" and insert "(c)"

On page 3, at the beginning of line 32, strike "(iv)" and insert "(d)"

On page 3, line 38, after "(1)" strike "(b)"

On page 4, line 20, after "the" strike "banking and"

On page 4, line 22, after "to" insert "banked and"

Beginning on page 4, line 24, strike all material through "years." on page 5, line 3 and insert the following:

"(2) For a ZEV credit sold to another manufacturer, the amount of the tax with respect to such sale is equal to the credit sales price reported under section 3 of this act multiplied by a rate of two percent."

On page 11, line 31, after "credits" strike "banked or"

Senator Wagoner spoke in favor of adoption of the amendment.

Senator Lovelett spoke against adoption of the amendment.

The President declared the question before the Senate to be the adoption of floor amendment no. 0501 by Senator Wagoner on page 3, line 15 to Substitute House Bill No. 2077.

The motion by Senator Wagoner did not carry and floor amendment no. 0501 was not adopted by voice vote.

#### MOTION



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On motion of Senator Lovelett, the rules were suspended, Substitute House Bill No. 2077 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Lovelett spoke in favor of passage of the bill.

Senator Torres spoke against passage of the bill.

The President declared the question before the Senate to be the final passage of Substitute House Bill No. 2077.

#### ROLL CALL

The Secretary called the roll on the final passage of Substitute House Bill No. 2077 and the bill passed the Senate by the following vote: Yeas, 28; Nays, 19; Absent, 0; Excused, 1.

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

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

Excused: Senator Gildon

SUBSTITUTE HOUSE BILL NO. 2077, 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

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

#### MESSAGE FROM THE HOUSE

April 23, 2025

MR. PRESIDENT:

The House refuses to concur in the Senate amendment(s) to ENGROSSED SUBSTITUTE HOUSE BILL NO. 1293 and asks the Senate to recede therefrom. and the same are herewith transmitted.

MELISSA PALMER, Deputy Chief Clerk

#### MOTION

Senator Shewmake moved that the Senate recede from its position in the Senate amendment(s) to Engrossed Substitute House Bill No. 1293.

Senator Shewmake spoke in favor of the motion.

Senator Boehnke spoke against the motion.

The President declared the question before the Senate to be motion by Senator Shewmake that the Senate recede from its position in the Senate amendment(s) to Engrossed Substitute House Bill No. 1293.

The motion by Senator Shewmake carried and the Senate receded from its position in the Senate amendment(s) to Engrossed Substitute House Bill No. 1293 by voice vote.

#### MOTION

On motion of Senator Shewmake, the rules were suspended and Engrossed Substitute House Bill No. 1293 was returned to second reading for the purpose of amendment.

#### SECOND READING

ENGROSSED SUBSTITUTE HOUSE BILL NO. 1293, by House Committee on Appropriations (originally sponsored by Klicker, Dye, Connors, Barkis, Eslick, Caldier, and Kloba)

Concerning litter.

The measure was read the second time.

#### MOTION

Senator Shewmake moved that the following striking floor amendment no. 0495 by Senator Shewmake be adopted:

Strike everything after the enacting clause and insert the following:

**"NEW SECTION. Sec. 1.** The legislature finds that litter is a persistent challenge that sullies public spaces, damages natural habitats, and pollutes the environment. Improperly disposing of trash poses significant risks to public health, our environment, and the economy.

The legislature also finds that single-use plastic bags are one of the most commonly found items that litter state roads, beaches, and other public spaces. Plastic bag litter is known to harm animals, particularly aquatic species, and contributes to the proliferation of microplastics, which pose significant threats to human health. Encouraging the adoption of alternatives to plastic bags, such as reusable carryout bags, reduces plastic waste. While thicker plastic bags may be more durable and reusable, initial research has demonstrated that many customers may still use them as single-use bags, and consequently, thicker plastic bags contribute to more plastic waste.

The legislature also finds that when specifically tailored, penalties and fees act as effective deterrents to harmful behaviors, such as littering, and can lead to the adoption of more sustainable practices.

Therefore, the legislature intends to discourage littering and the proliferation of plastic waste by enhancing penalties for littering, delaying requirements relating to increasing the thickness of reusable plastic bags, and imposing new penalties for the sale of thicker plastic bags. The legislature also intends to direct the fees collected from the new penalties to the waste reduction, recycling, and litter control account to address the negative impacts of litter.

**Sec. 2.** RCW 70A.200.060 and 2024 c 231 s 2 are each amended to read as follows:

(1) It is a violation of this section to:

(a) Abandon a junk vehicle upon any property;

(b) Throw, drop, deposit, discard, or otherwise dispose of litter upon any public property in the state or upon private property in this state not owned by him or her or in the waters of this state whether from a vehicle or otherwise including but not limited to any public highway, public park, beach, campground, forestland, recreational area, trailer park, highway, road, street, or alley except:

(i) When the property is designated by the state or its agencies or political subdivisions for the disposal of garbage and refuse, and the person is authorized to use such property for that purpose;

(ii) Into a litter receptacle in a manner that will prevent litter from being carried away or deposited by the elements upon any part of the private or public property or waters.

(2)(a) Except as provided in subsection (5) of this section, it is a class ((3)) 2 civil infraction as provided in RCW 7.80.120 for a person to litter in an amount less than or equal to one cubic foot. This penalty is in addition to any penalty imposed for a violation

of RCW 46.61.645(1).

(b) It is a misdemeanor for a person to litter in an amount greater than one cubic foot but less than 10 cubic yards. A violation of this subsection may alternatively be punished with a notice of a natural resource infraction under chapter 7.84 RCW.

(c) It is a gross misdemeanor for a person to litter more than 10 cubic yards.

(d)(i) A person found liable or guilty under this section shall, in addition to the penalties provided for misdemeanors, gross misdemeanors, or for natural resource infractions as provided in RCW 7.84.100, also pay a litter clean-up restitution payment equal to four times the actual cost of cleanup for natural resource infractions and misdemeanors and two times the actual cost of cleanup for gross misdemeanors. The court shall distribute an amount of the litter clean-up restitution payment that equals the actual cost of cleanup to the landowner where the littering incident occurred and the remainder of the restitution payment to the law enforcement agency investigating the incident.

(ii) The court may, in addition to or in lieu of part or all of the cleanup restitution payment, order the person to pick up and remove litter from the property, with prior permission of the legal owner or, in the case of public property, of the agency managing the property.

(iii) The court may suspend or modify the litter cleanup restitution payment for a first-time offender under this section, if the person cleans up and properly disposes of the litter.

(3) If a junk vehicle is abandoned in violation of this section, RCW 46.55.230 governs the vehicle's removal, disposal, and sale, and the penalties that may be imposed against the person who abandoned the vehicle.

(4) If the violation occurs in a state park, the court shall, in addition to any other penalties assessed, order the person to perform 24 hours of community restitution in the state park where the violation occurred if the state park has stated an intent to participate as provided in RCW 79A.05.050.

(5) It is a class 1 civil infraction as provided in RCW 7.80.120 for a person to discard, in violation of this section, potentially dangerous litter in any amount.

**Sec. 3.** RCW 70A.530.020 and 2021 c 65 s 78, 2021 c 65 s 77, and 2021 c 33 s 2 are each reenacted and amended to read as follows:

(1) Beginning January 1, 2021, except as provided in this section and RCW 70A.530.030, a retail establishment may not provide to a customer or a person at an event:

(a) A single-use plastic carryout bag;

(b) A paper carryout bag that does not meet the requirements of subsection (6)(a) of this section or a reusable carryout bag made of film plastic that does not meet recycled content requirements; or

(c) Beginning January 1, ~~((2026))~~ 2028, a reusable carryout bag made of film plastic with a thickness of less than four mils, in the event that the ~~((2025))~~ 2026 legislature does not amend this section to reflect the recommendations to the legislature made consistent with RCW 70A.530.060.

(2)(a) A retail establishment may provide a reusable carryout bag or a compliant paper carryout bag of any size to a customer at the point of sale. A retail establishment may make reusable carryout bags available to customers through sale.

(b)(i) Until December 31, 2025, a retail establishment must collect a pass-through charge of eight cents for every compliant paper carryout bag with a manufacturer's stated capacity of one-eighth barrel (eight hundred eighty-two cubic inches) or greater or reusable carryout bag made of film plastic it provides, except as provided in subsection (5) of this section and RCW 70A.530.030.

(ii) Beginning January 1, 2026, a retail establishment must

collect a pass-through charge of twelve cents for reusable carryout bags made of film plastic and eight cents for compliant paper carryout bags ~~((, in the event that the 2025 legislature does not amend this section to reflect the recommendations to the legislature made consistent with RCW 70A.530.060. It is the intent of the legislature for the 2025 legislature to reassess the amount of the pass-through charge authorized under this subsection (2)(b), taking into consideration the content of the report to the legislature under RCW 70A.530.060))~~.

(iii) Until December 31, 2027, a retail establishment that offers for sale a reusable carryout bag made of film plastic with a thickness equal to or greater than four mils shall collect, in addition to the 12 cent pass-through charge, a four cent penalty. The penalty shall be deposited in the waste reduction, recycling, and litter control account under RCW 70A.200.140.

(c) A retail establishment must keep all revenue from pass-through charges, not including the penalty provided under (b)(iii) of this subsection. The pass-through charge is a taxable retail sale. A retail establishment must show all pass-through charges and penalties on a receipt provided to the customer.

(3) Carryout bags provided by a retail establishment do not include:

(a) Bags used by consumers inside stores to:

(i) Package bulk items, such as fruit, vegetables, nuts, grains, candy, greeting cards, or small hardware items such as nails, bolts, or screws;

(ii) Contain or wrap items where dampness or sanitation might be a problem including, but not limited to:

(A) Frozen foods;

(B) Meat;

(C) Fish;

(D) Flowers; and

(E) Potted plants;

(iii) Contain unwrapped prepared foods or bakery goods;

(iv) Contain prescription drugs; or

(v) Protect a purchased item from damaging or contaminating other purchased items when placed in a compliant paper carryout bag or reusable carryout bag; or

(b) Newspaper bags, mailing pouches, sealed envelopes, door hanger bags, laundry/dry cleaning bags, or bags sold in packages containing multiple bags for uses such as food storage, garbage, or pet waste.

(4)(a) Any compostable film bag that a retail establishment provides to customers for products, including for products bagged in stores prior to checkout, must meet the requirements for compostable products and film bags in chapter 70A.455 RCW.

(b) A retail establishment may not use or provide polyethylene or other noncompostable plastic bags for bagging of customer products in stores, as carryout bags, or for home delivery that do not meet the requirements for noncompostable products and film bags in chapter 70A.455 RCW.

(5) Except as provided by local regulations enacted as of April 1, 2020, a retail establishment may provide a bag restricted under subsection (1) of this section from existing inventory until one year after June 11, 2020. The retail establishment, upon request by the department, must provide purchase invoices, distribution receipts, or other information documenting that the bag was acquired prior to June 11, 2020.

(6) For the purposes of this section:

(a) A compliant paper carryout bag must:

(i) Contain a minimum of forty percent postconsumer recycled materials, a minimum of 40 percent nonwood renewable fiber, or a combination of postconsumer recycled materials and nonwood renewable fiber that totals at least 40 percent;

(ii) Be capable of composting, consistent with the timeline and specifications of the entire American society of testing materials

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D6868 and associated test methods that must be met, as it existed as of January 1, 2020; and

(iii) Display in print on the exterior of the paper bag the minimum percentage of postconsumer content, wheat straw fiber content, or both.

(b) A reusable carryout bag must:

(i) Have a minimum lifetime of one hundred twenty-five uses, which for purposes of this subsection means the capacity to carry a minimum of twenty-two pounds one hundred twenty-five times over a distance of at least one hundred seventy-five feet;

(ii) Be machine washable or made from a durable material that may be cleaned or disinfected; and

(iii) If made of film plastic:

(A) Be made from a minimum of twenty percent postconsumer recycled content until July 1, 2022, and thereafter must be made from a minimum of forty percent postconsumer recycled content;

(B) Display in print on the exterior of the plastic bag the minimum percentage of postconsumer recycled content, the mil thickness, and that the bag is reusable; and

(C) Have a minimum thickness of no less than 2.25 mils until December 31, ((2025)) 2027, and beginning January 1, ((2026)) 2028, must have a minimum thickness of four mils.

(c) Except for the purposes of subsection (4) of this section, food banks and other food assistance programs are not retail establishments, but are encouraged to take actions to reduce the use of single-use plastic carryout bags."

On page 1, line 1 of the title, after "litter;" strike the remainder of the title and insert "amending RCW 70A.200.060; reenacting and amending RCW 70A.530.020; creating a new section; and prescribing penalties."

Senators Shewmake and Boehnke spoke in favor of adoption of the striking amendment.

The President declared the question before the Senate to be the adoption of striking floor amendment no. 0495 by Senator Shewmake to Engrossed Substitute House Bill No. 1293.

The motion by Senator Shewmake carried and striking floor amendment no. 0495 was adopted by voice vote.

#### MOTION

On motion of Senator Shewmake, the rules were suspended, Engrossed Substitute House Bill No. 1293 as amended by the

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Senate was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Shewmake spoke in favor of passage of the bill.

Senator Boehnke spoke against passage of the bill.

The President declared the question before the Senate to be the final passage of Engrossed Substitute House Bill No. 1293 as amended by the Senate.

#### ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute House Bill No. 1293 as amended by the Senate and the bill passed the Senate by the following vote: Yeas, 27; Nays, 20; Absent, 0; Excused, 1.

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

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

Excused: Senator Gildon

ENGROSSED SUBSTITUTE HOUSE BILL NO. 1293 as amended by the Senate, 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 7:18 p.m., on motion of Senator Riccelli, the Senate adjourned until 11 o'clock a.m. Sunday, April 27, 2025.

DENNY HECK, President of the Senate

SARAH BANNISTER, Secretary of the Senate

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