

March 7, 2021

Legislature passes half-way mark

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With an eye towards the March 9 deadline for bills to be passed out of the chamber in which they started, legislators spent the past week meeting in caucuses and conducting floor action. Both the House and Senate met on Saturday; the House finished a bill held over Saturday night and passed a handful of bills before adjourning Sunday afternoon.

Contentious bills included the Senate passing a capital gains tax by a vote of 25-24 and the House passing an overhaul of the residential landlord/tenant act 54-44. Both bills were heavily modified on the floor. [ESSB 5096](#) would impose a 7 percent capital gains tax beginning January 1, 2022. The Robinson [striker](#) was adopted on the floor, which made the following changes:

- Eliminates the maximum number of employees a business may have for its sale to qualify for the small business deduction;
- Increases the qualifying gross income threshold for the small business deduction from \$6,000,000 to \$10,000,000;
- Removes the section of the bill that would require ambiguities to be construed in favor of the application of the tax;
- Removes the section of the bill that would authorize reciprocal tax collection agreements;
- Modifies the deposit and distribution of tax collections: Deposits the first \$350,000,000 collected each fiscal year into the Education Legacy Trust Account, deposits the next \$100,000,000 into the general fund, and deposits the remainder into a newly created taxpayer fairness account;
- Provides annual inflationary adjustments for the \$250,000 exclusion amount, \$10,000,000 gross income threshold for the small business deduction, and account distribution amounts; and makes technical changes.

Other amendments were also adopted:

- The Hobbs [amendment](#) removed the emergency clause and included the removal of language from the intent section specifying that the tax is necessary for the support of state government and its existing institutions. And the Lias [amendment](#) exempts the sale of a controlling interest in a business entity from capital gains tax for the portion of the sale attributable to real estate if the transaction is also subject to real estate excise tax.

The bill now moves to the House for consideration and a possible vote. This is the first time since the 2019 session that Senate Democrats had sufficient votes to pass a capital gains tax. Prior to the amendments, the fiscal note estimated the new tax would raise about \$522 million in the 2021-23 biennium, \$1.2 billion in the 2023-25 biennium, and about \$1.2 billion in ongoing biennia.

On March 10, committees will return to public hearings on bills that passed the opposite chamber. To stay in play, bills must pass the policy committee by March 25 and the fiscal committee by April 2. In the midst of this action, the revenue forecast will be issued March 17, and proposed operating budgets will be released soon afterward, with action likely the week of March 22.

Transportation funding fix significantly modified

The version of [E2SSB 5128](#) that passed the Senate floor on March 4 was [significantly modified](#), not in a positive way for school districts trying to minimize the impact of fewer students riding the bus and buses being used in creative ways to meet student needs under the pandemic. Changes include, but were not limited to:

- Removing the option for districts to receive 70% or 80% of transportation funding for the 2020-21 school year;
- Removing the stability protection that pinned the 2021-22 transportation funding to 2019-20 ridership;
- Setting up an emergency transportation relief account of \$100 million, but accepting an [amendment](#) that the fund is a payor of last resort, but requires school districts to demonstrate that the federal ESSER dollars aren't available to fund transportation needs; and
- [Prohibiting](#) any school district from receiving funding from the relief account if the school or school district meets the minimum parameters for in-person learning recommended by the Department of Health but does not offer in-person learning at or above the recommended level.

The bill has been referred to the House Education Committee, which typically doesn't address funding-related legislation. However, it is possible that many of the policy problems could be addressed before the bill moves to House Appropriations.

Two days to go

The 5:00 p.m. March 9 deadline means bills still in the Rules Committee or on the Floor calendar have limited time for action. While the list is small, it includes some important bills:

- [2SHB 1092](#) would establish a program at WSU to collect, report, and publish information on law enforcement's use of force and other interactions with and incidents involving

the public and would require law enforcement agencies to collect and report information to WSU. (House Rules)

- [SHB 1354](#) would evaluate factors leading to youth suicide. (Floor)
- [SHB 1476](#) is considered the “enrollment stabilization” bill. While it no longer includes enrollment decline stability specifically, it includes a reference that the Legislature intends to make up the funding decline in the two-year operating budget and would protect against levy declines that are pinned to per-student amounts. The bill was scheduled several times for a vote but then put aside for other legislation. (Floor)
- [2SHB 1477](#) would implement the national 988 system to enhance and expand behavioral health crisis response and suicide prevention services. (Floor)
- [SSB 5078](#) would limit high-capacity magazines. (Senate Rules)
- A [striking amendment](#) offered by bill sponsor Sen. Brad Hawkins, R-Wenatchee, to [2SSB 5147](#) would address learning loss recovery. Elements include the creation of several new grant programs to add instructional days, summer enrichment, or dual language programs, and a “year-round school/balanced calendar” pilot program for up to 20 school districts for four years. The incentive for participation has been whittled from .1 to .025 per full-time student equivalent. (Floor)
- [SSB 5236](#) would require health and pension benefits for school bus drivers employed by private, non-governmental companies. The bill was modified in Senate Ways & Means but doesn’t include a null and void clause, among other issues. (Floor)

WSPTA Legislative Priorities

(all bills may be accessed [here](#))

Washington State PTA adopts a [two-year platform](#). Delegates at the 2020 Legislative Assembly adopted five issues as the highest priority issues, and three as “Also Supported.” [Videos](#) and handouts for members’ use in advocacy efforts this session are posted on the WSPTA Advocacy [page](#) under each position statement.

In addition to last week’s list, the following bills have passed their chamber and been referred to the appropriate committee in the other chamber. (Click [here](#) and type in the bill number):

- SHB 1113 would direct school districts to file a truancy petition after a student's fifth unexcused absence and not later than the fifteenth unexcused absence and would authorize OSPI to modify school attendance requirements through rule.
- 2SHB 1139 would require school districts to take action to address lead in drinking water.
- 2SSB 5237 would create the Fair Start for Kids Act. The bill would take a comprehensive approach to early learning and childcare and would delay the ECEAP entitlement date to the 2026-27 school year. (The companion bill, 2SHB 1213, is on the House floor.)
- SHB 1214 would require safety and security staff agreements, data collection, and training for educational service districts, school districts, and charter schools.

- SHB 1320 is a comprehensive bill relating to modernizing, harmonizing, and improving the efficacy and accessibility of laws concerning civil protection orders.
- SHB 1332 would require county treasurers to grant a deferral of 2021 property tax payments for businesses that experienced an income loss of 25% when comparing revenues from 2019 to 2020.
- SHB 1484 would eliminate the operation and use of the first responder building mapping information system for schools and other public buildings and would remove references to the mapping system in safe school plan requirements.
- SHB 1504 would establish a behavioral health workforce pilot program and provide training support grants to community mental health and substance use disorder treatment providers.
- SB 5249 would require the Mastery-Based Learning Work Group to develop a Washington state profile of a high school graduate, in consultation with the Educational Opportunity Gap Oversight and Accountability Committee and others.
- SSB 5321 would eliminate the requirement that a student sign a pledge to be eligible for the College Bound Scholarship and create a process for auto-enrolling eligible students.

The Week Ahead

Environment, Energy & Technology (Senate) - Virtual, - 3/10 @ 8:00am

1. E3SHB 1091 - Public Hearing - Reducing greenhouse gas emissions by reducing the carbon intensity of transportation fuel. (Remote testimony.) (Support/Medium)

State Government & Elections (Senate) - Virtual, - 3/10 @ 8:00am

2. SHB 1016 - Public Hearing - Making Juneteenth a legal holiday. (Remote testimony.) (Support/Monitoring)

Early Learning & K-12 Education (Senate) - Virtual, - 3/10 @ 10:30am

3. E2SHB 1295 - Public Hearing - Providing public education to youth in or released from institutional education facilities. (Remote testimony.)
4. SHB 1302 - Public Hearing - Concerning college in the high school programs. (Remote testimony.)
5. EHB 1342 - Public Hearing - Eliminating lunch copays for students who qualify for reduced-price lunches. (Remote testimony.)

Children, Youth & Families (House) - Virtual, - 3/11 @ 10:00am

6. SSB 5151 - Public Hearing - Concerning foster care and childcare licensing by the department of children, youth, and families. (Remote testimony.)
7. 2SSB 5327 - Public Hearing - Creating a confidential youth safety and well-being tip line. (Remote testimony.)

College & Workforce Development (House) - Virtual, - 3/11 @ 10:00am

8. SSB 5401 - Public Hearing - Authorizing community and technical colleges to offer bachelor's degrees in computer science. (Remote testimony.)

Environment, Energy & Technology (Senate) - Virtual, - 3/11 @ 10:30am

9. ESHB 1336 - Public Hearing - Creating and expanding unrestricted authority for public entities to provide telecommunications services to end users. (Remote testimony.)

Law & Justice (Senate) - Virtual, - 3/11 @ 10:30am

10. ESHB 1054 - Public Hearing - Establishing requirements for tactics and equipment used by peace officers. (Remote testimony.) (Support/Monitoring)

Education (House) - Virtual, - 3/11 @ 1:30pm

11. SSB 5030 - Public Hearing - Developing comprehensive school counseling programs. (Remote testimony.) (Monitoring)
12. ESSB 5044 - Public Hearing - Concerning professional learning, equity, cultural competency, and dismantling institutional racism in the public school system. (Remote testimony.) (Support/Medium)
13. SB 5184 - Public Hearing - Establishing a building point of contact in all K-12 public schools for students in foster care. (Remote testimony.) (Support/Monitoring)

Higher Education & Workforce Development (Senate) - Virtual, - 3/11 @ 1:30pm

14. SHB 1166 - Public Hearing - Expanding access to the homeless and foster care college students pilot program. (Remote testimony.)
15. SHB 1425 - Public Hearing - Expanding scholarships for community and technical college students. (Remote testimony.)

Public Safety (House) - Virtual, - 3/11 @ 1:30pm

16. E2SSB 5051 - Public Hearing - Concerning state oversight and accountability of peace officers and corrections officers. (Remote testimony.) (Support/Medium)

Transportation (House) - Virtual, - 3/11 @ 3:30pm

17. ESSB 5439 - Public Hearing - Facilitating the coordinated installation of broadband along state highways. (Remote testimony.)

Early Learning & K-12 Education (Senate) - Virtual, - 3/12 @ 8:00am

18. SHB 1208 - Public Hearing - Modifying the learning assistance program. (Remote testimony.)
19. E2SHB 1295 - Exec Session - Providing public education to youth in or released from institutional education facilities.
20. EHB 1342 - Exec Session - Eliminating lunch copays for students who qualify for reduced-price lunches.
21. SHB 1356 - Public Hearing - Prohibiting the inappropriate use of Native American names, symbols, or images as public school mascots, logos, or team names. (Remote testimony.)
22. SHB 1363 - Public Hearing - Addressing secondary trauma in the K-12 workforce. (Remote testimony.)

Education (House) - Virtual, - 3/12 @ 10:00am

23. SSB 5181 - Public Hearing - Providing school districts serving low-income communities with flexibility in financing their facilities. (Remote testimony.)
24. SSB 5249 - Public Hearing - Supporting mastery-based learning. (Remote testimony.)
25. SB 5299 - Public Hearing - Allowing the use of computer science credits for the purpose of graduation requirements. (Remote testimony.)
26. SSB 5376 - Public Hearing - Promoting awareness of the governor's office of the education ombuds. (Remote testimony.)

Environment & Energy (House) - Virtual, - 3/12 @ 10:00am

27. E2SSB 5141 - Public Hearing - Reducing environmental and health disparities and improving the health of all Washington state residents by implementing the recommendations of the environmental justice task force. (Remote testimony.) (Support/Monitoring)

Public Safety (House) - Virtual, - 3/12 @ 10:00am

28. SSB 5066 - Public Hearing - Concerning a peace officer's duty to intervene. (Remote testimony.) (Support/Monitoring)

Behavioral Health Subcommittee to Health & Long Term Care (Senate) - Virtual, - 3/12 @ 10:30am

29. SHB 1074 - Public Hearing - Concerning overdose and suicide fatality reviews. (Remote testimony.) (If measure is referred to committee.)

State Government & Elections (Senate) - Virtual, - 3/12 @ 10:30am

30. SHB 1016 - Exec Session - Making Juneteenth a legal holiday. (Support/Monitoring)