

WAADAC Legislative Report

February 5, 2026

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The Washington State Legislature has now passed the first major cutoff of the session, the house of origin policy committee cutoff. Legislation that failed to advance by this point is generally considered dead, while bills that cleared the cutoff remain alive and eligible to continue moving through the legislative process.

Those bills will next be considered by fiscal committees if they impact the state budget or advance directly to the floor for further debate and votes if there is no budget impact. Bills with fiscal implications must be voted out of fiscal committees by February 9th to remain alive. February 17th is the “house of origin” cutoff where bills must pass their respective chambers. The exception to these deadlines are bills deemed “necessary to implement the budget” (NTIB). NTIB bills remain alive until the Legislature adjourns.

The highlight of the week for those both for and against it was the long-awaited introduction of SB 6346 (Pedersen, D-43)/HB 2724 (Fitzgibbon, D-34), the “Millionaire’s Tax.” As currently drafted, the bill would impose a 9.9 % state income tax on household income above \$1 million a year. Lawmakers estimate it would impact about 20,000 households and raise roughly \$3.7 billion annually. 80% of the revenue would go into the general fund, and 20% would fund tax relief for small businesses and low-income families and repeal some sales taxes. The tax would not take effect until at least 2028 and will undoubtedly face legal challenges. The bill has strong Democratic support in the Legislature, but after the release, Governor Ferguson announced he will not support this version of the bill, saying it does not do enough to return money to taxpayers.

This week, majority Democrats also took aim at addressing health care market oversight, financial accountability of nonprofit insurers, and funding mechanisms to support health care programs. HB 2548 (Taylor, D-30) was voted out of the House Committee on Civil Rights & Judiciary. The bill requires that significant transactions such as mergers, acquisitions, affiliations, or major asset transfers be reported to the Attorney General, who is authorized to collaborate with other state agencies on data collection and enforcement.

HB 2073 (Parshley, D-22) received a hearing in Appropriations this week. This targets nonprofit health insurance carriers, requiring insurers to annually report their surplus to the state insurance commissioner, beginning July 1, 2026. If a carrier’s surplus exceeds 600 % of its risk-based capital requirements, the commissioner can deem it “excessive,” triggering a payment of 3 % of the excess to the state health care affordability account, which funds premium assistance programs. Carriers retain the right to request hearings to reduce the payment if it would jeopardize financial stability.

Also heard this week was HB 2626 (Parshley, D-22), which increases the insurance premium tax from 2% to 3% for health maintenance organizations, health care service contractors, and certain self-funded plans, starting with taxes due March 1, 2027. The bill directs most of the revenue to the general fund, with a portion allocated to the health benefit exchange account, funding state-administered health programs.

These bills could be considered “necessary to implement the budget,” thus extending their timeline in the process.

Upcoming Events

Appropriations (House) - HHR A and Virtual JLOB - 2/6 @ 10:30am

- [2SHB 1634](#) - Public Hearing - Providing school districts and public schools with assistance to coordinate comprehensive behavioral health supports for students. (Remote Testimony Available).
- [SHB 2405](#) - Public Hearing - Establishing a pilot program for posttraumatic stress disorder treatment and research. (Remote Testimony Available).
- [SHB 2548](#) - Public Hearing - Strengthening health care market standards. (Remote Testimony Available).

Ways & Means (Senate) - SHR 4 and Virtual - 2/6 @ 1:30pm

- [SB 6346](#) - Public Hearing - Establishing a tax on millionaires. (Remote Testimony Available).
- [SSB 6296](#) - Public Hearing - Concerning involuntary treatment. (Remote Testimony Available).
- [SB 5762](#) - Public Hearing - Increasing the statewide 988 behavioral health crisis response and suicide prevention line tax. (Hearing is on the Proposed Substitute.) (Remote Testimony Available).

Appropriations (House) - HHR A and Virtual JLOB - 2/7 @ 9:00am

- [HB 2429](#) - **Exec Session** - Supporting children and youth behavioral health. (High)
- [HB 2442](#) - **Exec Session** - Providing local governments tax resources and fund flexibility.

Appropriations (House) - HHR A and Virtual JLOB - 2/9 @ 10:30am

- [HB 1634](#) - **Exec Session** - Providing school districts and public schools with assistance to coordinate comprehensive behavioral health supports for students.
- [HB 2405](#) - **Exec Session** - Establishing a pilot program for posttraumatic stress disorder treatment and research.

Important Dates

February 9 – Fiscal Committee Cutoff (House of Origin)

February 17 – Floor Cutoff

February 25 – Policy Committee Cutoff (Opposite House)

March 2 – Fiscal Committee Cutoff (Opposite House)

March 6 – Floor Cutoff

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High Priority Bills

<u>Bill Details</u>	<u>Status</u>	<u>Sponsor</u>	<u>Position</u>
<u>HB 2038</u> (SB 5799)	Youth behavioral health acc.	H Finance	Callan
	Establishing the youth behavioral health account and funding the account through the imposition of a business and occupation additional tax on the operation of social media platforms.		
<u>HB 2340</u>	Nursing assistants/SUD prg.	H Rules R	Simmons
	Applying substance use disorder monitoring program provisions to nursing assistants.		
<u>SHB 2429</u> (SB 6224)	Youth behavioral health	H Approps	Callan
	Supporting children and youth behavioral health.		

Monitoring Bills

<u>Bill Details</u>	<u>Status</u>	<u>Sponsor</u>	<u>Position</u>
<u>SHB 1155</u> (SSB 5437)	Noncompetition agreements	H 2nd Reading	Berry
	Prohibiting noncompetition agreements and clarifying nonsolicitation agreements.		
<u>SHB 1496</u> (SSB 5254)	Health care information	H Rules R	Berry
	Strengthening patients' rights regarding their health care information.		
<u>HB 1895</u>	Educational assist./B&O tax	H Finance	Richards
	Establishing a business and occupation tax credit for small business employers providing educational assistance to employees.		
<u>HB 2097</u>	County B&O tax	H Finance	Scott
	Authorizing counties to impose a business and occupation tax.		
<u>HB 2100</u> (SB 6093)	Payroll expense tax	H Finance	Scott
	Enacting an excise tax on large operating companies on the amount of payroll expenses above the minimum wage threshold of the additional medicare tax to fund services to benefit Washingtonians and establishing the Well Washington fund account.		

<u>HB 2121</u>	Nonprofits, schools/taxes Exempting nonprofits and schools from certain sales and use taxes on services.	H Finance	Walsh
<u>HB 2130</u>	New 2025 taxes repeal Repealing new taxes imposed by Engrossed Substitute Senate Bill No. 5814 during the 2025 regular legislative session.	H Finance	Orcutt
<u>SHB 2168</u> (SSB 5933)	Overdose mapping information Facilitating the rapid sharing of overdose mapping information for overdose prevention.	H Rules R	Manjarrez
<u>HB 2198</u> (SSB 5968)	Permitting and licensing Improving regulatory efficiency by integrating executive order 25-03, concerning permitting and licensing processes, into chapter 43.42A RCW.	H Approps	Richards
<u>HB 2208</u>	Health continuing ed./tax Exempting health care continuing education classes from retail sales and use tax.	H Finance	McClintock
<u>SHB 2283</u> (SB 5953)	Medical loss ratio Establishing a medical loss ratio of at least 90 percent for health plans.	H Rules R	Rule
<u>HB 2289</u> (SB 5998)	Operating budget, supp. Making 2025-2027 fiscal biennium supplemental operating appropriations.	H Approps	Ormsby
<u>HB 2331</u>	Pediatric care rates Preventing reductions in access to pediatric primary care and behavioral health services.	H Approps	Penner
<u>SHB 2405</u> (SB 6293)	PTSD treatment and research Establishing a pilot program for posttraumatic stress disorder treatment and research.	H Approps	Schmidt
<u>HB 2437</u> (SB 5988)	Opioid treatment prg. fees Establishing fee authority for accreditation services provided to opioid treatment programs by the department of health.	H Approps	Lekanoff
<u>SHB 2442</u> (SB 6294)	Local government fund use Providing local governments tax resources and fund flexibility.	H Approps	Berg

<u>SHB 2492</u> (SSB 6282)	Apprenticeships/wellness Requiring state registered apprenticeships in the building and construction trades to provide behavioral health and wellness training.	H Rules R	Nance
<u>SHB 2548</u> (SB 6208)	Health care market standards Strengthening health care market standards.	H Approps	Taylor
<u>HB 2724</u> (SB 6346)	Tax on millionaires Establishing a tax on millionaires.	H Finance	Fitzgibbon
<u>SSB 5254</u> (SHB 1496)	Health care information Strengthening patients' rights regarding their health care information.	S Ways & Means	Orwall
<u>SSB 5437</u> (SHB 1155)	Noncompetition agreements Prohibiting noncompetition agreements and clarifying nonsolicitation agreements.	S Rules 2	Stanford
<u>SSB 5845</u>	Health carrier payments Modernizing and clarifying timely payment requirements for health carriers.	S Rules 2	Slatter
<u>SB 5881</u>	Enhanced medicaid payments Providing enhanced medicaid payments to providers and hospitals.	S Ways & Means	Muzzall
<u>SSB 5906</u>	Data and personal safety Establishing data and personal safety protections within areas of public accommodation for all Washington residents.	S Ways & Means	Hansen
<u>SSB 5968</u> (HB 2198)	Permitting and licensing Improving regulatory efficiency by integrating executive order 25-03, concerning permitting and licensing processes, into chapter 43.42A RCW.	S Ways & Means	Krishnadasan
<u>SB 5980</u>	Live presentations/sales tax Exempting live presentations from retail sales and use tax.	S Ways & Means	Torres
	Opioid treatment prg. fees	S Ways & Means	Robinson

<u>SB 5988</u> (HB 2437)	Establishing fee authority for accreditation services provided to opioid treatment programs by the department of health.		
<u>SSB 5993</u>	Medical debt interest Concerning lowering the interest rate for medical debt.	S 2nd Reading	Alvarado
<u>SB 5998</u> (HB 2289)	Operating budget, supp. Making 2025-2027 fiscal biennium supplemental operating appropriations.	S Ways & Means	Robinson
<u>SSB 6031</u> (HB 2394)	Insurance crimes Enhancing public safety and enforcement of crimes that impact insurance.	S Rules 2	Lovick
<u>SSB 6071</u> (HB 2546)	Health carrier overpayments Modernizing overpayment recovery requirements.	S 2nd Reading	Cleveland
<u>SSB 6094</u> (HB 2560)	Pediatric transitional care Concerning facilities licensed to provide pediatric transitional care services.	S Ways & Means	Riccelli
<u>SB 6161</u> (HB 2674)	Dementia information Concerning department of health information on dementia.	S 2nd Reading	Slatter
<u>SB 6173</u>	Apple health employer assess Creating an apple health employer assessment.	S Ways & Means	Alvarado
<u>SB 6275</u> (SHB 2523)	Community reinvestment prg. Concerning the community reinvestment program.	S Ways & Means	Nobles
<u>SSB 6282</u> (SHB 2492)	Apprenticeships/wellness Requiring state registered apprenticeships in the building and construction trades to provide behavioral health and wellness training.	S Rules 2	Nobles
<u>SSB 6292</u>	Health care financing Establishing a joint legislative executive committee on health care financing.	S Ways & Means	Cleveland

<u>SB 6294</u> (SHB 2442)	Local government fund use Providing local governments tax resources and fund flexibility.	S Ways & Means	Frame
<u>SSB 6296</u>	Involuntary treatment Concerning involuntary treatment.	S Ways & Means	Salomon
<u>SB 6297</u>	Behavioral health staffing Making temporary staffing services provided to nonprofit behavioral health entities exempt from retail sales tax.	S Ways & Means	Muzzall
<u>SB 6305</u> (HB 2658)	Mental health coverage Concerning the truth in mental health coverage act.	S Health & Long-	Riccelli
<u>SB 6346</u> (HB 2724)	Tax on millionaires Establishing a tax on millionaires.	S Ways & Means	Pedersen