WAADAC Legislative Report
March 22, 2025
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Regular legislative activity resumed this week, with committees reviewing and debating bills that have advanced from the opposite chamber. Some of these include high profile bills like Unemployment Insurance for Striking Workers (5041), Waste Management (5284), Firearm Restrictions in Sensitive Places (5098) and Rent Stabilization (1217). These hearings are part of the lead up to the April 2nd deadline for bills to be passed out of policy committees.

Budget writers received bad news on Tuesday with the latest revenue forecast. In the upcoming two-year budget beginning July 1, projections indicate a decline of $479 million, bringing the total to just under $71 billion. For the 2027-2029 biennium, the latest forecast anticipates a $420 million decrease, with revenue expected to reach $76.4 billion. Washington's chief economist, Dave Reich, noted that the state's revenue collections have yet to fully stabilize since the pandemic.

Majority Democrats will release their proposed budgets on Monday and vote them out of committee on Thursday. The budgets will then move to the floor, with Senate action likely on Saturday the 29th, and House floor action likely on March 31st. More on budget details next week.

The House and Senate Democrats released their respective revenue proposals this week. These proposals identify their revenue solutions to address the state's substantial budget deficit. The Senate proposals include:

- **SB 5797 (Frame, D-36)** Financial Intangibles Tax — a tax of $10 on every $1,000 of assessed value of certain financial assets (stocks, bonds, exchange-traded funds, and mutual funds) held by individuals with more than $50 million of these assets, paid by about 4,300 individuals. It would generate approximately $4 billion per year starting in fiscal year 2027 for public schools.

- **SB 5796 (Saldana, D-37)** Removing the Cap on Employer Payroll Taxes — a 5% tax on large employers on the amount of payroll expenses above the Social Security threshold — currently $176,100 per year. This tax is limited only to companies with $7 million or more in payroll expenses— about 5,289 companies. The proposal is similar to the city of Seattle's "JumpStart" tax and includes a full credit for businesses already paying that tax. It would raise about $2.3 billion per year once fully implemented, going to public schools, health care, basic needs assistance for seniors and those with developmental disabilities.

- **SB 5798 (Pedersen, D-43)** Allowing Property Tax to Grow by Population and Inflation — raising the property tax growth limit for the state's common schools levy and for cities and counties, as well as special purpose districts, from the current 1% cap to the combined rate of population growth plus inflation. Local governments have the option to take a lower growth rate if they so choose. Instead of being tied to an arbitrary number, it would allow the growth limit to reflect the actual cost of providing public safety and related services. The proposal also completely exempts participants in the "Property Tax Exemption for Senior Citizens and People with Disabilities" program from paying the state property tax. The state property tax is dedicated to public schools,

with about $779 million in additional funding over the full four-year budget cycle, while increased funding in cities and counties would go to public safety, criminal justice, and community protection.

- **SB 5794 (Salomon, D-32)** Repealing Tax Preferences — repealing 20 tax exemptions where the public policy objective was not met, it is unclear whether the policy objective was met, or the exemption is legally obsolete, according to nonpartisan auditors at the Joint Legislative Audit & Review Committee, including for in-state hauling, gold bullion, prescription drug wholesalers, and more. This would generate just over $1 billion over the full four-year budget cycle for public schools, health care, and social services.

- **SB 5795 (Krishnadasan, D-26)** Cutting Sales Tax – a half-point sales tax reduction, from 6.5% to 6% – a decrease in revenue of approximately $1.3 billion per year.

House proposals include (these have not been assigned numbers yet):

- HB 2046 (Berg, D-44) – **Financial Intangibles Tax**- imposes a property tax of $8 on every $1000 of assessed value on certain financial intangible assets, such as stocks, bonds, mutual funds, and index funds, with the first $50 million in assessed value exempt from the tax. Other exemptions include pensions, retirement accounts, and education savings accounts. The Department of Revenue estimates around 4,300 Washingtonians would pay the tax, generating approximately $2 billion per year, beginning in fiscal year 2027, which will be dedicated to the Education Legacy Trust Account.

- HB 2049 (Bergquist, D-11)– **Increasing State and Local Flexibility to Fund Schools and Public Safety** - would modify the state and local property tax authority and adjust the school funding formula. The bill maintains the 1 percent cap on property tax growth but allows for increases based on inflation and population changes, not to exceed 3 percent. The bill also adjusts levy equalization methods. The Department of Revenue estimates the change would increase funding for state investment in K-12 schools by $50 million in fiscal year 2026 and $150 million in fiscal year 2027.

- HB 2045 – (Fitzgibbon, D-34) - **Surcharge on High-Grossing Corporations and Financial Institutions** - would impose a 1% Business & Occupation (B&O) tax surcharge on businesses with taxable income over $250 million. This surcharge applies to approximately 400 businesses statewide. The bill also includes an increase to the surcharge on specified financial institutions (approximately 200) with annual net income of $1 billion or more from 1.2% to 1.9%. Under this proposal, Washington would generate nearly $600 million in fiscal year 2026 and nearly $2 billion in fiscal year 2027.

Ferguson Administration Updates

Just two months into his first term, Governor Bob Ferguson's administration is experiencing significant staffing challenges. Key staff members, including Legislative Director Joyce Bruce, Deputy Legislative Director Shawn Lewis, Chief Strategy Officer Mike Webb, and several others in his office have resigned. These departures follow reports of internal concerns, including complaints about a hostile work environment. In response, Governor Ferguson's office indicated they plan to restructure their leadership

approach to address these issues. The timing of these leadership changes presents unique challenges, especially given the current stage of the legislative session.

WAADAC Bills of Interest

HB 1427 expands access to and training for **peer support specialists**. It's scheduled for a hearing in the Senate Health & Long Term Care Committee on Tuesday.

HB 1432 updates Washington's **mental health parity** law. It's scheduled for a hearing in the Senate Health & Long Term Care Committee on Tuesday.

HB 1574 expands **protections for a person seeking medical assistance for someone experiencing a drug-related overdose** or who is experiencing a drug-related overdose and needs medical assistance. This bill is scheduled for a hearing in the Senate Law & Justice Committee on Monday. It's scheduled for executive session on Thursday.

HB 1686, the bill creating a **health care entity registry,** passed the Senate Health & Long Term Care Committee on Thursday and has been referred to the Ways & Means Committee.

HB 1813, concerning the **reprocurement of medical assistance services**, is scheduled for a hearing in the Senate Health & Long Term Care Committee on Tuesday.

SB 5361, the bill to **delay the use of the ASAM 4 criteria**, treatment criteria for addictive, substance related, is scheduled for executive session in the House Health Care & Wellness Committee on Tuesday.

Upcoming Hearings

Labor & Commerce (Senate) - SHR 1 and Virtual J.A. Cherberg - 3/24 @ 10:30am

• SHB 1308 - Public Hearing - Concerning access to personnel records. (Remote Testimony Available).

Law & Justice (Senate) - SHR 4 and Virtual - 3/24 @ 10:30am

• EHB 1574 - Public Hearing - Protecting access to life-saving care and substance use services. (Remote Testimony Available).

Appropriations (House) - HHR A and Virtual JLOB - 3/24 @ 4:00pm

• E2SSB 5083 - Exec Session - Ensuring access to primary care, behavioral health, and affordable hospital services.

Health & Long-Term Care (Senate) - SHR 4 and Virtual - 3/25 @ 10:30am

• 2SHB 1427 - Public Hearing - Concerning certified peer support specialists. (Remote Testimony Available). (High)

• E2SHB 1589 - Public Hearing - Concerning the relationships between health carriers and contracting providers. (Remote Testimony Available).

• E2SHB 1813 - Public Hearing - Concerning the reprocurement of medical assistance services, including the realignment of behavioral health crisis services for medicaid enrollees. (Remote Testimony Available).

• E2SHB 1432 - Public Hearing - Improving access to appropriate mental health and substance use disorder services. (Remote Testimony Available). (High)

Health Care & Wellness (House) - HHR A and Virtual JLOB - 3/25 @ 1:30pm

• SB 5361 - Exec Session - Delaying the use of the ASAM 4 criteria, treatment criteria for addictive, substance related, and co-occurring conditions. (High)

Appropriations (House) - HHR A and Virtual JLOB - 3/25 @ 4:00pm

• HB 1198 - Public Hearing - Making 2025-2027 fiscal biennium operating appropriations.

Ways & Means (Senate) - SHR 4 and Virtual - 3/25 @ 4:00pm

• SB 5167 - Public Hearing - Making 2025-2027 fiscal biennium operating appropriations. (Hearing is on the Proposed Substitute.)

Consumer Protection & Business (House) - HHR B and Virtual JLOB - 3/26 @ 1:30pm

• SSB 5331 - Exec Session - Strengthening consumer protection through increased insurer accountability for violations of the insurance code.

Community Safety (House) - HHR D and Virtual JLOB - 3/27 @ 8:00am

• SSB 5388 - Exec Session - Concerning department of corrections behavioral health certification.

Early Learning & K-12 Education (Senate) - SHR 1 and Virtual J.A. Cherberg - 3/27 @ 10:30am

• ESHB 1296 - Exec Session - Promoting a safe and supportive public education system.

Law & Justice (Senate) - SHR 4 and Virtual - 3/27 @ 10:30am

• EHB 1574 - Exec Session - Protecting access to life-saving care and substance use services.

Appropriations (House) - HHR A and Virtual JLOB - 3/27 @ 4:00pm

• HB 1198 - Exec Session - Making 2025-2027 fiscal biennium operating appropriations.

Ways & Means (Senate) - SHR 4 and Virtual - 3/27 @ 4:00pm

• SB 5167 - Exec Session - Making 2025-2027 fiscal biennium operating appropriations.

Labor & Commerce (Senate) - SHR 1 and Virtual J.A. Cherberg - 3/28 @ 8:00am

• SHB 1308 - Exec Session - Concerning access to personnel records.

Important Dates:
Wednesday, April 2 - Policy Committee Cutoff, Opposite House
Tuesday, April 8 - Fiscal Committee Cutoff, Opposite House
Wednesday, April 16 - Opposite House Floor Cutoff
Sunday, April 27 - Sine Die

High Priority Bills

Bill Details		Status	Sponsor	Position
2SHB 1427	**Peer support specialists** Concerning certified peer support specialists.	S Health & Long-T	Davis	
E2SHB 1432 (SB 5477)	**Mental health services** Improving access to appropriate mental health and substance use disorder services.	S Health & Long-T	Simmons	
SB 5361 (HB 1469)	**ASAM 4 treatment criteria** Delaying the use of the ASAM 4 criteria, treatment criteria for addictive, substance related, and co-occurring conditions.	H HC/Wellness	Dhingra	

Monitoring Bills

Bill Details		Status	Sponsor	Position
HB 1198 (SB 5167)	**Operating budget** Making 2025-2027 fiscal biennium operating appropriations.	H Approps	Ormsby	
HB 1234 (SB 5449)	**Counselors, etc. committee**	S 2nd Reading	Simmons	

	Concerning the mental health counselors, marriage and family therapists, and social workers advisory committee.		
ESHB 1296	**Public education system** Promoting a safe and supportive public education system.	S EL/K-12	Stonier
SHB 1308 (SB 5345)	**Access to personnel records** Concerning access to personnel records.	S Labor & Comm	Reed
HB 1320	**Business & occupation tax** Modifying business and occupation tax rates to fund programs and services to benefit Washingtonians.	H Finance	Street
EHB 1382	**All payers claim database** Modernizing the all payers claim database.	S Health & Long-T	Tharinger
EHB 1574	**Substance use/care, services** Protecting access to life-saving care and substance use services.	S Law & Justice	Macri
E2SHB 1589 (SB 5588)	**Health carriers & providers** Concerning the relationships between health carriers and contracting providers.	S Health & Long-T	Bronoske
E2SHB 1686 (SB 5561)	**Health care entity registry** Creating a health care entity registry.	S Ways & Means	Bronoske
ESHB 1718	**Health care prof. well-being** Concerning well-being programs for certain health care professionals.	S Health & Long-T	Thai
SHB 1811	**Crisis co-response** Enhancing crisis response services through co-response integration and support.	S Health & Long-T	Salahuddin
E2SHB 1813	**Medical assist reprocurement** Concerning the reprocurement of medical assistance services, including the realignment of behavioral health crisis services for medicaid enrollees.	S Health & Long-T	Macri
HB 2038	**Youth behavioral health acc.** 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.	H Finance	Callan
E2SSB 5083 (SHB 1123)	**Health carrier reimbursement** Ensuring access to primary care, behavioral health, and affordable hospital services.	H Approps	Robinson
SB 5167 (HB 1198)	**Operating budget** Making 2025-2027 fiscal biennium operating appropriations.	S Ways & Means	Robinson
SSB 5331 (HB 1199)	**Insurance code violations**	H ConsPro&Bus	Cortes

	Strengthening consumer protection through increased insurer accountability for violations of the insurance code.		
SSB 5388	**DOC behavioral health cert.** Concerning department of corrections behavioral health certification.	H Exec Action	Dhingra
SSB 5568	**State health plan** Updating and modernizing the Washington state health plan.	H Approps	Cleveland
SB 5794	**Tax preferences** Adopting recommendations from the tax preference performance review process, eliminating obsolete tax preferences, clarifying legislative intent, and addressing changes in constitutional law.	S Ways & Means	Salomon
SB 5795	**Sales and use tax rate** Reducing the state sales and use tax rate.	S Ways & Means	Krishnadasan
SB 5796	**Payroll expense tax** Enacting an excise tax on large employers on the amount of payroll expenses above the social security wage threshold to fund programs and services to benefit Washingtonians.	S Ways & Means	Saldana
SB 5797	**Intangible assets tax** Enacting a tax on stocks, bonds, and other financial intangible assets for the benefit of public schools.	S Ways & Means	Frame
SB 5798	**Property tax** Concerning property tax reform.	S Ways & Means	Pedersen
SB 5799 (HB 2038)	**Youth behavioral health acc.** 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.		Wilson

Dead Bills

Bill Details		Status	Sponsor	Position
SHB 1123 (E2SSB 5083)	**Health carrier reimbursement** Ensuring access to primary care, behavioral health, and affordable hospital services.	H Rules R	Macri	
HB 1124 (SSB 5112)	**Prescribing psychologists** Establishing a prescribing psychologist certification in Washington state.	H HC/Wellness	Simmons	
SHB 1155 (SB 5437)	**Noncompetition agreements** Prohibiting noncompetition agreements and clarifying nonsolicitation agreements.	H Rules C	Berry	
HB 1199 (SSB 5331)	**Insurance code violations** Strengthening consumer protection through increased insurer accountability for violations of the insurance code.	H ConsPro&Bus	Taylor	
HB 1225	**Budgeting process**	H Approps	Couture	

	Reforming the Washington state budgeting process through requiring prioritized spending on essential state functions, placing limitations on state spending and revenue proposals, and requiring accountability for every dollar spent within the state budget.			
HB 1259	**Behavioral health/schools** Concerning supervision requirements for behavioral health professionals in elementary and secondary public schools.	H Postsec Ed & W	Shavers	Support
HB 1262 **(SB 5228)**	**Health disparities council** Updating the governor's interagency coordinating council on health disparities.	H Rules C	Santos	
SHB 1392 **(SB 5372)**	**Medicaid access program** Creating the medicaid access program.	H Passed 3rd	Macri	
HB 1413	**Opioid reversal purchasing** Prohibiting government purchases of opioid overdose reversal medications from certain entities.	H HC/Wellness	Reeves	
2SHB 1422	**Drug take-back program** Modifying the drug take-back program.	H Rules R	Peterson	
HB 1425	**Pharmacogenomic testing** Requiring coverage of pharmacogenomic testing for psychotropic medications.	H HC/Wellness	Davis	
HB 1433 **(SB 5201)**	**Psychedelic substances** Concerning access to psychedelic substances.	H HC/Wellness	Macri	
HB 1445 **(SB 5233)**	**Washington health trust** Developing the Washington health trust.	H HC/Wellness	Parshley	
HB 1451	**SVP civil commitment** Concerning civil commitment of sexually violent predators.	H Community Safe	Griffey	
HB 1469 **(SB 5361)**	**ASAM 4 treatment criteria** Delaying the use of the ASAM 4 criteria, treatment criteria for addictive, substance related, and co-occurring conditions.	H HC/Wellness	Macri	
HB 1496 **(SSB 5254)**	**Health care information** Strengthening patients' rights regarding their health care information.	H HC/Wellness	Berry	
HB 1502	**Behavioral health teaching** Establishing a behavioral health teaching clinic designation and enhancement rate.	H HC/Wellness	Rule	
HB 1507	**Health care nondisclosure** Limiting health care nondisclosure agreements.	H Civil R & Judi	Scott	
HB 1520 **(SB 5513)**	**Pharmacist scope of practice** Expanding pharmacists' scope of practice to improve access to health care and the management of chronic diseases.	H HC/Wellness	Thai	

HB 1547 **(SB 5126)**	**Student mental health net.** Establishing a statewide network for student mental and behavioral health.	H Education	Santos
SHB 1566 **(SSB 5395)**	**Prior authorization/health** Making improvements to transparency and accountability in the prior authorization determination process.	H Approps	Rule
HB 1581	**988 line tax** Increasing the statewide 988 behavioral health crisis response and suicide prevention line tax.	H Finance	Macri
SHB 1634	**Behavioral health/schools** Providing school districts and public schools with assistance to coordinate comprehensive behavioral health supports for students.	H Approps	Thai
HB 1663 **(SSB 5369)**	**Youth mental health/schools** Enhancing youth mental health and well-being through advanced training and expansion of the workforce in schools.	H Education	Rule
HB 1675 **(2SSB 5387)**	**Corp. practice of medicine** Concerning the corporate practice of medicine.	H HC/Wellness	Thai
HB 1787	**Substance use/commitment** Updating the involuntary treatment commitment standards for individuals suffering from a substance use disorder.	H Civil R & Judi	Griffey
HB 1809	**Behavioral health response** Professionalizing first responders and co-responders through training and reimbursement for behavioral health emergency response.	H HC/Wellness	Nance
HB 1933	**Overdose information** Providing universal access to overdose information to law enforcement and emergency services providers.	H HC/Wellness	Manjarrez
HB 1957	**Health plan rate approval** Providing consistency in the rate approval process for individual and small group market health plans.	H HC/Wellness	Schmick
HB 1968	**Controlled sub. endangerment** Concerning endangerment with a controlled substance.	H Community Safe	Rule
SHB 1996	**Behavioral health diversion** Authorizing a qualified county to impose a tax for the funding of behavioral health diversion from the criminal justice system.	H Rules R	Farivar
HB 2001	**Sunsetting state entities** Sunsetting all nonconstitutionally mandated state agencies, commissions, boards, task forces, work groups, and councils every 10 years absent affirmative reestablishment by the legislature.	H State Govt & Tr	Dufault
SSB 5031	**Confinement health coord.**	S Ways & Means	Wilson

Concerning health care coordination regarding confined individuals.

SSB 5112 (HB 1124)	**Prescribing psychologists** Establishing a prescribing psychologist certification in Washington state.	S Rules X	Bateman
SB 5126 (HB 1547)	**Student mental health net.** Establishing a statewide network for student mental and behavioral health.	S EL/K-12	Nobles
SB 5201 (HB 1433)	**Psychedelic substances** Concerning access to psychedelic substances.	S Labor & Comm	Salomon
SB 5204	**Ibogaine-assisted therapy** Concerning ibogaine-assisted therapy.	S Health & Long-	Salomon
SB 5213	**Fentanyl possession** Penalizing the possession of fentanyl.	S Law & Justice	McCune
SB 5228 (HB 1262)	**Health disparities council** Updating the governor's interagency coordinating council on health disparities.	S Health & Long-	Riccelli
SSB 5229	**Opioid overdose/civil commit** Facilitating civil commitment for treatment for a person requiring revival by opioid overdose reversal medication.	S Ways & Means	Wagoner
SB 5233 (HB 1445)	**Washington health trust** Developing the Washington health trust.	S Health & Long-	Hasegawa
SB 5242	**Behavioral health resources** Establishing an interactive screening program to improve access to behavioral health resources for health care providers.	S Health & Long-	Orwall
SSB 5254 (HB 1496)	**Health care information** Strengthening patients' rights regarding their health care information.	S Ways & Means	Orwall
SSB 5290	**Controlled subs. dismissal** Allowing persons who complete substance abuse programs to seek dismissal of certain controlled substance related charges.	S Rules X	Salomon
SSB 5324 (SHB 1706)	**Prior auth. APIs/health** Aligning the implementation of application programming interfaces for prior authorization with federal guidelines.	S Rules X	Cleveland
SB 5345 (SHB 1308)	**Access to personnel records** Concerning access to personnel records.	S Labor & Comm	Saldana
SSB 5369 (HB 1663)	**Youth mental health/schools** Enhancing youth mental health and well-being through advanced training and expansion of the workforce in schools.	S Ways & Means	Orwall

SB 5372 (SHB 1392)	**Medicaid access program** Creating the medicaid access program.	S Health & Long-	Riccelli
2SSB 5387 (HB 1675)	**Corp practice of health care** Concerning the corporate practice of health care.	S Rules X	Robinson
SSB 5395 (SHB 1566)	**Prior authorization/health** Making improvements to transparency and accountability in the prior authorization determination process.	S Ways & Means	Orwall
SB 5424	**UW health sciences campus** Establishing a health sciences campus of the University of Washington.	S Higher Ed & Wo	Braun
SB 5437 (SHB 1155)	**Noncompetition agreements** Prohibiting noncompetition agreements and clarifying nonsolicitation agreements.	S Labor & Comm	Stanford
SB 5449 (HB 1234)	**Counselors, etc. committee** Concerning the mental health counselors, marriage and family therapists, and social workers advisory committee.	S Health & Long-	Slatter
SB 5452	**Psychiatric pharmacists** Allowing board-certified psychiatric pharmacists to be licensed as agency-affiliated counselors.	S Health & Long-	Slatter
SB 5477 (E2SHB 1432)	**Mental health services** Improving access to appropriate mental health and substance use disorder services.	S Health & Long-T	Bateman
SB 5481	**Behavioral health/schools** Providing access to behavioral health services to children using licensed clinicians colocated within the school.	S Health & Long-T	Wilson
SB 5513 (HB 1520)	**Pharmacist scope of practice** Expanding pharmacists' scope of practice to improve access to health care and the management of chronic diseases.	S Health & Long-	Slatter
SB 5561 (E2SHB 1686)	**Health care entity registry** Creating a health care entity registry.	S Health & Long-	Cleveland
SB 5588 (E2SHB 1589)	**Health carriers & providers** Concerning the relationships between health carriers and contracting providers.	S Health & Long-T	Cleveland
SB 5666	**Mental health internships** Establishing a public school-based mental health internship grant program.	S Higher Ed & Wo	Slatter
SSB 5683	**Health carrier payment times** Concerning health carrier transparency of payment timeliness of claims submitted by health care providers and health care facilities.	S Ways & Means	Slatter

SB 5762	**988 line tax** Increasing the statewide 988 behavioral health crisis response and suicide prevention line tax.	S Ways & Means	Orwall
SB 5765	**Psychiatric pharmacists** Concerning psychiatric pharmacists.	S Health & Long-	Slatter