

## POLICY NOTE

# Washington Policy Center policy victories in the 2021 legislative session

by Paul Guppy, Vice President for Research

June 2021

### Key Findings

1. The 2021 Washington state legislative session convened on January 11th and adjourned on April 25th.
2. Washington is one of 14 Democratic “trifecta” states, in which Democrats control the governor’s office, the state House, and Senate.
3. Throughout the session, Washington Policy Center’s independent experts provided in-depth analysis about the helpful or harmful effects many bills would have if they were enacted.
4. Although the current majority often does not agree with free market principles, WPC’s policy recommendations were often reflected in legislative outcomes.
5. Early in the session, legislative leaders adopted the long-standing WPC recommendation that the public be allowed to participate in work sessions and hearings through remote online testimony.
6. WPC recommendations were adopted that limit or reduce the financial burden lawmakers place on the people, and improve access to schools, job opportunities, and affordable health care.
7. Washington Policy Center will continue to promote commonsense, fact-based reforms that cut waste, increase the benefits of public services, and improve the lives of everyone living in Washington state.

### Introduction

The Washington State Legislature convened on January 11th, 2021 for a scheduled 105-day session. Lawmakers adjourned as scheduled on April 25th. Washington is one of 14 Democratic “trifecta” states, in which Democrats control the governor’s office, the state House, and the state Senate. In addition, the Democrats have held the governorship for 40 years, longer than in any other state. Although the majority party set all committee schedules and floor action on bills in both houses, a number of policy decisions reflected Washington Policy Center recommendations and free-market principles.

The state capitol building remained closed to the public and all public hearings were conducted online, WPC analysts remained fully involved in a wide range of issues throughout the session. Early in the session, lawmakers adopted our recommendation to allow online remote testimony from the public, allowing citizens and policy experts to participate in work sessions and committee hearings.

WPC experts testified by invitation 43 times before legislative committees, published 25 Legislative Memos, wrote 21 published op-eds, released 16 weekly video update reports, published 31 WashingtonVotes News articles, posted and distributed 256 blogposts, and participated in live WPC-hosted online events every week. This is in addition to contacts with individual legislators in response to requests for research.

Following are 20 examples, presented in random order, of policy decisions made by the legislature that adopted positive reforms recommended by WPC, or defeated proposals that WPC research showed would have been harmful to the people of our state.

### Legislative victories that reflect Washington Policy Center recommendations and research

#### 1. Remote testimony service to the public

For a number of years WPC has recommended that leaders in the state House and Senate permit members of the public to speak at committee hearings using remote video services. This recommendation had been partly adopted by the senate in past sessions. This session, Senate Majority Leader Billig, joined by Republicans and House leaders, announced on April 25th that the legislature would make remote testimony services permanent.

## **2. Cutting regulations and helping people find work**

HB 1399 was drafted based on WPC's research work and was introduced on January 27th to reduce barriers to getting an occupational license for people who have completed a prison sentence. Several years of research by WPC analyst, Todd Myers, showed that arbitrary state licensing requirements impose barriers to employment and hit low-income people hardest. WPC published a Legislative Memo analysis of the bill and Todd testified in support of it at House (February 18th) and Senate (March 18th) public hearings. The bill passed the House on March 1st, passed the Senate on April 10th, and was signed into law by the governor on May 3rd.

## **3. Unemployment tax increases**

SB 5478 was introduced on March 26th to provide a reduction in rate classification for unemployment benefits, which resulted in a tax cut for business owners and helped protect jobs. The tax relief echoes reforms recommended by a major WPC study published in October that recommended improvements in the management of the state Unemployment Trust Fund. The bill passed the House and on April 14th WPC analyst Mark Harmsworth published an analysis showing how unemployment tax relief would help save jobs and preserve small businesses. The bill passed the Senate on April 24th and was signed into law by the governor two days later.

## **4. Taxpayer protections against property tax increases**

SJR 8204 was introduced on January 29th and sought to repeal a provision of the state constitution that protects homeowners and other property owners from high property taxes. It would have lowered the percentage of the public vote needed to impose a new public school levy from 60% to 55%. WPC published a Legislative Memo analysis of the bill in February, and education expert, Liv Finne, testified on it before the Senate Ways and Means Committee on February 8th. The measure died in committee.

## **5. Paid family leave exemption for small businesses**

SB 5097 was introduced on January 11th to expand eligibility for those receiving the state-mandated family leave benefit. The original bill would have repealed one of the key exemptions for firms with fewer than 50 employees, breaking the promise lawmakers had made to protect small business owners from this costly mandate. WPC published a Legislative Memo analysis of the bill and distributed a blogpost about it online. The bill was later amended to preserve the promised exemption for small businesses, then passed, and was sent to the governor.

## **6. Tele-health services**

SB 5423 was introduced on February 4th to allow doctors and qualified health care providers in other states to treat Washington state patients online or by phone. HB 1196 was introduced on January 14th to ensure that insurance policies cover tele-health services provided by telephone or the internet, to serve people living in rural areas and small towns. WPC has long called for cutting state regulations that artificially prevent health care innovations that serve patients. In March, WPC

Research Fellow Dr. Susan Cero published a study, “What Washington Got Right,” in support of the governor’s temporary order eliminating regulations against tele-health services, that the repeal be made permanent, and that such services be made widely available to Washingtonians. In April, both bills passed the legislature and were signed into law by the governor in early May.

## **7. School choice legislation**

In January, Senator Schoesler introduced SB 5200, to provide \$15,000 school choice scholarships to special needs and foster care children. WPC published a Legislative Memo analysis of the bill and testified in support of it at a public hearing. Similarly, Rep. Vicki Kraft introduced HB 1215, to provide families with yearly Education Scholarships of \$7,000 per child. WPC published a Legislative Memo analysis of the bill. Both bills were based on WPC’s education reform recommendations. They did not pass this session, but they represent the first time formal, broad-based school choice reform legislation has been introduced in the Washington legislature.

## **8. Opening schools statewide**

WPC published a Legislative Memo analysis of SB 5037, a bill to safely re-open public schools, and Liv Finne testified at a public hearing in support of the bill. In February, WPC published data on the need for school re-opening that was reported by KING 5 News (NBC). Three weeks later, Governor Inslee issued an order to require public schools to at least partially open to in-person instruction by April 19th. The governor’s policy change accomplished the goal proposed by SB 5037.

## **9. Mental health services to rural communities**

HB 1434 was drafted based on WPC’s research work and was introduced on February 1st to provide specific mental health services for agricultural communities. On February 9th, WPC published a Legislative Memo analysis by Pam Lewison showing how the bill would serve the public interest by helping the agricultural community respond to COVID-19 economic lockdown and social distancing requirements that have contributed to increased suicides and incidents of self-harm. The main provisions of the bill were incorporated into HB 1477, which was passed by the legislature and sent to the governor.

## **10. Protecting farmers and ranchers who lease public land**

HB 1199 was introduced on January 14th and would protect farmers and ranchers who lease public land by requiring the Department of Natural Resources to pay full compensation to leaseholders if state officials decide to end the lease agreement early. WPC had recommended this compensation policy as necessary for public officials to deal fairly with farmers and ranchers who lease public lands in good faith. The bill passed the House on February 12th. Pam Lewison published updated information in support of the bill on February 21st. The bill passed the Senate on March 30th, and it was signed by the governor on April 14th.

## **11. Opening Federal Way public schools**

In addition to statewide legislative issues, WPC was also engaged in promoting positive reforms at the local level. One example was our work in helping to re-open

public schools in Federal Way. WPC consistently urged the safe opening of local public schools, just as private and public charter schools had already opened. On March 22nd, Liv Finne posted a blog reporting on Federal Way parents wanting schools to open. Her research was cited widely by reporter Carleen Johnson of KOMO News radio. Soon afterward, Federal Way officials announced the schools would be open to in-person instruction at least four days a week.

## **12. Transportation fund integrity**

Under current law, the Washington Department of Transportation (WSDOT) can transfer up to \$250,000 or 10% of a project budget, whichever is less, among transportation projects. In 2019 Governor Inslee transferred \$149 million from transportation projects to fish-passage culverts without legislative approval. Washington Policy Center recommended placing new restrictions on the governor's fund transfer ability. In 2021 the legislature adopted this recommendation and provided that no single transfer of more than \$20 million can occur without legislative approval, and that transfers in total cannot be more than \$50 million without legislative approval.

## **Harmful legislation that did not pass, in accord with Washington Policy Center analysis and recommendations**

### **1. No death/estate tax rate increase**

HB 1465 was introduced on February 2nd and proposed to increase the state death tax rate to 40%. WPC published a Legislative Memo analysis of the bill and WPC Vice President Paul Guppy testified on it at a House hearing on February 9th. The bill died in committee.

### **2. No statewide soda tax**

SB 5371 was introduced on January 28th and would have imposed the unpopular and regressive Seattle soda tax on the entire state. WPC published a Legislative Memo analysis of the bill showing that Seattle-style soda taxes have never delivered promised public health benefits and instead impose a burden that falls hardest on working families and people living on fixed incomes. WPC analyst Elizabeth Hovde testified on the measure at a Senate hearing on February 22nd. The bill died in committee.

### **3. No state-imposed price controls on medicines**

SB 5020 would have given authority to an out-of-state entity to penalize drugmakers for price increases, a form of state-imposed price control. WPC has longed opposed government-imposed price controls because they lead to health care rationing and limit patient access to needed medications. This session, WPC published a Legislative Memo by Elizabeth Hovde showing the harm SB 5020 would do to patients. She also published a blogpost that was widely distributed online. The bill died in committee.

### **4. No new tax on private health insurance**

SB 5149 was introduced on January 12th to impose a "covered lives assessment" tax of \$3.25 per person per month on everyone in the state with private health

insurance, on top of all the other taxes already imposed on private insurance. On January 26th, WPC released a commentary by Elizabeth Hovde asking, “Why do some state leaders want to make health insurance more expensive?” On February 17th, WPC published a full analysis of the bill noting that it would make health coverage less affordable, that Washington residents are already heavily taxed, and that state revenue is increasing. The bill died in committee.

#### **5. No state bank**

SB 5188 was introduced on January 13th and would have let lawmakers go into the financial services business by creating a state bank. The bill passed the Senate on March 5th. WPC has long recommended against creating a state bank and our research has helped defeat it in past sessions. This year, Mark Harmsworth published a blog on the bill on April 5th, published an op-ed the same month and was featured in news radio. The bill later died in the House.

#### **6. Protecting small businesses from over-regulation**

SB 5062 was introduced on January 11th and would have imposed major new regulations on Washington business in a misguided effort to promote consumer privacy. Building on our major study, “Washington state small business guide to data privacy laws,” WPC showed that heavy regulations that might be applied to large corporations don’t work for small businesses and that SB 5062’s hardline approach would hurt small firms and neighborhood businesses while doing little to protect their customers. Mark Harmsworth presented these findings at a public hearing on March 17th. The measure later died in the Senate Rules Committee.

#### **7. Not enacting frivolous lawsuits against employers**

HB 1076 was introduced on January 11th and would have given the power state agencies have to sue employers for alleged violations of workplace laws to any individual or private law firm in the state. This so-called “qui tam” power would have made Washington companies legally liable to any private person for enforcement of state regulations, not just state regulators. In March, WPC published a Legislative Memo analysis of the bill and distributed in-depth commentary online about how it was an unfair grant of state power that would harm Washington employers. The bill passed the House on March 5th but later died in the Senate.

#### **8. No wasteful subsidies for community solar**

HB 1046 was introduced on January 11th and would have allowed anyone who consumed solar power to claim a government subsidy, even if a person did not own power-generating roof panels. On January 15th, WPC published a Legislative Memo showing how the bill’s costly regulations would have been bad for taxpayers and bad for the environment. In addition, Todd Myers posted and distributed a blog about the bill online which went to all state lawmakers, to the media, and to the general public. The bill was scheduled for action on February 5th but instead died in committee.



**Paul Guppy** is the Vice President for Research at Washington Policy Center. He is a graduate of Seattle University and holds graduate degrees from Claremont Graduate University and the London School of Economics. He worked for 12 years in the U.S. Congress as a Chief of Staff and Legislative Director. As the Vice President for Research, he writes extensively on tax policy, public finance and other issues. He is a frequent commentator on radio and TV news programs, and in newspapers across the state.

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*Published by*  
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## **9. Not expanding state government bureaucracy**

HB 1450 was introduced on February 1st and would have created a huge new government bureaucracy to buy equipment, pay for technical support, and set up training for students, teachers, and student families, thus duplicating services taxpayers already provide through local school districts. The bill would have bloated state government by adding thousands of employees at a permanent cost of billions of dollars per year. On February 11th WPC's Mark Harmsworth published a bill analysis that highlighted the unnecessary costs, showed how local districts already cover these services, and answered legislators' questions about the harmful effects of the bill. The bill died in the House Committee on Education.

### **Conclusion**

Although the political goals of the current legislative majority and the governor's office often do not agree with free-market principles, Washington Policy Center's analysis and recommendations were often reflected in legislative outcomes. WPC's work is available to members of both parties and the general public, and provides independent research and information about positive public policy reforms.

Individual bills are passed or defeated for many reasons. Still, WPC's independent experts provide lawmakers, legislative committees, the media, and the public with timely and important in-depth analysis about the helpful or harmful effects a bill would have if it were enacted.

When the legislature is in session and throughout the year, Washington Policy Center will continue to promote commonsense, fact-based reforms that cut waste and increase the benefits of public services, reduce the financial burden government officials impose on the people, and improve the lives of everyone living in Washington state.