

2SHB 2158 - H AMD 866

By Representative Stokesbary

NOT ADOPTED 04/26/2019

1 Strike everything after the enacting clause and insert the
2 following:

3
4 "NEW SECTION. **Sec. 1.** A new section is added to chapter 82.04
5 RCW to read as follows:

6 The legislature intends to secure additional revenue via
7 surcharges targeted towards certain industries including select
8 advanced computing businesses.

9 The legislature intends the provisions of this act to be applied
10 broadly in favor of application of the surcharges. To achieve this
11 intent, any provision within this act that is deemed to be ambiguous
12 by a court of competent jurisdiction, the board of tax appeals, or
13 any other judicial or administrative body, should be construed in
14 favor of application of the surcharges.

15 (1)(a) Beginning with business activities occurring on or after
16 January 1, 2020, in addition to the taxes imposed under RCW
17 82.04.290(2), a workforce education investment surcharge is imposed
18 on specified persons. The surcharge is equal to the total amount of
19 tax payable by the person on business activities taxed under RCW
20 82.04.290(2), before application of any tax credits, multiplied by
21 the rate of twenty percent.

22 (b) For specified persons who report under one or more tax
23 classifications, this surcharge applies only to business activities
24 taxed under RCW 82.04.290(2).

25 (c) The surcharge imposed under this subsection (1) must be
26 reported and paid in a manner and frequency as required by the
27 department.

1 (2) For the purposes of this section, "specified person" means a
2 person who is not subject to the surcharge under subsection (4) of
3 this section and who is primarily engaged within this state in any
4 combination of the following activities:

5 (a) Computer software publishing or publishing and reproduction.
6 Establishments in this industry carry out operations necessary for
7 producing and distributing computer software, such as designing,
8 providing documentation, assisting in installation, and providing
9 support services to software purchasers. These establishments may
10 design, develop, and publish, or publish only. These establishments
11 may publish and distribute software remotely through subscriptions
12 and downloads;

13 (b) Conducting original investigation undertaken on a systematic
14 basis to gain new knowledge or the application of research findings
15 or other scientific knowledge for the creation of new or
16 significantly improved products or processes. Techniques may include
17 modeling and simulation. The industries within this industry group
18 are defined on the basis of the domain of research and on scientific
19 expertise of the establishment;

20 (c) Putting capital at risk in the process of underwriting
21 securities issues or in making markets for securities and
22 commodities and those acting as agents or brokers between buyers and
23 sellers of securities and commodities, usually charging a commission;

24 (d) Providing expertise in the field of information technologies
25 through one or more of the following activities: (i) Writing,
26 modifying, testing, and supporting computer software to meet the
27 needs of a particular customer; (ii) planning and designing computer
28 systems that integrate computer hardware, computer software, and
29 communication technologies; (iii) on-site management and operation
30 of clients' computer systems and data processing facilities; or (iv)
31 other professional and technical computer-related advice and services;

32 (e) Performing central banking functions, such as issuing
33 currency, managing the nation's money supply and international
34 reserves, holding deposits that represent the reserves of other

1 banks and other central banks, and acting as a fiscal agent for the
2 central government;

3 (f)(i) Purchasing access and network capacity from owners and
4 operators of telecommunications networks and reselling wired and
5 wireless telecommunications services, except satellite, to
6 businesses and households; (ii) providing specialized
7 telecommunications services, such as satellite tracking,
8 communications telemetry, and radar station operation; (iii)
9 providing satellite terminal stations and associated facilities
10 connected with one or more terrestrial systems and capable of
11 transmitting telecommunications to, and receiving telecommunications
12 from, satellite systems; or (iv) providing internet access services
13 or voice over internet protocol services via client-supplied
14 telecommunications connections. Establishments in this industry do
15 not operate as telecommunications carriers. Mobile virtual network
16 operators are included in this industry;

17 (g)(i) Acting as principals in buying or selling financial
18 contracts, except investment bankers, securities dealers, and
19 commodity contracts dealers; (ii) acting as agents or brokers,
20 except securities brokerages and commodity contracts brokerages, in
21 buying or selling financial contracts; or (iii) providing other
22 investment services except securities and commodity exchanges, such
23 as portfolio management, investment advice, and trust, fiduciary,
24 and custody services;

25 (h) Supplying information, such as news reports, articles,
26 pictures, and features, to the news media. This industry comprises
27 establishments primarily engaged in providing library or archive
28 services. These establishments are engaged in maintaining
29 collections of documents and facilitating the use of these documents
30 as required to meet the informational, research, educational, or
31 recreational needs of their user. These establishments may also
32 acquire, research, store, preserve, and generally make accessible to
33 the public historical documents, photographs, maps, audio material,
34 audiovisual material, and other archival material of historical

1 interest. All or portions of these collections may be accessible
2 electronically. This industry comprises establishments engaged in:
3 (i) Publishing and broadcasting content on the internet exclusively;
4 or (ii) operating web sites that use a search engine to generate and
5 maintain extensive databases of internet addresses and content in an
6 easily searchable format, known as web search portals. The
7 publishing and broadcasting establishments in this industry do not
8 provide traditional versions of the content they publish or
9 broadcast. They provide textual, audio, or video content of general
10 or specific interest on the internet exclusively. Establishments
11 known as web search portals often provide additional internet
12 services, such as email, connections to other web sites, auctions,
13 news, and other limited content, and serve as a home base for
14 internet users. This industry comprises establishments primarily
15 engaged in providing other information services, except news
16 syndicates, libraries, archives, internet publishing and
17 broadcasting, and web search portals;

18 (i) Architectural, engineering, and related services, such as
19 drafting services, building inspection services, geophysical
20 surveying and mapping services, surveying and mapping, except
21 geophysical services and testing services;

22 (j) Retailing all types of merchandise using nonstore means,
23 such as catalogs, toll-free telephone numbers, electronic media,
24 such as interactive television or the internet, or selling directly
25 to consumers in a nonretail, physical environment. Included in this
26 industry are establishments primarily engaged in retailing from
27 catalog showrooms of mail-order houses;

28 (k) Providing advice and assistance to businesses and other
29 organizations on management, environmental, scientific, and
30 technical issues;

31 (l) Providing infrastructure for hosting or data processing
32 services. These establishments may provide specialized hosting
33 activities, such as web hosting, streaming services, or application
34 hosting, or they may provide general time-share mainframe facilities

1 to clients. Data processing establishments provide complete
2 processing and specialized reports from data supplied by clients or
3 provide automated data processing and data entry services;

4 (m) Facilitating credit intermediation by performing activities,
5 such as arranging loans by bringing borrowers and lenders together
6 and clearing checks and credit card transactions;

7 (n) Offering legal services, such as those offered by offices of
8 lawyers, offices of notaries, and title abstract and settlement
9 offices, and paralegal services;

10 (o) Operating or providing access to transmission facilities and
11 infrastructure that they own or lease for the transmission of voice,
12 data, text, sound, and video using wired telecommunications
13 networks. Transmission facilities may be based on a single
14 technology or a combination of technologies. Establishments in this
15 industry use the wired telecommunications network facilities that
16 they operate to provide a variety of services, such as wired
17 telephony services, including voice over internet protocol services,
18 wired audio and video programming distribution, and wired broadband
19 internet services. By exception, establishments providing satellite
20 television distribution services using facilities and infrastructure
21 that they operate are included in this industry;

22 (p) Providing telecommunications services to other
23 establishments in the telecommunications and broadcasting industries
24 by forwarding and receiving communications signals via a system of
25 satellites or reselling satellite telecommunications;

26 (q) Operating and maintaining switching and transmission
27 facilities to provide communications via the airwaves.
28 Establishments in this industry have spectrum licenses and provide
29 services using that spectrum, such as cellular phone services,
30 paging services, wireless internet access, and wireless video
31 services;

32 (r) Extending credit or lending funds raised by credit market
33 borrowing, such as issuing commercial paper or other debt
34 instruments or by borrowing from other financial intermediaries;

1 (s) Underwriting annuities and insurance policies and investing
2 premiums to build up a portfolio of financial assets to be used
3 against future claims. Direct insurance carriers are establishments
4 that are primarily engaged in initially underwriting and assuming
5 the risk of annuities and insurance policies. Reinsurance carriers
6 are establishments that are primarily engaged in assuming all or
7 part of the risk associated with an existing insurance policy
8 originally underwritten by another insurance carrier. Industries are
9 defined in terms of the type of risk being insured against, such as
10 death, loss of employment because of age or disability, or property
11 damage. Contributions and premiums are set on the basis of actuarial
12 calculations of probable payouts based on risk factors from
13 experience tables and expected investment returns on reserves;

14 (t) Merchant wholesale distribution of photographic equipment
15 and supplies and office, computer, and computer peripheral equipment
16 and medical, dental, hospital, ophthalmic, and other commercial and
17 professional equipment and supplies;

18 (u) Operating studios and facilities for the broadcasting of
19 programs on a subscription or fee basis. The broadcast programming
20 is typically narrowcast in nature. These establishments produce
21 programming in their own facilities or acquire programming from
22 external sources. The programming material is usually delivered to a
23 third party, such as cable systems or direct-to-home satellite
24 systems, for transmission to viewers;

25 (v) Publishing newspapers, magazines, other periodicals, books,
26 directories and mailing lists, and other works, such as calendars,
27 greeting cards, and maps. These works are characterized by the
28 intellectual creativity required in their development and are
29 usually protected by copyright. Publishers distribute or arrange for
30 the distribution of these works. Publishing establishments may
31 create the works in-house, or contract for, purchase, or compile
32 works that were originally created by others. These works may be
33 published in one or more formats, such as print or electronic form,
34 including proprietary electronic networks. Establishments in this

1 industry may print, reproduce, or offer direct access to the works
2 themselves or may arrange with others to carry out such functions.
3 Establishments that both print and publish may fill excess capacity
4 with commercial or job printing. However, the publishing activity is
5 still considered to be the primary activity of these establishments;

6 (w) Generating, transmitting, or distributing electric power.

7 Establishments in this industry group may perform one or more of the
8 following activities: (i) Operate generation facilities that produce
9 electric energy; (ii) operate transmission systems that convey the
10 electricity from the generation facility to the distribution system;
11 or (iii) operate distribution systems that convey electric power
12 received from the generation facility or the transmission system to
13 the final consumer;

14 (x) Providing specialized design services including interior
15 design, industrial design, graphic design, and others, but not
16 including architectural, engineering, and computer systems design;

17 (y) Assigning rights to assets, such as patents, trademarks,
18 brand names, or franchise agreements, for which a royalty payment or
19 licensing fee is paid to the asset holder;

20 (z) Acting as agents in selling annuities and insurance policies
21 or providing other employee benefits and insurance related services,
22 such as claims adjustment and third-party administration;

23 (aa) Business-to-business electronic markets that bring together
24 buyers and sellers of goods using the internet or other electronic
25 means and generally receive a commission or fee for the service.

26 Business-to-business electronic markets for durable and nondurable
27 goods are included in this industry. This industry comprises
28 wholesale trade agents and brokers acting on behalf of buyers or
29 sellers in the wholesale distribution of goods. Agents and brokers
30 do not take title to the goods being sold but rather receive a
31 commission or fee for their service. Agents and brokers for all
32 durable and nondurable goods are included in this industry;

33 (bb) Accepting deposits or share deposits and in lending funds
34 from these deposits. Within this group, industries are defined on

1 the basis of differences in the types of deposit liabilities assumed
2 and in the nature of the credit extended;

3 (cc)(i) Manufacturing complete aircraft, missiles, or space
4 vehicles; (ii) manufacturing aerospace engines, propulsion units,
5 auxiliary equipment or parts; (iii) developing and making prototypes
6 of aerospace products; (iv) aircraft conversion; or (v) complete
7 aircraft or propulsion systems overhaul and rebuilding;

8 (dd) Advertising, public relations, and related services, such
9 as media buying, independent media representation, outdoor
10 advertising, direct mail advertising, advertising material
11 distribution services, and other services related to advertising;

12 (ee) Providing services, such as auditing of accounting records,
13 designing accounting systems, preparing financial statements,
14 developing budgets, preparing tax returns, processing payrolls,
15 bookkeeping, and billing;

16 (ff) The independent practice of general or specialized medicine
17 or surgery by businesses comprised of one or more health
18 practitioners having the degree of doctor of medicine or doctor of
19 osteopathy. These practitioners operate private or group practices
20 in their own offices or in the facilities of others, such as
21 hospitals or health maintenance organization medical centers;

22 (gg) Providing a range of outpatient services, such as family
23 planning, diagnosis and treatment of mental health disorders and
24 alcohol and other substance abuse, and other general or specialized
25 outpatient care by businesses with medical staff;

26 (hh) Pooling securities or other assets, except insurance and
27 employee benefit funds, on behalf of shareholders, unit holders, or
28 beneficiaries, by legal entities such as investment pools or funds;

29 (ii) Promoting the interests of an organization's members,
30 except religious organizations, social advocacy organizations, and
31 civic and social organizations. Examples of establishments in this
32 industry are business associations, professional organizations,
33 labor unions, and political organizations;

34

1 (jj) Holding the securities of or other equity interests in
2 companies and enterprises for the purpose of owning a controlling
3 interest or influencing management decisions or businesses that
4 administer, oversee, and manage other establishments of the company
5 or enterprise and that normally undertake the strategic or
6 organizational planning and decision-making role of the company or
7 enterprise. Establishments that administer, oversee, and manage may
8 hold the securities of the company or enterprise;

9 (kk) For medical and diagnostic laboratories, providing analytic
10 or diagnostic services, including body fluid analysis and diagnostic
11 imaging, generally to the medical profession or to the patient on
12 referral from a health practitioner;

13 (ll) Serving as offices of chief executives and their advisory
14 committees and commissions. This industry includes offices of the
15 president, governors, and mayors, in addition to executive advisory
16 commissions. This industry comprises government establishments
17 serving as legislative bodies and their advisory committees and
18 commissions. Included in this industry are legislative bodies, such
19 as congress, state legislatures, and advisory and study legislative
20 commissions. This industry comprises government establishments
21 primarily engaged in public finance, taxation, and monetary policy.
22 Included are financial administration activities, such as monetary
23 policy, tax administration and collection, custody and disbursement
24 of funds, debt and investment administration, auditing activities,
25 and government employee retirement trust fund administration. This
26 industry comprises government establishments serving as councils and
27 boards of commissioners or supervisors and such bodies where the
28 chief executive is a member of the legislative body itself. This
29 industry comprises American Indian and Alaska Native governing
30 bodies. Establishments in this industry perform legislative,
31 judicial, and administrative functions for their American Indian and
32 Alaska Native lands. Included in this industry are American Indian
33 and Alaska Native councils, courts, and law enforcement bodies. This
34 industry comprises government establishments primarily engaged in

1 providing general support for government. Such support services
2 include personnel services, election boards, and other general
3 government support establishments that are not classified elsewhere
4 in public administration;

5 (mm) Providing a range of office administrative services, such
6 as financial planning, billing and recordkeeping, personnel, and
7 physical distribution and logistics, for others on a contract or fee
8 basis. These establishments do not provide operating staff to carry
9 out the complete operations of a business;

10 (nn) Providing professional, scientific, or technical services
11 including marketing research, public opinion polling, photographic
12 services, translation and interpretation services, and veterinary
13 services. This category does not include legal services, accounting,
14 tax preparation, bookkeeping, architectural, engineering, and
15 related services, specialized design services, computer systems
16 design, management, scientific and technical consulting services,
17 scientific research and development services, or advertising services;

18 (oo) The independent practice of general or specialized
19 dentistry or dental surgery by businesses comprised of one or more
20 health practitioners having the degree of doctor of dental medicine,
21 doctor of dental surgery, or doctor of dental science. These
22 practitioners operate private or group practices in their own
23 offices or in the facilities of others, such as hospitals or health
24 maintenance organization medical centers. They may provide either
25 comprehensive preventive, cosmetic, or emergency care, or specialize
26 in a single field of dentistry;

27 (pp) The independent practice of general or specialized medicine
28 or surgery, or general or specialized dentistry or dental surgery,
29 by businesses comprised of one or more independent health
30 practitioners, other than physicians and dentists;

31 (qq) Providing ambulatory health care services.

32 (3)(a)(i) For the purposes of this section, a person is
33 primarily engaged within this state in any combination of the
34 activities described in subsection (2) of this section if more than

1 fifty percent of the person's cumulative gross amount reportable
2 under this chapter during the entire current or immediately
3 preceding calendar year was generated from engaging in any one or
4 more of the activities described in subsection (2) of this section.
5 For purposes of this subsection, "gross amount reportable" means the
6 total value of products, gross proceeds of sales, and gross income
7 of the business, reportable to the department before application of
8 any tax deductions.

9 (ii) If a person was not primarily engaged within this state in
10 any combination of the activities described in subsection (2) of
11 this section during the immediately preceding year, and the person
12 is unsure whether the person will be subject to the workforce
13 investment surcharge for the current calendar year until the close
14 of the current calendar year, the person must, if necessary, file
15 corrected returns with the department of revenue to pay any
16 additional tax due under this section for the current calendar year.
17 Payment of additional tax, along with corrected returns, is due and
18 payable when the person's last return for the calendar year during
19 which the tax liability accrued is due and payable. Additional tax
20 due under this section is subject to penalties and interest as
21 provided under chapter 82.32 RCW only if the tax is not paid in full
22 by the date due as provided in this subsection (3)(a)(ii).

23 (b) The entire amount of gross income of the business received
24 by a person pursuant to a contract under which the person is
25 obligated to perform any activity described under subsection (2) of
26 this section is deemed to be generated from engaging in any one or
27 more of the activities described in subsection (2) of this section.

28 (4)(a) Beginning with business activities occurring on or after
29 January 1, 2020, in addition to the taxes imposed under RCW
30 82.04.290(2), a workforce education investment surcharge is imposed
31 on select advanced computing businesses as follows:

32 (i) For an affiliated group that has worldwide gross revenue of
33 more than twenty-five billion dollars, but not more than one hundred
34 billion dollars, during the entire current or immediately preceding

1 calendar year, the surcharge is equal to the total amount of tax
2 payable by each member of the affiliated group on all business
3 activities taxed under RCW 82.04.290(2), before application of any
4 tax credits, multiplied by the rate of thirty-three and one-third
5 percent.

6 (ii) For an affiliated group that has worldwide gross revenue of
7 more than one hundred billion dollars during the entire current or
8 immediately preceding calendar year, the surcharge is equal to the
9 total amount of tax payable by each member of the affiliated group
10 on all business activities taxed under RCW 82.04.290(2), before
11 application of any tax credits, multiplied by the rate of sixty-six
12 and two-thirds percent.

13 (b) In no case will the combined surcharge imposed under this
14 subsection (4) paid by all members of an affiliated group be less
15 than four million dollars or more than seven million dollars annually.

16 (c) For persons subject to the surcharge imposed under this
17 subsection (4) that report under one or more tax classifications,
18 the surcharge applies only to business activities taxed under RCW
19 82.04.290(2).

20 (d) The surcharge imposed under this subsection (4) must be
21 reported and paid in a manner and frequency as required by the
22 department.

23 (e) To aid in the effective administration of the surcharge in
24 this subsection (4), the department may require persons believed to
25 be engaging in advanced computing or affiliated with a person
26 believed to be engaging in advanced computing to disclose whether
27 they are a member of an affiliated group and, if so, to identify all
28 other members of the affiliated group subject to the surcharge. If
29 the department determines that a person, with intent to evade the
30 surcharge under this subsection (4), failed to fully comply with
31 this subsection (4)(e), the seven million dollar limitation in (b)
32 of this subsection (4) does not apply to the person's affiliated
33 group.

34

1 (f) For the purposes of this subsection (4) the following
2 definitions apply:

3 (i) "Advanced computing" means designing or developing computer
4 software or computer hardware, whether directly or contracting with
5 another person, including modifications to computer software or
6 computer hardware, cloud computing services, or operating an online
7 marketplace, an online search engine, or online social networking
8 platform;

9 (ii) "Affiliate" and "affiliated" means a person that directly
10 or indirectly, through one or more intermediaries, controls, is
11 controlled by, or is under common control with another person;

12 (iii) "Affiliated group" means a group of two or more persons
13 that are affiliated with each other;

14 (iv) "Cloud computing services" means on-demand delivery of
15 computing resources, such as networks, servers, storage,
16 applications, and services, over the internet;

17 (v) "Control" means the possession, directly or indirectly, of
18 more than fifty percent of the power to direct or cause the
19 direction of the management and policies of a person, whether
20 through the ownership of voting shares, by contract, or otherwise; and

21 (vi) "Select advanced computing business" means a person who is
22 a member of an affiliated group with at least one member of the
23 affiliated group engaging in the business of advanced computing, and
24 the affiliated group has worldwide gross revenue of more than
25 twenty-five billion dollars during the entire current or immediately
26 preceding calendar year. A person who is primarily engaged within
27 this state in the provision of commercial mobile service, as that
28 term is defined in 47 U.S.C Sec. 332(d)(1), shall not be considered
29 a select advanced computing business. A person who is primarily
30 engaged in this state in the operation and provision of access to
31 transmission facilities and infrastructure that the person owns or
32 leases for the transmission of voice, data, text, sound, and video
33 using wired telecommunications networks shall not be considered a
34 select advanced computing business.

1 (5) The workforce education investment surcharges under this
2 section do not apply to any hospital as defined in RCW 70.41.020,
3 including any hospital that comes within the scope of chapter 71.12
4 RCW if the hospital is also licensed under chapter 70.41 RCW.

5 (6) Revenues from the surcharges under this section must be
6 deposited directly into the workforce education investment account
7 established in section 2 of this act.

8 (7) The department has the authority to determine through an audit
9 or other investigation whether a person is subject to the surcharges
10 imposed in this section. The department's determination that a person
11 is subject to the surcharge is presumed to be correct unless the
12 person shows by clear, cogent, and convincing evidence that the
13 department's determination was incorrect.

14 (8) Revenue from this account shall be transferred to the
15 institution of higher education operating fees account. With the funds
16 provided by this transfer to the account, OFM shall allocate to each
17 institution of higher education an amount sufficient to reduce tuition
18 for resident undergraduates at each institution of higher education by
19 25 percent and keep the amount available to institutions from the
20 account the same.

21

22 **Sec. 2.** RCW 28B.15.067 and 2015 3rd sp.s. c 36 s 3 are each
23 amended to read as follows:

24 (1) Tuition fees shall be established under the provisions of
25 this chapter.

26 (2) Beginning in the 2011-12 academic year and through the
27 2014-15 academic year, reductions or increases in full-time tuition
28 fees shall be as provided in the omnibus appropriations act for
29 resident undergraduate students at community and technical colleges.

30 (3)(a) In the 2015-16 and 2016-17 academic years, tuition
31 operating fees for resident undergraduates at community and
32 technical colleges excluding applied baccalaureate degrees as
33 defined in RCW 28B.50.030, shall be five percent less than the
34 2014-15 academic year tuition operating fee.

1 (b) Beginning in the 2019-20 academic year, tuition operating
2 fees for resident undergraduates at community and technical colleges
3 excluding applied baccalaureate degrees as defined in RCW 28B.
4 50.030, shall be twenty-five percent less than the 2018-19 academic
5 year tuition operating fees.

6 (c) Beginning in the ((2017-18)) 2020-21 academic year, tuition
7 operating fees for resident undergraduates at community and
8 technical colleges excluding applied baccalaureate degrees as
9 defined in RCW 28B.50.030, may increase by no more than the average
10 annual percentage growth rate in the median hourly wage for
11 Washington for the previous fourteen years as the wage is determined
12 by the federal bureau of labor statistics.

13 (4) The governing boards of the state universities, regional
14 universities, and The Evergreen State College; and the state board
15 for community and technical colleges may reduce or increase
16 full-time tuition fees for all students other than resident
17 undergraduates, including nonresident students, summer school
18 students, and students in other self-supporting degree programs.
19 Percentage increases in full-time tuition may exceed the fiscal
20 growth factor. Except during the 2013-2015 fiscal biennium, the
21 state board for community and technical colleges may pilot or
22 institute differential tuition models. The board may define scale,
23 scope, and rationale for the models.

24 (5)(a) Beginning with the 2011-12 academic year and through the
25 end of the 2014-15 academic year, the governing boards of the state
26 universities, the regional universities, and The Evergreen State
27 College may reduce or increase full-time tuition fees for all
28 students, including summer school students and students in other
29 self-supporting degree programs. Percentage increases in full-time
30 tuition fees may exceed the fiscal growth factor. Reductions or
31 increases may be made for all or portions of an institution's
32 programs, campuses, courses, or students; however, during the
33 2013-2015 fiscal biennium, reductions or increases in tuition must
34 be uniform among resident undergraduate students.

1 (b) Prior to reducing or increasing tuition for each academic
2 year, the governing boards of the state universities, the regional
3 universities, and The Evergreen State College shall consult with
4 existing student associations or organizations with student
5 undergraduate and graduate representatives regarding the impacts of
6 potential tuition increases. Each governing board shall make public
7 its proposal for tuition and fee increases twenty-one days before
8 the governing board of the institution considers adoption and allow
9 opportunity for public comment. However, the requirement to make
10 public a proposal for tuition and fee increases twenty-one days
11 before the governing board considers adoption shall not apply if the
12 omnibus appropriations act has not passed the legislature by May
13 15th. Governing boards shall be required to provide data regarding
14 the percentage of students receiving financial aid, the sources of
15 aid, and the percentage of total costs of attendance paid for by aid.

16 (c) Prior to reducing or increasing tuition for each academic
17 year, the state board for community and technical college system
18 shall consult with existing student associations or organizations
19 with undergraduate student representation regarding the impacts of
20 potential tuition increases. The state board for community and
21 technical colleges shall provide data regarding the percentage of
22 students receiving financial aid, the sources of aid, and the
23 percentage of total costs of attendance paid for by aid.

24 (6)(a) In the 2015-16 academic year, full-time tuition operating
25 fees for resident undergraduates for state universities, regional
26 universities, The Evergreen State College, and applied baccalaureate
27 degrees as defined in RCW 28B.50.030 shall be five percent less than
28 the 2014-15 academic year tuition operating fee.

29 (b) Beginning with the 2016-17 academic year, full-time tuition
30 operating fees for resident undergraduates for:

31 (i) State universities shall be fifteen percent less than the
32 2014-15 academic year tuition operating fee; and

33 (ii) Regional universities, The Evergreen State College, and
34 applied baccalaureate degrees as defined in RCW 28B.50.030 shall be

1 twenty percent less than the 2014-15 academic year tuition operating
2 fee.

3 (c) In the 2019-20 academic year, full-time tuition operating
4 fees for resident undergraduates for state universities, regional
5 universities, The Evergreen State College, and applied baccalaureate
6 degrees as defined in RCW 28B.50.030, shall be twenty-five percent
7 less than the 2018-19 academic year tuition operating fees.

8 (d) Beginning with the ((2017-18)) 2020-21 academic year,
9 full-time tuition operating fees for resident undergraduates in (b)
10 of this subsection may increase by no more than the average annual
11 percentage growth rate in the median hourly wage for Washington for
12 the previous fourteen years as the wage is determined by the federal
13 bureau of labor statistics.

14 (7) The tuition fees established under this chapter shall not
15 apply to high school students enrolling in participating
16 institutions of higher education under RCW 28A.600.300 through 28A.
17 600.400.

18 (8) The tuition fees established under this chapter shall not
19 apply to eligible students enrolling in a dropout reengagement
20 program through an interlocal agreement between a school district
21 and a community or technical college under RCW 28A.175.100 through
22 28A.175.110.

23 (9) The legislative advisory committee to the committee on
24 advanced tuition payment established in RCW 28B.95.170 shall:

25 (a) Review the impact of differential tuition rates on the
26 funded status and future unit price of the Washington advanced
27 college tuition payment program; and

28 (b) No later than January 14, 2013, make a recommendation to the
29 appropriate policy and fiscal committees of the legislature
30 regarding how differential tuition should be addressed in order to
31 maintain the ongoing solvency of the Washington advanced college
32 tuition payment program.

33 (10) As a result of any changes in tuition under section 3,
34 chapter 36, Laws of 2015 3rd sp. sess., the governing boards of the

1 state universities, the regional universities, and The Evergreen
2 State College shall not reduce resident undergraduate enrollment
3 below the 2014-15 academic year levels."

EFFECT: Replaces underline sections of bill and transfers
revenue generated from the business and occupation tax to the
institution of higher education operating fees account to reduce
tuition by 25 percent for resident undergraduates.

--- END ---