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**Housing, Community Development &  
Veterans Committee**

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**HB 1812**

**Brief Description:** Concerning military spouses.

**Sponsors:** Representatives Reeves, Leavitt, Kilduff, Appleton, Lovick and Stanford.

**Brief Summary of Bill**

- Establishes military spouse status as a protected class under the Washington Law Against Discrimination.
- Requires state agencies to expedite certain business and professional licenses for military spouses and waive licensing fees.
- Adds military spouse as a state hiring preference and a permissive preference for private employers.
- Extends the business and occupation tax credit for hiring unemployed veterans to the hiring of unemployed military spouses.
- Adds military spouses to existing employment initiatives.
- Establishes a work group to develop recommendations on best practices for collecting demographic data on military families receiving services, support, assistance, and benefits from state agencies.

**Hearing Date:** 2/12/19

**Staff:** Cassie Jones (786-7303).

**Background:**

Washington Law Against Discrimination (WLAD).

Under the WLAD, the right to be free from discrimination because of certain protected status (such as race, national origin, sex, veteran or military status, sexual orientation, and disability) is

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considered a civil right. This includes the right to be free from discrimination in employment. It is an unfair practice for an employer to refuse to hire or to fire a person, or discriminate against a person in pay or conditions of employment, because of the person's protected status. Provisions in the WLAD apply to employers who employ eight or more persons, and does not include any nonprofit religious or sectarian organization. The Human Rights Commission (HRC) enforces the WLAD. An aggrieved person has administrative remedies, by filing a complaint with the HRC, or may file a private cause of action in court.

#### Military Spouses - Professional Licensing.

Any board, commission, or other authority (authority) that issues a license, certificate, registration, or permit for a business or professional license must, to the extent resources are available, establish procedures to expedite the issuance of a license, certificate, or permit to perform professional services to a person who:

- is certified or licensed to perform professional services in another state;
- has a spouse that is transferred by the military to this state; and
- left employment in the other state to join their spouse in this state.

The procedures must include a process for issuing the person a license, certificate, registration, or permit, if, in the opinion of the authority, the requirements for licensure, certification, registration, or obtaining a permit of the other state are substantially equivalent to the requirements of this state. Each authority must adopt rules authorizing a qualified person to perform the services regulated by that authority by issuing the person a temporary license, certificate, registration, or permit unless the authority finds that the requirements for a license, certificate, registration, or permit of the other state are substantially unequal to the standards of this state. A temporary license, certificate, registration, or permit allows a qualified person to perform the regulated services while completing any specific requirements required in this state that were not required in the other state or states.

An applicant must state in the application that he or she:

- has requested verification that he or she is currently licensed, certified, registered, or has a permit from the other state or states; and
- is not the subject of a pending investigation, charges, or disciplinary action by the regulatory body of the other state or states.

If an authority has reasonable cause to believe that an applicant made a false assertion concerning one of the required application statements, the authority may suspend the license, certificate, registration, or permit pending an investigation or further disciplinary action or revocation.

#### Business Licensing Service.

The Department of Revenue (DOR) administers the state's business licensing service (BLS).

Duties of the DOR with respect to licensing include:

- developing and administering a computerized one-stop business licensing system capable of storing, retrieving, and exchanging license information with due regard to privacy statutes, as well as issuing and renewing business licenses in an efficient manner;
- providing a license information service detailing requirements to establish or engage in business in this state;
- providing for staggered business license renewal dates;
- identifying types of licenses appropriate for inclusion in the business licensing system;

- recommending in reports to the governor and the legislature the elimination, consolidation, or other modification of duplicative, ineffective, or inefficient licensing or inspection requirements; and
- incorporating licenses into the business licensing system.

The DOR has authority to issue licenses for completed applications and must immediately notify a regulatory agency if an application is subject to regulatory action.

#### Fee Policy for Professions, Occupations, and Businesses.

It is the policy of Washington that the cost of each professional license be fully borne by the members of that profession. The director of the Department of Licensing (DOL) must establish the amount of all application fees, license fees, registration fees, examination fees, permit fees, renewal fees, and any other fee associated with licensing or regulation of professions, occupations, or businesses, except for health professions, administered by the DOL.

#### License Fees for Healthcare Providers.

The Department of Health (DOH) has the authority to establish fees associated with obtaining professional licenses. Fees charged must be based on, but not exceed, the cost to the DOH for the licensure of the activity or class of activities and may include the costs of necessary inspection.

#### Employment Preferences for Veterans.

In state employment and contracting, certain honorably discharged veterans, surviving spouses of veterans, and spouses of veterans who have a service connected permanent and total disability are preferred for appointment and employment.

In every private, nonpublic employment in this state, certain honorably discharged veterans, surviving spouses of veterans, and spouses of veterans who have a service connected permanent and total disability may be preferred for employment.

#### Business and Occupation Tax.

Washington's major business tax is the business and occupation (B&O) tax. The B&O tax is imposed on the gross receipts of business activities conducted within the state, without any deduction for the costs of doing business. Businesses must pay the B&O tax even though they may not have any profits or may be operating at a loss. Businesses may have more than one B&O tax rate, depending on the types of activities conducted. Major B&O tax rates are 0.471 percent for retailing; 0.484 percent for manufacturing, wholesaling, and extracting; and 1.5 percent for services and for activities not classified elsewhere. Several preferential rates also apply to specific business activities.

B&O tax credits are provided to businesses that provide a position to an unemployed veteran who is employed in a permanent full-time position for at least two consecutive full calendar quarters. To qualify, the veteran must have been unemployed for at least 30 days immediately preceding the date on which the veteran was hired by the person claiming the credit. The credit is equal to 20 percent of wages and benefits paid up to a maximum of \$1,500 for each qualified employment position filled by an unemployed veteran. The credits are available on a first-in-time basis not to exceed \$500,000 in any fiscal year. Credits may be earned for tax reporting periods through June 30, 2021, and no credits may be claimed after June 30, 2022.

### Special Employment Assistance.

The Employment Assistance Program (EAP) at the Employment Security Department (ESD) assists unemployed workers secure employment. The EAP includes programs and activities that:

- give older unemployed workers and the long-term unemployed the highest priority for services;
- supplement basic employment services with special job search and placement assistance; and
- provide employment services, such as recruitment, screening, and referral of qualified workers to certain agricultural areas.

### Demonstration Campaign to Increase Employment.

The Department of Veterans Affairs (WDVA), the ESD, and the Department of Commerce (COM), in consultation with local chambers of commerce, associate development organizations, and businesses, have developed a demonstration campaign to increase veteran employment in Washington.

### Office of Minority and Women's Business Enterprises.

The Office of Minority and Women's Business Enterprises (OMWBE) was created to provide minority and women-owned and controlled businesses with the maximum practicable opportunity for increased participation in public-works contracts and public contracts for goods and services. Among other duties, the OMWBE must identify barriers to equal participation by qualified businesses in all state agency and educational contracts and must establish annual goals for participation by qualified businesses for each state agency and educational institution. The OMWBE is the sole authority in Washington for certifying minority, women-owned, and socially and economically disadvantaged business enterprises certified business enterprises are listed in the OMWBE database, which is used by cities, counties, state agencies, transportation, and educational institutions to source small and diverse firms for potential contracting opportunities.

### **Summary of Bill:**

#### Military Spouse.

A military spouse is any person currently or previously married to a military service member during the military service member's time of active duty in any branch of the armed forces of the United States.

#### Active Duty Military Spouse.

An active duty military spouse is any person currently married to someone who is an active or reserve member in any branch of the Armed Forces of the United States.

#### Washington Law Against Discrimination (WLAD).

Military spouse status is added as a protected class under the WLAD.

#### Military Spouses - Professional Licensing.

Any board, commission, or other authority issuing standard or provisional licenses, certificates, registrations, or permits to perform professional services must establish procedures to expedite issuance to active duty military spouses who relocate to Washington and possess substantially equivalent authorization.

#### Business Licensing Service.

The DOR must expedite licenses issued through the BLS if no preclicensing or renewal approval application is required by the regulatory agency. If preclicensing or renewal approval is required by the regulatory agency, the DOR must require the agency to expedite processing of the application. The DOR may not collect a handling fee for an initial business license application for an active duty military spouse.

#### License Fees for Healthcare Providers.

The DOH may not charge a fee for an active duty military spouse obtaining a professional license.

#### Employment Preferences for Veterans.

The state hiring preference for veterans is extended to military spouses, and the permissive preference for veterans in private employment is extended to military spouses.

#### Business and Occupation Tax.

Businesses that provide an employment position to an unemployed military spouse may qualify for the B&O tax credit available for hiring an unemployed veteran. All limits and conditions of the credit for hiring an unemployed veteran apply.

#### Special Employment Assistance.

In addition to older unemployed workers and the long-term unemployed, military spouses must be given the highest priority for services under the EAP.

#### Demonstration Campaign to Increase Employment.

Military spouses are included in the demonstration campaign to increase veteran employment in Washington. In addition to current efforts, the WDVA, the ESD, and the COM must develop and deliver training and other resources for employers addressing the elimination of barriers to veteran and military spouse employment and strategies for recruiting and retaining veteran and military spouse employees.

#### Office of Minority and Women's Business Enterprises - Military Spouse Pilot Program.

The OMWBE must implement a two-year pilot program to conduct outreach and provide support and technical assistance to military spouses who are women and minority business owners. The OMWBE must partner with the COM, the WDVA, the United States Small Business Administration, and other organizations that provide support to small business. The pilot program must include one military installation community. By December 31, 2021, the OMWBE must report to the Joint Committee on Veterans' and Military Affairs on outreach efforts, the number of business owners who participated in the program, and the status of businesses that were part of the pilot program.

#### Work Group on Military Spouse Demographics.

The COM must convene a work group to develop recommendations on best practices for collecting demographic data on military families receiving services, support, assistance, and benefits from state agencies. The workgroup must include representatives from:

- the state Department of Veterans Affairs;
- the Department of Health;

- the Department of Commerce;
- the Washington Student Achievement Council;
- the Board for Community and Technical Colleges;
- the Health Care Authority;
- the Office of Financial Management; and
- the United States Department of Defense.

The work group must, at a minimum:

- determine what data on military families is already being collected by each agency;
- establish best practices for agencies to share demographic data on military families in order to better serve and support military families; and
- recommend methods to encourage military families to self-identify for the purposes of collecting demographic data.

The following three reports must be developed and issued to the Joint Committee on Veterans' and Military Affairs by December 31, 2019:

- a report on the findings and recommendations of the work group;
- a report on the number of military spouses residing in the state developed by the Office of Financial Management; and
- a report on the employment and wages of working-age military spouses developed by the ESD.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.