
SENATE BILL 5234

State of Washington

67th Legislature

2021 Regular Session

By Senator Padden

1 AN ACT Relating to repealing the long-term services and supports
2 trust program authorized in chapter 50B.04 RCW, including the repeal
3 of taxes to be paid by employees through payroll deductions; creating
4 a new section; repealing RCW 50B.04.010, 50B.04.020, 50B.04.030,
5 50B.04.040, 50B.04.050, 50B.04.060, 50B.04.070, 50B.04.080,
6 50B.04.085, 50B.04.090, 50B.04.100, 50B.04.110, 50B.04.120,
7 50B.04.130, 50B.04.140, 50B.04.150, 50B.04.160, and 50B.04.900; and
8 providing for submission of this act to a vote of the people.

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

10 NEW SECTION. **Sec. 1.** The legislature finds that:

11 (1) In 2019, the legislature enacted the long-term services and
12 supports trust program, which authorized a fifty-eight hundredths of
13 one percent premium on employee wages beginning in January 2022 to
14 pay for long-term care benefits for qualified individuals beginning
15 in 2025.

16 (2) The state's constitution only permits treasury investments
17 which typically yield returns between two and three percent. However,
18 the solvency of the program was based on an actuarial model that
19 assumed over five percent investment returns.

20 (3) In 2020, the legislature passed a constitutional amendment
21 that would have allowed investment of the program's funds in vehicles

1 besides treasuries, including stocks and bonds. The amendment was
2 rejected by voters.

3 (4) The investment returns that the program is based on are
4 unattainable under current law and now the program has an unfunded
5 liability projected at \$15,000,000,000 in net present value. Benefit
6 cuts or further premium increases will be necessary to address the
7 program's solvency.

8 (5) In a 2019 advisory vote, voters rejected the program's
9 premium by over 67 percent. And in 2020, they rejected a funding
10 mechanism for the program.

11 (6) Given the voters' expressed concerns about the program and
12 its funding, it is appropriate to refer the premium and program to
13 the voters to express their binding preference, especially before the
14 premiums take effect in January 2022.

15 NEW SECTION. **Sec. 2.** The following acts or parts of acts are
16 each repealed:

17 (1) RCW 50B.04.010 (Definitions) and 2020 c 98 s 1 & 2019 c 363 s
18 2;

19 (2) RCW 50B.04.020 (Duties—Health care authority, department of
20 social and health services, office of the state actuary, employment
21 security department) and 2020 c 98 s 2 & 2019 c 363 s 3;

22 (3) RCW 50B.04.030 (Long-term services and supports trust
23 commission—Investment strategy subcommittee) and 2019 c 363 s 4;

24 (4) RCW 50B.04.040 (Long-term services and supports council—
25 Benefit unit adjustment) and 2019 c 363 s 5;

26 (5) RCW 50B.04.050 (Qualified individuals) and 2020 c 98 s 3 &
27 2019 c 363 s 6;

28 (6) RCW 50B.04.060 (Eligible beneficiaries—Determination—
29 Services and benefits) and 2019 c 363 s 7;

30 (7) RCW 50B.04.070 (Payment of benefits) and 2019 c 363 s 8;

31 (8) RCW 50B.04.080 (Premium assessment—Rate—Collection) and 2020
32 c 98 s 4 & 2019 c 363 s 9;

33 (9) RCW 50B.04.085 (Premium assessment—Exemptions) and 2020 c 98
34 s 7;

35 (10) RCW 50B.04.090 (Election of coverage—Self-employed persons)
36 and 2020 c 98 s 5 & 2019 c 363 s 10;

37 (11) RCW 50B.04.100 (Long-term services and supports trust
38 account) and 2019 c 363 s 11;

1 (12) RCW 50B.04.110 (Long-term services and supports trust
2 account—Investment—Policies) and 2019 c 363 s 12;
3 (13) RCW 50B.04.120 (Appeal of determinations) and 2020 c 98 s 6
4 & 2019 c 363 s 13;
5 (14) RCW 50B.04.130 (Medicare data and waiver—Report) and 2019 c
6 363 s 14;
7 (15) RCW 50B.04.140 (Reports to legislature) and 2019 c 363 s 15;
8 (16) RCW 50B.04.150 (Benefits not income or resource) and 2019 c
9 363 s 16;
10 (17) RCW 50B.04.160 (Entitlement not created) and 2019 c 363 s
11 17; and
12 (18) RCW 50B.04.900 (Findings—2019 c 363) and 2019 c 363 s 1.

13 NEW SECTION. **Sec. 3.** The secretary of state shall submit this
14 act to the people for their adoption and ratification, or rejection,
15 at the next general election to be held in this state, in accordance
16 with Article II, section 1 of the state Constitution and the laws
17 adopted to facilitate its operation.

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