

SENATE BILL REPORT

SB 5911

As Reported by Senate Committee On:
Ways & Means, February 5, 2024

Title: An act relating to enhancing cancer research funding by dedicating a portion of state sales tax collections in October to the Andy Hill cancer research endowment fund.

Brief Description: Enhancing cancer research funding by dedicating a portion of state sales tax collections in October to the Andy Hill cancer research endowment fund.

Sponsors: Senators Wilson, L., Dozier, Wagoner, Warnick and Wilson, J..

Brief History:

Committee Activity: Ways & Means: 1/16/24, 2/05/24 [DPS, w/oRec].

Brief Summary of First Substitute Bill

- Requires 0.25 percent of state retail sales tax collected during the month of October be deposited into the Andy Hill Cancer Research Endowment Fund Match Transfer Account.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 5911 be substituted therefor, and the substitute bill do pass.

Signed by Senators Robinson, Chair; Mullet, Vice Chair, Capital; Nguyen, Vice Chair, Operating; Wilson, L., Ranking Member, Operating; Gildon, Assistant Ranking Member, Operating; Schoesler, Ranking Member, Capital; Rivers, Assistant Ranking Member, Capital; Warnick, Assistant Ranking Member, Capital; Billig, Boehnke, Braun, Keiser, Muzzall, Randall, Torres, Van De Wege and Wagoner.

Minority Report: That it be referred without recommendation.

Signed by Senators Conway, Dhingra, Hasegawa, Hunt, Pedersen, Saldaña and Wellman.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Staff: Alia Kennedy (786-7405)

Background: Retail Sales and Use Tax. Retail sales taxes are imposed on retail sales of most articles of tangible personal property, digital products, and some services. A retail sale is a sale to the final consumer or end user of the property, digital product, or service. If retail sales taxes were not collected when the user acquired the property, digital products, or services, then use tax applies to the value of property, digital product, or service when used in this state. The state, all counties, and all cities levy retail sales and use taxes. Some other local government entities and special purpose districts also impose sales and use taxes for specific purposes. The state sales and use tax rate is 6.5 percent; local sales and use tax rates vary from 0.5 percent to 3.9 percent, depending on the location.

Andy Hill Cancer Research Endowment. The Andy Hill Cancer Research Endowment, also known as the Andy Hill CARE Fund, makes grants to public and private entities for the promotion of cancer research. The endowment is governed by a 13-member board and administered by a private, nonprofit corporation with expertise in conducting or managing research granting activities, funds, or organizations.

The purpose of the Andy Hill Cancer Research Endowment Fund Match Transfer Account is to provide matching funds for the endowment. The Legislature must annually appropriate a state match of up to \$10 million. The state match is comprised of tax collections and penalties from the tax on vapor products, cigarette tax, other tobacco product tax, and retail sales and use tax.

Summary of Bill (First Substitute): Beginning October 1, 2024, and each year thereafter, 0.25 percent of the state retail sales tax collected during the month of October and remitted to the department during the month of November must be deposited into the Andy Hill Cancer Research Endowment Fund Match Transfer Account.

The Department of Revenue (DOR) must calculate the amount to be transferred and notify the state treasurer by December 31, 2024, and each December 1st thereafter. The state treasurer must make the transfer within 60 days of being notified by DOR.

Amounts deposited into the Andy Hill Cancer Research Endowment Fund Match Transfer Account from the tax collected on retail sales during the month of October are in addition to the current state match requirement.

EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (First Substitute):

- Specifies that the calculation of state retail sales tax to be deposited in the Andy Hill Cancer Research Endowment Match Transfer Account must occur after calculating the amount of retail sales tax subject to tribal compacts.
- Reduces the amount of state retail sales tax collected during the month of October and

deposited into the Andy Hill Cancer Research Endowment Fund Match Transfer Account from 1 to 0.25 percent.

- Makes technical changes.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Original Bill: *The committee recommended a different version of the bill than what was heard.* PRO: Cancer is the leading cause of death in Washington and accounts for over 13,000 deaths annually. Each year over 40,000 people are diagnosed with some form of cancer. Incidents of cancer in young people are on the rise in the United States and around the world. Cancer deaths have decreased partly due to advancements in cancer research and technology. Virtually every Washingtonian will be affected by cancer in some way. Despite the prevalence of cancer, the state contributes a relatively small amount of funds to cancer research. The state should be fully supporting the wonderful cancer research centers here in Washington, like the Andy Hill Cancer Research Endowment Fund. The Care Fund goals are to optimize the use of public funds by giving priority to research using the best science and technology, as well as leveraging the state's existing cancer research talent and facilities. With significant resources from the state, the Care Fund was able to conduct studies on cancer screening among limited English proficient populations and define how adult blood stem cells recover from radiation and chemotherapy. The Care Fund awarded 45 grants in fiscal year 2023. The Care Fund's theory is that developing and maintaining a thriving research culture is essential to improving cancer outcomes in Washington. Additional, sustained investments in cancer research are critical to saving lives and reducing the pain and suffering caused by cancer.

Persons Testifying: PRO: Senator Lynda Wilson, Prime Sponsor; Lyset Cadena, Andy Hill CARE Fund.

Persons Signed In To Testify But Not Testifying: No one.