



2021 Session Review

Senator
Curtis King

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- Labor, Commerce and Tribal Affairs
(ranking Republican)
- Transportation (ranking Republican)

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Dear Friends and Neighbors,

The 2021 legislative session ended on April 25, as scheduled. This year's 105-day session was very unusual because nearly all the work performed by the Legislature was done remotely due to concerns over the COVID-19 pandemic. Legislative committee meetings were held remotely via Zoom instead of in-person meetings. While a handful of senators were in-person on the Senate floor, most senators (including myself) "attended" floor sessions remotely. I spent a little over two-thirds of this session working from my Olympia office and the rest from home in Yakima.

As is normally the case, there were many uncontroversial, bipartisan proposals introduced this year. However, this was one of the most partisan and extreme sessions in my memory, with several controversial bills, causing long debates due to the problems they will cause each of us.

This newsletter looks at several of these areas, including the operating and capital budgets, as well as other key bills.

It continues to be a great honor and privilege to serve as your 14th Legislative District state senator. If you have any questions or comments about the bills or issues before the Legislature this year, or if you have ideas for future legislation, please let me know. You can contact my office by phone, email or regular mail.

Sincerely,

Senator Curtis King
14th Legislative District

Capital Budget

The 2021-23 state capital budget passed at the end of this session funds the construction and maintenance of state buildings, public schools, higher education facilities, public land, parks and other assets throughout Washington. My district seatmates, Representatives Gina Mosbrucker and Chris Corry, and I were able to help secure several local projects in the 14th District. This budget included funding (partial list) for:

- Nelson Dam removal
- Stonehenge Memorial restrooms
- Mount Adams and Trout Lake School Districts
- Naches Hatchery Rearing Pond
- Perry Technical Institute
- Skamania County Well installation in Stevenson
- White Salmon Valley Pool
- Wenas Creek
- Wildlife Recreation Grants for Fort Simcoe, Wenas-Cleman Mountain, Oak Creek, Beacon Rock





Employee Long-Term Care Tax

One of the less publicized, but more troubling bills adopted into law this session was House Bill 1323, which is a follow-up to 2SHB 1087 that passed in 2019. It is a new tax on all employees in the state of Washington and the tax will fund a long-term care (LTC) insurance program known as the WA Cares Fund.

Effective January 1, 2022, most all of working Washingtonians will be subject to a 0.58% payroll tax on all wages (for example, if you make \$50,000 per year, you will pay \$290 per year until you retire, quit or leave the state). There is no guarantee that the state will not raise this rate in the future. If you move out of Washington, your benefits are not portable and your contributions will be forfeited to the state.

The time frame for an exemption from paying the tax is very short and coming up quickly. You need to already have purchased a private long-term care plan before November 1, 2021. Starting on October 1, 2021, through December 31, 2022, you will fill out an application attesting to the Employment Security Department (ESD) that you have purchased private long-term care insurance. You will receive a letter from ESD showing that your exemption was approved, and the letter will need to be shown to your employer and any future employers to keep you from permanently paying the payroll tax.

I encourage you to look over the WA Cares Fund (<http://www.wacaresfund.wa.gov/>) and decide what is best for you and your family. The program will help the needs of some people and others will find private long-term care insurance a better option.

Legislature Passes Key Agricultural Bill

This session I introduced Senate Bill 5172 that addressed a very important issue for Washington dairy farmers and most of our state's agriculture community that suddenly appeared after a court ruling last fall. Fortunately, the bill was recently signed into law.

For 60 years, state law exempted the agriculture industry from paying overtime wages after 40 hours per week. However, last November the state Supreme Court ruled in *Jose Martinez-Cuevas v. DeRuyter Bros. Dairy, Inc.*, that this long-standing law was unconstitutional. The majority's opinion said nothing about whether overturning the law also meant up to three years of retroactivity on wages would apply. Since then, dairy farmers were being sued (over 50 suits have been filed) and other ag employers have worried that they could be forced to pay their employees retroactive overtime for the last three years. It was estimated that dairy farmers collectively could have to pay over \$84 million in retroactive overtime, even though they had not broken any laws over those three years.

Under my original version of SB 5172, an ag employer who had followed the overtime-exemption law up until it was overturned could not be assessed damages under the state's wage and hour laws for three years of retroactive compensation. The bill was completely altered in committee and only changed back to a somewhat acceptable form right before it passed out of the Senate and sent over to the House.

I then worked with House members and ag officials to restore elements of my original bill so the final version would be more acceptable to farmers. Fortunately, that happened. The final version will keep dairy farmers and all of ag from being sued for retroactive overtime. There is more work that needs to be done in this area.



2021 SESSION REVIEW

New Operation Budget Raises State Spending to Unsustainable Levels

On the last weekend of session, the majority approved the final version of the state two-year operating budget after less than TWO days of being made public. There was little to no input from the minority side of the aisle. This budget pays for the state's daily operations, including K-12 education, higher education, health and human services, criminal justice, natural resources, courts, and more.

Even factoring in the COVID pandemic and the effects of the shutdown on Washington's economy, state revenues are still projected to be positive, with more dollars going into the state's coffers than what was projected several months ago. Let alone factoring in the unanticipated federal dollars. Unfortunately, this final budget spent all of this revenue. Even worse, it spent all of the money in the state's \$2 billion Budget Stabilization Account, known as the rainy-day fund. The responsible thing to do would have been to keep the rainy-day fund whole, so it was available when the state really needs it.

I voted "no" on the 2021-23 operating budget because it raises spending to an unsustainable level. The size of this budget is a record \$59.2 BILLION, a \$5 BILLION increase over the last biennium. Our economy cannot sustain this kind of growth.



Climate Bills Will Hurt Drivers

It was very disappointing to watch the Democratic majorities in the Legislature approve not one but two "climate" bills that will do little to improve the climate in Washington state, let alone the world's environment.

The only thing these bills will do is drive up the cost of gas and diesel. Gov. Inslee strongly supported these bills and recently signed them into law.

House Bill 1091 creates a low-carbon fuel standard (LCFS). It aims to "reduce greenhouse gas emissions by reducing the carbon intensity of transportation fuels." However, it will hardly make any difference in our environment as Washington state provides less than three-tenths of 1 percent of the world's emissions. But what it will do is dramatically raise fuel prices. **An analysis by the Puget Sound Clean Air Agency found a similar LCFS would raise the price of gas by 57 cents and diesel by 63 cents per gallon.**

The second "climate" measure, SB 5126, is called the "cap and trade bill." It establishes a carbon scheme that allows the state to pick economic winners and losers. While the program will do little to nothing to reduce greenhouse gas emissions, it will provide credits to some businesses and make other businesses buy carbon credits. Other companies and industries will be exempted.

A recent study from NERA Economic Consulting says these bills would increase the cost of gasoline in our state by \$1.81 per gallon by 2024 and \$2.41 per gallon by 2030. It found even higher increases for diesel.

These two bills will provide little reduction in our carbon emissions in Washington. All they will do is substantially raise the price of fuels and raise the cost of everything we buy. Little improvement in our environment but a huge hit to our economy and our citizens.

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Other Legislation

If you would like information on these additional topics, please contact the office at curtis.king@leg.wa.gov and put the topic in the subject line:

- **2021-23 Transportation Budget**
(bare bones)
- **Numerous Police Reform Bills**
(serious concerns)
- **Capital Gains Tax**
(really an income tax)
- **Unemployment**
(rates going up and up)

